April 2023

S&P 500 Stocks

Summary

<table>
<thead>
<tr>
<th>Non-Directed Orders as % of All Orders</th>
<th>Market Orders as % of Non-Directed Orders</th>
<th>Marketable Limit Orders as % of Non-Directed Orders</th>
<th>Non-Marketable Limit Orders as % of Non-Directed Orders</th>
<th>Other Orders as % of Non-Directed Orders</th>
</tr>
</thead>
<tbody>
<tr>
<td>100.00</td>
<td>94.99</td>
<td>0.38</td>
<td>3.09</td>
<td>1.54</td>
</tr>
</tbody>
</table>

Venues

<table>
<thead>
<tr>
<th>Venue - Non-directed Order Flow</th>
<th>Non-Directed Orders (%)</th>
<th>Market Orders (%)</th>
<th>Marketable Limit Orders (%)</th>
<th>Non-Marketable Limit Orders (%)</th>
<th>Other Orders (%)</th>
<th>Net Payment Paid/Received for Market Orders(USD)</th>
<th>Net Payment Paid/Received for Marketable Limit Orders(USD)</th>
<th>Net Payment Paid/Received for Non-Marketable Limit Orders(USD)</th>
<th>Net Payment Paid/Received for Non-Marketable Limit Orders(cents per hundred shares)</th>
<th>Net Payment Paid/Received for Other Orders(USD)</th>
<th>Net Payment Paid/Received for Other Orders(cents per hundred shares)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Morgan Stanley &amp; Co., LLC</td>
<td>75.16</td>
<td>76.11</td>
<td>59.11</td>
<td>57.54</td>
<td>55.79</td>
<td>27.71</td>
<td>0.0033</td>
<td>53.79</td>
<td>0.1198</td>
<td>14,879.31</td>
<td>-4,956.32</td>
</tr>
<tr>
<td>CITADEL SECURITIES LLC</td>
<td>8.14</td>
<td>7.40</td>
<td>16.16</td>
<td>18.97</td>
<td>29.94</td>
<td>60.53</td>
<td>20.0020</td>
<td>2.19</td>
<td>20.0183</td>
<td>4.31</td>
<td>28.5999</td>
</tr>
<tr>
<td>Two Sigma Securities, LLC</td>
<td>7.19</td>
<td>6.78</td>
<td>16.32</td>
<td>18.23</td>
<td>7.70</td>
<td>8.02</td>
<td>16.8262</td>
<td>0.32</td>
<td>16.6154</td>
<td>16.87</td>
<td>29.8693</td>
</tr>
<tr>
<td>Virtu Americas, LLC</td>
<td>4.80</td>
<td>4.90</td>
<td>4.04</td>
<td>2.44</td>
<td>3.25</td>
<td>44.54</td>
<td>0.0744</td>
<td>1.50</td>
<td>0.0964</td>
<td>3.51</td>
<td>0.2739</td>
</tr>
<tr>
<td>G1 Execution Services, LLC</td>
<td>4.66</td>
<td>4.76</td>
<td>3.65</td>
<td>2.28</td>
<td>3.20</td>
<td>39.09</td>
<td>19.0599</td>
<td>0.68</td>
<td>10.8453</td>
<td>9.17</td>
<td>28.0257</td>
</tr>
<tr>
<td>Jane Street Capital</td>
<td>0.03</td>
<td>0.03</td>
<td>0.42</td>
<td>0.13</td>
<td>0.08</td>
<td>24.19</td>
<td>20.0027</td>
<td>0.86</td>
<td>18.4979</td>
<td>1.64</td>
<td>29.8164</td>
</tr>
<tr>
<td>UBS Securities, LLC</td>
<td>0.01</td>
<td>0.01</td>
<td>0.27</td>
<td>0.09</td>
<td>0.04</td>
<td>7.14</td>
<td>20.0000</td>
<td>1.81</td>
<td>20.0000</td>
<td>1.35</td>
<td>31.0000</td>
</tr>
<tr>
<td>Cboe EDGX Exchange, Inc.</td>
<td>0.00</td>
<td>0.00</td>
<td>0.03</td>
<td>0.16</td>
<td>0.00</td>
<td>0.00</td>
<td>0.0000</td>
<td>0.00</td>
<td>0.0000</td>
<td>-1.16</td>
<td>-31.5217</td>
</tr>
<tr>
<td>The Nasdaq Stock Market</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.12</td>
<td>0.00</td>
<td>0.00</td>
<td>0.0000</td>
<td>0.00</td>
<td>0.0000</td>
<td>0.00</td>
<td>0.0000</td>
</tr>
<tr>
<td>Members Exchange (MEMX)</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.06</td>
<td>0.00</td>
<td>0.00</td>
<td>0.0000</td>
<td>0.00</td>
<td>0.0000</td>
<td>-2.03</td>
<td>-34.0604</td>
</tr>
</tbody>
</table>
Material Aspects:

Morgan Stanley & Co., LLC: Morgan Stanley Smith Barney LLC ("MSSB") is an affiliate of Morgan Stanley & Co., LLC. ("MS&Co"). Both MSSB and MS&Co are registered broker-dealers. MSSB operates two primary service channels for its wealth management customers, including the Full-Service Channel and the E*TRADE from Morgan Stanley Self-Directed Channel ("Self-Directed Channel"). Customers of the Full-Service Channel receive services from MSSB relating to the operation, servicing, and administration of their MSSB brokerage or advised accounts and the generation of orders for such accounts, including the services of a Financial Advisor. Among other things, MSSB receives compensation for customer Full-Service Channel orders from commissions on their brokerage account orders and fees on their advised accounts. As a result, MSSB does not seek or receive payment for order flow on such orders, apart from the U.S. securities exchange rebates described in further detail below. Conversely, customers of the Full-Directed Channel generally generate and enter orders themselves for their brokerage accounts based upon their own investment decision making and without the benefit of the services of a Financial Advisor. Self-Directed Channel orders in NMS equities are subject to MSSB’s 50 commission policy, pursuant to which customers generally do not pay base commissions for order handling and execution of their Self-Directed Channel NMS equities orders (subject to disclosed exceptions as described more fully at https://us.etrade.com/what-we-offer/pricing-and-rates). While the majority of Self-Directed Channel customers were customers of MSSB’s affiliate broker-dealer, E*TRADE Securities LLC ("ETS") in Q2 2023 and not MSSB, a portion of Self-Directed Channel customers were customers of MSSB during Q2 2023. Quarterly order routing statistics for ETS are available at https://us.etrade.com/i/quarterly-order-routing-report. Although the columns in the table above which set out the percentage of the various order types combine order flow from MSSB’s Full-Service Channel and Self-Directed Channel, the payment figures in the table above reflect only Full-Service Channel order executions. Neither the Full-Service Channel nor the Self-Directed Channel generally receive payment for order flow on these orders (other than as described below).

So long with respect to Full-Service Channel orders, MSSB routes NMS equity orders to MS&Co to facilitate liquidity provision and price improvement opportunities for its customers. Except for a limited number of directed Full-Service Channel equity orders which MS&Co receives from MSSB and routes in accordance with customer instructions, all Full-Service Channel equity orders are routed by MSSB to MS&Co. For execution. MS&Co executes MSSB Full-Service Channel customer equity orders on an agency, principal or riskless principal basis and may receive compensation for such executions. In connection with certain of these executions, MS&Co may internalize customer order flow to allow the customer to benefit from various sources of liquidity and to offer customer orders opportunities for price improvement. Such internalization may enable MS&Co to generate a trading profit and/or commissions or fees on the transaction. In addition, MS&Co routes orders to U.S. securities exchanges that offer cash credits for orders that provide liquidity to their books and charge explicit fees for orders that extract liquidity from their books. MS&Co receives remuneration in the form of rebates from U.S. securities exchanges to which it routes or directs MSSB customer orders. These U.S. exchange rebate payments could, in theory, incentivize MS&Co to route higher percentages of MSSB customer orders to particular venues over others, subject to MS&Co’s independent order routing and best execution obligations. MSSB may also receive incremental pricing benefits from U.S. securities exchanges and/or electronic communication networks if certain volume thresholds are met. The net of U.S. securities exchange fees paid by, and rebates provided to, MS&Co for MSSB Full-Service Channel customer executions are passed through to MSSB. As such, these rebate payments could theoretically incentivize MSSB to route a higher percentage of customer orders to MS&Co, subject to MSSB’s independent order routing and best execution obligations. Additionally, affiliates of MSSB maintain ownership interests in certain market centers that stand to appreciate as a result of any profits generated from the execution of orders.

Apart from a limited number of Self-Directed Channel directed equity orders, which MS&Co receives from MSSB or its affiliate broker-dealer E*TRADE Securities, LLC with customer instructions to route to directly to certain U.S. securities exchanges and a limited number of non-directed Self-Directed Channel equity orders that MSSB routes to Cboe EDGX Exchange, Inc. and the Members Exchange for execution through MS&Co, MSSB does not route Self-Directed Channel orders to MS&Co for execution directly. Self-Directed Channel equity orders that MSSB routes to the U.S. securities exchanges through MS&Co will be combined with any other order flow that MS&Co routes to the exchange for the purpose of determining the applicable pricing and rebates under exchange tiered pricing models. MS&Co either pays a fee or receives a rebate for each Self-Directed Channel customer order execution on those exchanges, depending on whether the order added to or subtracted from liquidity on the exchange, which are passed through to MSSB at the rates and amounts reflected in the applicable relationship disclosures and tables in this report. To the extent that MS&Co meets the execution volume thresholds necessary to qualify for preferred pricing under an exchange tiered pricing policy in a given month, increased (rather than standard) rebate rates and decreased (rather than standard) fees will apply. Because exchanges may offer higher rebates and lower fees based on a tiered volume model, there is a potential conflict in that such rebates and fees could, in theory, incentivize MSSB to route a higher percentage of Self-Directed Channel customer orders to a U.S. securities exchange to help MS&Co reach a higher volume tiering.

CITADEL SECURITIES LLC:
Morgan Stanley Smith Barney LLC ("MSSB") routes NMS equity orders to Citadel Securities LLC ("Citadel") to facilitate liquidity provision and price improvement opportunities for its customers. MSSB operates two primary service channels for its wealth management customers, the Full-Service Channel and the ET*TRADE from Morgan Stanley Self-Directed Channel ("Self-Directed Channel"). Although the columns in the table above which set out the percentage of the various order types combine order flow from MSSB's Full-Service Channel and Self-Directed Channel, the payment figures in the table above reflect only Self-Directed Channel order executions. The Full-Service Channel does not receive payment for order flow on these orders, whereas the Self-Directed Channel does. MSSB receives and handles non-directed customer orders in NMS equity securities on a held and not held basis through both channels consistent with its duty of best execution, but there are differences in how MSSB is compensated for the services it performs, which, as described in detail below, can impact the price improvement opportunities and trade executions that MSSB customers receive from Citadel.

Customers of the Full-Service Channel receive services from MSSB relating to the operation, serving, and administration of their MSSB brokerage or advised accounts and the generation of orders for such accounts, including the services of a Financial Advisor. Among other things, MSSB receives compensation for customer Full-Service Channel executions from commissions on customers' brokerage account order executions and fees on their advised accounts. As a result, MSSB does not seek or receive payment for order flow on such orders from Citadel. In addition, as more fully described below, Citadel may send certain MSSB customer orders to an exchange or other market center for execution, including to market centers from which Citadel may receive payment in the form of rebates. Conversely, customers of the Self-Directed Channel generally generate and enter orders themselves for their brokerage accounts based upon their own investment decision making and without the benefit of the services of a Financial Advisor. Self-Directed Channel orders in NMS equity securities are subject to MSSB's $0 commission policy, pursuant to which customers generally do not pay base commissions for order handling and execution of their Self-Directed Channel NMS equity securities orders (subject to disclosed exceptions as described more fully at https://us.ettrade.com/what-we-offer/pricing-and-rates). Because MSSB does not charge commissions on these Self-Directed Channel orders, MSSB seeks to be compensated, among other ways, through the receipt of payment for order flow from equity securities market makers, including Citadel. While the majority of Self-Directed Channel customers were customers of MSSB's affiliate broker-dealer, ET*TRADE Securities LLC ("ETS") in Q2 2023 and not MSSB, a portion of Self-Directed Channel customers were customers of MSSB during Q2 2023. The Self-Directed Channel order statistics reflected in the tables above (which also include details on Full-Service Channel orders) include only those Self-Directed Channel orders routed by MSSB. Quarterly order routing statistics for ET$ are available at https://us.ettrade.com/quarterly-order-routing-report.

Citadel generates revenue from executing or facilitating the execution of MSSB customer orders. In exchange for routing such orders to Citadel, and solely with respect to Self-Directed Channel orders, MSSB receives payments from Citadel in the amounts outlined in the above Public Order Routing Report disclosures (i.e. payment for order flow), calculated at a rate of $0.002 per share for non-directed, NMS equity market and marketable limit order executions priced at $1.00 per share or more and $0.001 per share for non-directed, NMS equity non-marketable limit order executions priced at $1.00 per share or more. MSSB does not receive payment from Citadel for NMS equity executions on Self-Directed Channel orders priced below $1.00 per share. Apart from certain Self-Directed Channel orders routed to Morgan Stanley & Co., LLC as disclosed above, MSSB only routes Self-Directed Channel NMS equity orders to market makers that pay for customer order flow, and all such market makers are subject to substantially the same rates of payment. For clarity, and as indicated above, MSSB does not receive payment from Citadel with respect to Full-Service Channel order executions.

To take advantage of rules adopted by the U.S. securities exchanges that allow retail orders to be eligible for certain potential benefits, including additional price improvement from retail liquidity programs and higher queue priority from retail attestation programs, and to allow Citadel to access such potential benefits for Self-Directed Channel NMS equity orders, MSSB marks applicable orders as retail orders on an order-by-order basis. MSSB and Citadel, however, do not have any arrangements:

A. that require MSSB to meet certain volume thresholds or that provide incentives to MSSB for meeting or exceeding certain volume thresholds;
B. that require MSSB to meet certain minimum volume thresholds or that provide disincentives to MSSB for failing to meet certain minimum volume thresholds;
C. for volume-based tiered payment schedules; or
D. that require MSSB to route any orders or a minimum number of orders to Citadel.

There is a potential conflict for a market maker such as Citadel both paying for order flow on applicable Self-Directed Channel customer orders and providing price improvement for such orders as the potential source of funds for each is the same, namely the anticipated profit the market maker seeks to earn from executing or facilitating the execution of Self-Directed Channel customer orders. Accordingly, from such anticipated profit, a market maker such as Citadel can (i) forgo a portion of such anticipated profit to provide price improvement; (ii) forgo a portion of such anticipated profit to pay for order flow; or (iii) retain a larger portion of anticipated profit and not provide (or provide less) price improvement or not provide (or provide less) payment for order flow. A market maker's (such as Citadel's) anticipated profit must be allocated among these three sub-categories, such that an increased allocation to any one sub-category will result in a decreased allocation to one or more of the other sub-categories. The allocation of resources between the three subcategories listed above, including the risk of overallocation to market maker profits at the expense of providing price improvement on Self-Directed Channel customer orders, is informed and mitigated by competition for Self-Directed Channel order flow amongst MSSB's market makers under the same general payment for order flow terms applicable to Citadel. A market maker such as Citadel executing a Full-Service Channel order does not have to allocate any of its anticipated profit in connection with such order to the payment for order flow subcategory (as it would with Self-Directed Channel orders) and is therefore able to allocate its anticipated profit to one or more other sub-categories (that is, to provide more price improvement or retain more anticipated profit or a mixture of the two). These same potential conflicts do not apply to Full-Service Channel customer order executions because MSSB does not receive payment for order flow from Citadel on these order executions and instead is compensated directly by MSSB's customers as described above.

In addition to revenues that Citadel may collect for executing or facilitating the execution of customer orders (both Full-Service Channel and Self-Directed Channel customer orders) that MSSB routes to Citadel, Citadel also receives remuneration from U.S. securities exchanges to which it routes or directs MSSB customer orders in the form of rebates. These U.S. exchange rebate payments could, in theory incentivize Citadel to route higher percentages of MSSB customer orders to particular venues over others, subject to Citadel's independent order routing and best execution obligations. MSSB does not share directly in any such rebates Citadel receives for executions of MSSB customer orders, although Citadel could potentially use such rebates to provide price improvement to MSSB customers, order flow payments to MSSB with respect to Self-Directed Channel orders, or both.

Two Sigma Securities, LLC.
Morgan Stanley Smith Barney LLC ("MSSB") routes NMS equity orders to Two Sigma Securities, LLC ("Two Sigma") to facilitate liquidity provision and price improvement opportunities for its customers. MSSB operates two primary service channels for its wealth management customers, the Full-Service Channel and the E*TRADE from Morgan Stanley Self-Directed Channel ("Self-Directed Channel"). Although the columns in the table above which set out the percentage of the various order types combine order flow from MSSB's Full-Service Channel and Self-Directed Channel, the payment figures in the table above reflect only Self-Directed Channel order executions. The Full-Service Channel does not receive payment for order flow on these orders, whereas the Self-Directed Channel does. MSSB receives and handles non-directed customer orders in NMS equity securities on a held and not held basis through both channels consistent with its duty of best execution, but there are differences in how MSSB is compensated for the services it performs, which, as described in detail below, can impact the price improvement opportunities and trade executions that MSSB customers receive from Two Sigma.

Customers of the Full-Service Channel receive services from MSSB relating to the operation, servicing, and administration of their MSSB brokerage or advised accounts and the generation of orders for such accounts, including the services of a Financial Advisor. Among other things, MSSB receives compensation for customer Full-Service Channel executions from commissions on customers' brokerage account order executions and fees on their advised accounts. As a result, MSSB does not seek or receive payment for order flow on such orders from Two Sigma. In addition, as more fully described below, Two Sigma may send certain MSSB customer orders to an exchange or other market center for execution, including to market centers from which Two Sigma may receive payment in the form of rebates. Conversely, customers of the Self-Directed Channel generally generate and enter orders themselves for their brokerage accounts based upon their own investment decision making and without the benefit of the services of a Financial Advisor. Self-Directed Channel orders in NMS equity securities are subject to MSSB's $0 commission policy, pursuant to which customers generally do not pay base commissions for order handling and execution of their Self-Directed Channel NMS equity orders (subject to disclosed exceptions as described more fully at https://us.etrade.com/what-we-offer/pricing-and-rates). Because MSSB does not charge commissions on these Self-Directed Channel orders, MSSB seeks to be compensated, among other ways, through the receipt of payment for order flow from equity securities market makers, including Two Sigma. While the majority of Self-Directed Channel customers were customers of MSSB's affiliate broker-dealer, E*TRADE Securities LLC ("ETS") in Q2 2023 and not MSSB, a portion of Self-Directed Channel customers were customers of MSSB during Q2 2023. The Self-Directed Channel order statistics reflected in the tables above (which also include details on Full-Service Channel orders) include only those Self-Directed Channel orders routed by MSSB. Quarterly order routing statistics for ETS are available at https://us.etrade.com/quarterly-order-routing-report.

Two Sigma generates revenue from executing or facilitating the execution of MSSB customer orders. In exchange for routing such orders to Two Sigma, and solely with respect to Self-Directed Channel orders, MSSB receives payments from Two Sigma in the amounts outlined in the above Public Order Routing Report disclosures (i.e. payment for order flow), calculated at a rate of $0.002 per share for non-directed, NMS equity market and marketable limit order executions priced at $1.00 per share or more and $0.0031 per share for non-directed, NMS equity nonmarketable limit order executions priced at $1.00 per share or more. MSSB does not receive payment from Two Sigma for NMS equity executions on Self-Directed Channel orders priced below $1.00 per share. Apart from certain Self-Directed Channel orders routed to Morgan Stanley & Co., LLC as disclosed above, MSSB only routes Self-Directed Channel NMS equity orders to market makers that pay for customer order flow, and all such market makers are subject to substantially the same rates of payment. For clarity, and as indicated above, MSSB does not receive payment from Two Sigma with respect to Full-Service Channel order executions.

To take advantage of rules adopted by the U.S. securities exchanges that allow retail orders to be eligible for certain potential benefits, including additional price improvement from retail liquidity programs and higher queue priority from retail attestation programs, and to allow Two Sigma to access such potential benefits for Self-Directed Channel NMS equity orders, MSSB marks applicable orders as retail orders on an order-by-order basis. MSSB and Two Sigma, however, do not have any arrangements: A. that require MSSB to meet certain volume thresholds or that provide incentives to MSSB for meeting or exceeding certain volume thresholds; B. that require MSSB to meet certain minimum volume thresholds or that provide disincentives to MSSB for failing to meet certain minimum volume thresholds; C. for volume-based tiered payment schedules; or D. that require MSSB to route any orders or a minimum number of orders to Two Sigma.

There is a potential conflict for a market maker such as Two Sigma both paying for order flow on applicable Self-Directed Channel orders and providing price improvement for such orders as the potential source of funds for each is the same, namely the anticipated profit the market maker seeks to earn from executing or facilitating the execution of Self-Directed Channel customer orders. Accordingly, from such anticipated profit, a market maker such as Two Sigma can (i) forgo a portion of such anticipated profit to provide price improvement; (ii) forgo a portion of such anticipated profit to pay for order flow; or (iii) retain a larger portion of anticipated profit and not provide (or provide less) price improvement or not provide (or provide less) payment for order flow. A market maker's (such as Two Sigma's) anticipated profit must be allocated among these three sub-categories, such that an increased allocation to any one sub-category will result in a decreased allocation to one or more of the other sub-categories. The allocation of resources between the three subcategories listed above, including the risk of overallocation to market maker prof;its at the expense of providing price improvement on Self-Directed Channel orders, is informed and mitigated by competition for Self-Directed Channel order flow amongst MSSB's market makers under the same general payment for order flow terms applicable to Two Sigma. A market maker such as Two Sigma executing a Full-Service Channel order does not have to allocate any of its anticipated profit in connection with such order to the payment for order flow subcategory (as it would with Self-Directed Channel orders) and is therefore able to allocate its anticipated profit to one or more other sub-categories (that is, to provide more price improvement or retain more anticipated profit or a mixture of the two). These same potential conflicts do not apply to Full-Service Channel customer order executions because MSSB does not receive payment for order flow from Two Sigma on these order executions and instead is compensated directly by MSSB's customers as described above.

In addition to revenues that Two Sigma may collect for executing or facilitating the execution of customer orders (both Full-Service Channel and Self-Directed Channel customer orders) that MSSB routes to Two Sigma, Two Sigma also receives remuneration from U.S. securities exchanges to which it routes or directs MSSB customer orders in the form of rebates. These U.S. exchange rebate payments could, in theory, incentivize Two Sigma to route higher percentages of MSSB customer orders to particular venues over others, subject to Two Sigma's independent order routing and best execution obligations. MSSB does not share directly in any such rebates Two Sigma receives for executions of MSSB customer orders, although Two Sigma could potentially use such rebates to provide price improvement to MSSB customers, order flow payments to MSSB with respect to Self-Directed Channel orders, or both.

Virtu Americas, LLC:
Morgan Stanley Smith Barney LLC ("MSSB") routes NMS equity orders to Virtu Americas, LLC ("Virtu") to facilitate liquidity provision and price improvement opportunities for its customers. MSSB operates two primary service channels for its wealth management customers, the Full-Service Channel and the E*TRADE from Morgan Stanley Self-Directed Channel ("Self-Directed Channel"). Although the columns in the table above which set out the percentage of the various order types combine order flow from MSSB's Full-Service Channel and Self-Directed Channel, the payment figures in the table above reflect only Self-Directed Channel order executions. The Full-Service Channel does not receive payment for order flow on these orders, whereas the Self-Directed Channel does. MSSB receives and handles non-directed customer orders in NMS equity securities on a held and not held basis through both channels consistent with its duty of best execution, but there are differences in how MSSB is compensated for the services it performs, which, as described in detail below, can impact the price improvement opportunities and trade executions that MSSB customers receive from Virtu.

Customers of the Full-Service Channel receive services from MSSB relating to the operation, servicing, and administration of their MSSB brokerage or advised accounts and the generation of orders for such accounts, including the services of a Financial Advisor. Among other things, MSSB receives compensation for customer Full-Service Channel executions from commissions on customers' brokerage account order executions and fees on their advised accounts. As a result, MSSB does not seek or receive payment for order flow on such orders from Virtu. In addition, as more fully described below, Virtu may send certain MSSB customer orders to an exchange or other market center for execution, including to market centers from which Virtu may receive payment in the form of rebates. Conversely, customers of the Self-Directed Channel generally enter and execute orders themselves for their brokerage accounts based upon their own investment decision making and without the benefit of the services of a Financial Advisor. Self-Directed Channel orders in NMS equities are subject to MSSB's $3 commission policy, pursuant to which customers generally do not pay base commissions for order handling and execution of their Self-Directed Channel NMS equities orders (subject to disclosed exceptions as described more fully at https://us.etrade.com/what-we-notify/pricing-and-rates). Because MSSB does not charge commissions on these Self-Directed Channel orders, MSSB seeks to be compensated, among other ways, through the receipt of payment for order flow from equity securities market makers, including Virtu. While the majority of Self-Directed Channel customers were customers of MSSB's affiliate broker-dealer, E*TRADE Securities LLC ("ETS") in Q2 2023 and not MSSB, a portion of Self-Directed Channel customers were customers of MSSB during Q2 2023. The Self-Directed Channel order statistics reflected in the tables above (which also include details on Full-Service Channel orders) include only those Self-Directed Channel orders routed by MSSB. Quarterly order routing statistics for ETS are available at https://us.etrade.com/quarterly-order-routing-report.

Virtu generates revenue from executing or facilitating the execution of MSSB customer orders. In exchange for routing such orders to Virtu, and solely with respect to Self-Directed Channel orders, MSSB receives payments from Virtu in the amounts outlined in the above Public Order Routing Report disclosures (i.e. payment for order flow), calculated at a rate of $0.002 per share for non-directed, NMS equity market and marketable limit order executions priced at $1.00 per share or more and $0.003 per share for non-directed, NMS equity non-marketable limit order executions priced at $1.00 per share or more. MSSB does not receive payment from Virtu for NMS equity executions on Self-Directed Channel orders priced below $1.00 per share. Apart from certain Self-Directed Channel orders routed to Morgan Stanley & Co., LLC as disclosed above, MSSB only routes Self-Directed Channel NMS equity orders to market makers that pay for customer order flow, and all such market makers are subject to substantially the same rates of payment. For clarity, and as indicated above, MSSB does not receive payment from Virtu with respect to Full-Service Channel order executions.

To take advantage of rules adopted by the U.S. securities exchanges that allow retail orders to be eligible for certain potential benefits, including additional price improvement from retail liquidity programs and higher queue priority from retail attestation programs, and to allow Virtu to access such potential benefits for Self-Directed Channel NMS equity orders, MSSB marks applicable orders as retail orders on an order-by-order basis. MSSB and Virtu, however, do not have any arrangements:

A. that require MSSB to meet certain volume thresholds or that provide incentives to MSSB for meeting or exceeding certain volume thresholds;
B. that require MSSB to meet certain minimum volume thresholds or that provide disincentives to MSSB for failing to meet certain minimum volume thresholds;
C. for volume-based tiered payment schedules; or
D. that require MSSB to route any orders or a minimum number of orders to Virtu.

There is a potential conflict for a market maker such as Virtu both paying for order flow on applicable Self-Directed Channel orders and providing price improvement for such orders as the potential source of funds for each is the same, namely the anticipated profit the market maker seeks to earn from executing or facilitating the execution of Self-Directed Channel customer orders. Accordingly, from such anticipated profit, a market maker such as Virtu can (i) forgo a portion of such anticipated profit to provide price improvement; (ii) forgo a portion of such anticipated profit to pay for order flow; or (iii) retain a larger portion of anticipated profit and not provide (or provide less) price improvement or not provide (or provide less) payment for order flow. A market maker's (such as Virtu's) anticipated profit must be allocated among these three sub-categories, such that an increased allocation to any one sub-category will result in a decreased allocation to one or more of the other sub-categories. The allocation of resources between the three subcategories listed above, including the risk of overallocation to market maker profits at the expense of providing price improvement on Self-Directed Channel customer orders, is informed and mitigated by competition for Self-Directed Channel order flow amongst MSSB's market makers under the same general payment for order flow terms applicable to Virtu. A market maker such as Virtu executing a Full-Service Channel order does not have to allocate any of its anticipated profit in connection with such order to the payment for order flow subcategory (as it would with Self-Directed Channel orders) and is therefore able to allocate its anticipated profit to one or more other sub-categories (that is, to provide more price improvement or retain more anticipated profit or a mixture of the two). These same potential conflicts do not apply to Full-Service Channel customer order executions because MSSB does not receive payment for order flow from Virtu on these order executions and instead is compensated directly by MSSB's customers as described above.

In addition to revenues that Virtu may collect for executing or facilitating the execution of customer orders (both Full-Service Channel and Self-Directed Channel customer orders) that MSSB routes to Virtu, Virtu also receives remuneration from U.S. securities exchanges to which it routes or directs MSSB customer orders in the form of rebates. These U.S. exchange rebate payments could, in theory, incentivize Virtu to route higher percentages of MSSB customer orders to particular venues over others, subject to Virtu's independent order routing and best execution obligations. MSSB does not share directly in any such rebates Virtu receives for executions of MSSB customer orders, although Virtu could potentially use such rebates to provide price improvement to MSSB customers, order flow payments to MSSB with respect to Self-Directed Channel orders, or both.

G1 Execution Services, LLC
Morgan Stanley Smith Barney LLC ("MSSB") routes NMS equity orders to G1X Executions Services, LLC ("G1X") to facilitate liquidity provision and price improvement opportunities for its customers. MSSB operates two primary service channels for its wealth management customers, the Full-Service Channel and the E*TRADE from Morgan Stanley Self-Directed Channel ("Self-Directed Channel"). Although the columns in the table above which set out the percentage of the various order types combine order flow from MSSB's Full-Service Channel and Self-Directed Channel, the payment figures in the table above reflect only Self-Directed Channel order executions. The Full-Service Channel does not receive payment for order flow on these orders, whereas the Self-Directed Channel does. MSSB receives and handles non-directed customer orders in NMS equity securities on a held and not held basis through both channels consistent with its duty of best execution, but there are differences in how MSSB is compensated for the services it performs, which, as described in detail below, can impact the price improvement opportunities and trade executions that MSSB customers receive from G1X.

Customers of the Full-Service Channel receive services from MSSB relating to the operation, servicing, and administration of their MSSB brokerage or advised accounts and the generation of orders for such accounts, including the services of a Financial Advisor. Among other things, MSSB receives compensation for customer Full-Service Channel executions from commissions on customers’ brokerage account order executions and fees on their advised accounts. As a result, MSSB does not seek or receive payment for order flow on such orders from G1X. In addition, as more fully described below, G1X may send certain MSSB customer orders to an exchange or other market center for execution, including to market centers from which G1X may receive payment in the form of rebates. Conversely, customers of the Self-Directed Channel generally generate and enter orders themselves for their brokerage accounts based upon their own investment decision making and without the benefit of the services of a Financial Advisor. Self-Directed Channel orders in NMS equity securities are subject to MSSB’s $0 commission policy, pursuant to which customers generally do not pay base commissions for order handling and execution of their Self-Directed Channel NMS equity orders (subject to disclosed exceptions as described more fully at https://us.etradecom/what-we-offer/pricing-and-rates). Because MSSB does not charge commissions on these Self-Directed Channel orders, MSSB seeks to be compensated, among other ways, through the receipt of payment for order flow from equity securities market makers, including G1X. While the majority of Self-Directed Channel customers were customers of MSSB’s affiliate broker-dealer, E*TRADE Securities LLC ("ETS") in Q2 2023 and not MSSB, a portion of Self-Directed Channel customers were customers of MSSB during Q2 2023. The Self-Directed Channel order statistics reflected in the tables above (which also include details on Full-Service Channel orders) include only those Self-Directed Channel orders routed by MSSB. Quarterly order routing statistics for ETS are available at https://us.etradecom/a/quarterly-order-routing-report.

G1X generates revenue from executing or facilitating the execution of MSSB customer orders. In exchange for routing such orders to G1X, and solely with respect to Self-Directed Channel orders, MSSB receives payments from G1X in the amounts outlined in the above Public Order Routing Report disclosures (i.e., payment for order flow), calculated at a rate of $0.002 per share for non-directed, NMS equity market and marketable limit order executions priced at $1.00 per share or more and $0.0031 per share for non-directed, NMS equity non-marketable limit order executions priced at $1.00 per share or more. MSSB does not receive payment from G1X for NMS equity executions on Self-Directed Channel orders priced below $1.00 per share. Apart from certain Self-Directed Channel orders routed to Morgan Stanley & Co., LLC as disclosed above, MSSB only routes Self-Directed Channel NMS equity orders to market makers that pay for customer order flow, and all such market makers are subject to substantially the same rates of payment. For clarity, and as indicated above, MSSB does not receive payment from G1X with respect to Full-Service Channel order executions.

To take advantage of rules adopted by the U.S. securities exchanges that allow retail orders to be eligible for certain potential benefits, including additional price improvement from retail liquidity programs and higher queue priority from retail attestation programs, and to allow G1X to access such potential benefits for Self-Directed Channel NMS equity orders, MSSB marks applicable orders as retail orders on an order-by-order basis. MSSB and G1X, however, do not have any arrangements:

- A. that require MSSB to meet certain volume thresholds or that provide incentives to MSSB for meeting or exceeding certain volume thresholds;
- B. that require MSSB to meet certain minimum volume thresholds or that provide disincentives to MSSB for failing to meet certain minimum volume thresholds;
- C. for volume-based tiered payment schedules; or
- D. that require MSSB to route any orders or a minimum number of orders to G1X.

There is a potential conflict for a market maker such as G1X both paying for order flow on applicable Self-Directed Channel orders and providing price improvement for such orders as the potential source of funds for each is the same, namely the anticipated profit the market maker seeks to earn from executing or facilitating the execution of Self-Directed Channel customer orders. Accordingly, from such anticipated profit, a market maker such as G1X can (i) forego a portion of such anticipated profit to provide price improvement; (ii) forego a portion of such anticipated profit to pay for order flow; or (iii) retain a larger portion of anticipated profit and not provide (or provide less) price improvement or not provide (or provide less) payment for order flow. A market maker’s (such as G1X’s) anticipated profit must be allocated among these three sub-categories, such that an increased allocation to any one sub-category will result in a decreased allocation to one or more of the other sub-categories. The allocation of resources between the three subcategories listed above, including the risk of overallocation to market maker profits at the expense of providing price improvement on Self-Directed Channel customer orders, is informed and mitigated by competition for Self-Directed Channel order flow amongst MSSB’s market makers under the same general payment for order flow terms applicable to G1X. A market maker such as G1X executing a Full-Service Channel order does not have to allocate any of its anticipated profit in connection with such order to the payment for order flow subcategory (as it would with Self-Directed Channel orders) and is therefore able to allocate its anticipated profit to one or more other sub-categories (that is, to provide more price improvement or retain more anticipated profit or a mixture of the two). These same potential conflicts do not apply to Full-Service Channel customer order executions because MSSB does not receive payment for order flow from G1X on these order executions and instead is compensated directly by MSSB’s customers as described above.

In addition to revenues that G1X may collect for executing or facilitating the execution of customer orders (both Full-Service Channel and Self-Directed Channel customer orders) that MSSB routes to G1X, G1X also receives remuneration from U.S. securities exchanges to which it routes or directs MSSB customer orders in the form of rebates. These U.S. exchange rebate payments could, in theory, incentivize G1X to route higher percentages of MSSB customer orders to particular venues over others, subject to G1X’s independent order routing and best execution obligations. MSSB does not share directly in any such rebates G1X receives for executions of MSSB customer orders, although G1X could potentially use such rebates to provide price improvement to MSSB customers, order flow payments to MSSB with respect to Self-Directed Channel orders, or both.

Jane Street Capital:
Morgan Stanley Smith Barney LLC (“MSBB”) routes NMS equity orders to Jane Street Capital ("Jane Street") to facilitate liquidity provision and price improvement opportunities for its customers. MSBB operates two primary service channels for its wealth management customers including the Full-Service Channel and the E*TRADE from Morgan Stanley Self-Directed Channel ("Self-Directed Channel"). Customers of the Full Service Channel receive services from MSBB relating to the operation, servicing, and administration of their MSBB brokerage or advising accounts. Customers of the Self-Directed Channel receive services from MSBB relating to the operation, servicing, and administration of their MSBB brokerage or advising accounts. As a result, MSBB does not seek or receive payment for order flow on such orders. Conversely, customers of the Self-Directed Channel generally generate and enter orders themselves for their brokerage accounts based upon their own investment decision making and without the benefit of the services of a Financial Advisor. Self-Directed Channel orders in NMS equities are subject to MSBB’s $0 commission policy, pursuant to which customers generally do not pay base commissions for order handling and execution of their Self-Directed Channel NMS equities orders (subject to disclosure exceptions as described more fully at https://us.etrade.com/what-we-offer/pricing-and-rates). MSBB does not charge commissions on these Self-Directed Channel orders. MSBB makes MSBB to be compensated, among other ways, through the receipt of payment for order flow equities market makers makers, including Jane Street. The majority of Self-Directed Channel customers were customers of MSBB’s affiliate broker-dealer, E*TRADE Securities LLC ("ETS") in Q2 2023 and not MSBB, a portion of Self-Directed Channel customers were customers of MSBB during Q2 2023. The tables above reflect Self-Directed Channel orders routed by MSBB only. Quarterly order routing statistics for ETS are available at https://us.etrade.com/quarterly-order-routing-report. MSBB does not route Full-Service Channel NMS equity orders to Jane Street.

Jane Street generates revenue from executing or facilitating the execution of Self-Directed Channel customer orders. In exchange for such routing, and solely with respect to Self-Directed Channel orders, MSBB receives payments from Jane Street in the amounts outlined in the above Public Order Routing Report disclosures, calculated at a rate of $0.002 per share for non-directed, NMS equity market and marketable limit order executions priced at $1.00 per share or more and $0.0031 per share for non-directed, NMS equity non-marketable limit order executions priced at $1.00 per share or more. MSBB does not receive payment from Jane Street for NMS equity executions priced below $1.00 per share. Apart from certain Self-Directed Channel orders routed to Morgan Stanley & Co., LLC as disclosed above, MSBB only routes Self-Directed Channel NMS equity orders to market makers that pay for customer order flow, and all such market makers are subject to substantially the same rates of payment. For clarity, MSBB does not route Full-Service Channel NMS equity orders to Jane Street.

To take advantage of rules adopted by the U.S. securities exchanges that allow retail orders to be eligible for certain potential benefits, including additional price improvement from retail liquidity programs and higher queue priority from retail attribution programs, and to allow Jane Street to access such potential benefits for Self-Directed Channel NMS equity orders, MSBB marks applicable orders as retail orders on an order-by-order basis. MSBB and Jane Street, however, do not have any arrangements:

A. that require MSBB to meet certain volume thresholds or that provide incentives to MSBB for meeting or exceeding certain volume thresholds;
B. that require MSBB to meet certain minimum volume thresholds or that provide disincentives to MSBB for failing to meet certain minimum volume thresholds;
C. for volume-based tiered payment schedules; or
D. that require MSBB to route any orders or a minimum number of orders to Jane Street.

There is a potential conflict for a market maker such as Jane Street both paying for order flow on applicable Self-Directed Channel customer orders and providing price improvement for such orders as the potential source of funds for each is the same, namely the anticipated profit the market maker seeks to earn from executing or facilitating the execution of Self-Directed Channel customer orders. Accordingly, from such anticipated profit, a market maker such as Jane Street can (i) forgo a portion of such anticipated profit to provide price improvement; (ii) forgo a portion of such anticipated profit to pay for order flow; or (iii) retain a larger portion of anticipated profit and not provide (or provide less) price improvement or not provide (or provide less) payment for order flow. A market maker’s (such as Jane Street’s) anticipated profit must be allocated among these three sub-categories, such that an increased allocation to any one sub-category will result in a decreased allocation to one or more of the other sub-categories. The allocation of resources between the three subcategories listed above, including the risk of overallocation to market makers that pay for price improvement on Self-Directed Channel customer orders, is informed and mitigated by competition for order flow amongst MSBB’s market makers under the same general payment for order flow terms applicable to Jane Street.

In addition to revenues that Jane Street may collect for executing or facilitating the execution of Self-Directed Channel customer orders that MSBB routes to Jane Street, Jane Street also receives remuneration from U.S. securities exchanges to which it routes or directs MSBB customer orders in the form of rebates. These U.S. exchange rebate payments could, in theory, incentivize Jane Street to route higher percentages of MSBB customer orders to particular venues over others, subject to Jane Street’s independent order routing and best execution obligations. Exchange rebates provided to Jane Street for MSBB customer executions are not passed through to MSBB or its customers, although Jane Street could potentially use these rebates to provide price improvement to MSBB customers, order flow payments to MSBB with respect Self-Directed Channel orders, or both.

UBS Securities, LLC:

Morgan Stanley Smith Barney LLC (“MSBB”) routes NMS equity orders to UBS Securities, LLC ("UBS") to facilitate liquidity provision and price improvement opportunities for its customers. MSBB operates two primary service channels for its wealth management customers including the Full-Service Channel and the E*TRADE from Morgan Stanley Self-Directed Channel ("Self-Directed Channel"). Customers of the Full-Service Channel receive services from MSBB relating to the operation, servicing, and administration of their MSBB brokerage or advising accounts and the generation of orders for such accounts, including the services of a Financial Advisor. Among other things, MSBB receives compensation for customer Full-Service Channel orders from commissions on their brokerage account orders and fees on their advised accounts. As a result, MSBB does not seek or receive payment for order flow on such orders. Conversely, customers of the Self-Directed Channel generally generate and enter orders themselves for their brokerage accounts based upon their own investment decision making and without the benefit of the services of a Financial Advisor. Self-Directed Channel orders in NMS equities are subject to MSBB’s $0 commission policy, pursuant to which customers generally do not pay base commissions for order handling and execution of their Self-Directed Channel NMS equities orders (subject to disclosure exceptions as described more fully at https://us.etrade.com/what-we-offer/pricing-and-rates). Because MSBB does not charge commissions on these Self-Directed Channel orders, MSBB seeks to be compensated, among other ways, through the receipt of payment for order flow equities market makers makers, including UBS. While the majority of Self-Directed Channel customers were customers of MSBB’s affiliate broker-dealer, E*TRADE Securities LLC ("ETS") in Q2 2023 and not MSBB, a portion of Self-Directed Channel customers were customers of MSBB during Q2 2023. The tables above reflect Self-Directed Channel orders routed by MSBB only. Quarterly order routing statistics for ETS are available at https://us.etrade.com/quarterly-order-routing-report. MSBB does not route Full-Service Channel NMS equity orders to UBS.

UBS generates revenue from executing or facilitating the execution of Self-Directed Channel customer orders. In exchange for such routing, and solely with respect to Self-Directed Channel orders, MSBB receives payments from UBS in the amounts outlined in the above Public Order Routing Report disclosures, calculated at a rate of $0.002 per share for non-directed, NMS equity market and marketable limit order executions priced at $1.00 per share or more and $0.0031 per share for non-directed, NMS equity non-marketable limit order executions priced at $1.00 per share or more. MSBB does not receive payment from UBS for NMS equity executions priced below $1.00 per share. Apart from certain Self-Directed Channel orders routed to Morgan Stanley & Co., LLC as disclosed above, MSBB only routes Self-Directed Channel NMS equity orders to market makers that pay for customer order flow, and all such market makers are subject to substantially the same rates of payment. For clarity, MSBB does not route Full-Service Channel customer orders to UBS.

To take advantage of rules adopted by the U.S. securities exchanges that allow retail orders to be eligible for certain potential benefits, including additional price improvement from retail liquidity programs and higher queue priority from retail attribution programs, and to allow UBS to access such potential benefits for Self-Directed Channel NMS equity orders, MSBB marks applicable orders as retail orders on an order-by-order basis. MSBB and UBS, however, do not have any arrangements:

A. that require MSBB to meet certain volume thresholds or that provide incentives to MSBB for meeting or exceeding certain volume thresholds;
B. that require MSBB to meet certain minimum volume thresholds or that provide disincentives to MSBB for failing to meet certain minimum volume thresholds;
C. for volume-based tiered payment schedules; or
D. that require MSBB to route any orders or a minimum number of orders to UBS.

There is a potential conflict for a market maker such as UBS both paying for order flow on applicable Self-Directed Channel customer orders and providing price improvement for such orders as the potential source of funds for each is the same, namely the anticipated profit the market maker seeks to earn from executing or facilitating the execution of Self-Directed Channel customer orders. Accordingly, from such anticipated profit, a market maker such as UBS can (i) forgo a portion of such anticipated profit to provide price improvement; (ii) forgo a portion of such anticipated profit to pay for order flow; or (iii) retain a larger portion of anticipated profit and not provide (or provide less) price improvement or not provide (or provide less) payment for order flow. A market maker’s (such as UBS’s) anticipated profit must be allocated among these three sub-categories, such that an increased allocation to any one sub-category will result in a decreased allocation to one or more of the other sub-categories. The allocation of resources between the three subcategories listed above, including the risk of overallocation to market makers at the expense of providing price improvement on Self-Directed Channel customer orders, is informed and mitigated by competition for order flow amongst MSBB’s market makers under the same general payment for order flow terms applicable to UBS.

In addition to revenues that UBS may collect for executing or facilitating the execution of Self-Directed Channel customer orders that MSBB routes to UBS, UBS also receives remuneration from U.S. securities exchanges to which it routes or directs MSBB customer orders in the form of rebates. These U.S. exchange rebate payments could, in theory, incentivize UBS to route higher percentages of MSBB customer orders to particular venues over others, subject to UBS’s independent order routing and best execution obligations. Exchange rebates provided to MSBB for MSBB customer executions are not passed through to MSBB or its customers, although UBS could potentially use these rebates to provide price improvement to MSBB customers, order flow payments to MSBB with respect Self-Directed Channel orders, or both.
Morgan Stanley Smith Barney LLC ("MSSB") routes NMS equity orders to Cboe EDGX Exchange, Inc. through its affiliate Morgan Stanley & Co., LLC ("MS&Co."), to facilitate liquidity provision and price improvement opportunities for its customers. MSSB operates two primary service channels for its wealth management customers including the Full-Service Channel and the ETTRADE from Morgan Stanley Self-Directed Channel ("Self-Directed Channel"). Customers of the Full-Service Channel receive services from MSSB relating to the operation, servicing, and administration of their accounts, including the services of a Financial Advisor. Among other things, MSSB receives compensation for its services from the broker-dealer receiving commissions for the execution of orders placed in MSE's commissions on the brokerage account orders and fees on their advised accounts. Conversely, customers of the Self-Directed Channel generally generate and enter orders themselves for their brokerage accounts based upon their own investment decision making and without the benefit of the services of a Financial Advisor. MSSB's non-directed or "Directed" orders are subject to MSSB's 0% commission policy, pursuant to which customers generally do not pay base commission for order handling and execution of Self-Directed Channel NMS equities orders (subject to disclosed exceptions) and the execution of these orders will be performed for free. MSSB does not charge commission on these Self-Directed Channel orders, the Firm seeks to be compensated, among other ways, through payment for order flow from MSSB's equity market makers and, as described in further detail below, from rebates on executions of Self-Directed Channel orders that MSSB routes to certain U.S. securities exchanges directly and indirectly through its affiliate Morgan Stanley & Co., LLC ("MS&Co."), including Self-Directed Channel orders that MSSB routes to EDGX through MS&Co. While MSSB determines where to route customer orders based on, and consistent with its best execution obligations, these U.S. exchange rebate payments could, in theory, incentivize MSSB to route higher percentages of MSSB customer orders to particular exchanges, regardless of other factors. MSSB's decision to route orders via a particular exchange is based on the fees and rebates referred to above, among other factors. MSSB's offers higher rebates and lower fees based on the execution volume threshold. There is a potential conflict in that such rebates and fees could, in theory, incentivize MSSB to route a higher percentage of MSSB customer orders to EDGX through MS&Co rather than another venue in order to reach a higher tier. MSSB and EDGX, however, do not have any arrangements.

The fees MSSB pays and rebates MSSB receives from EDGX through MS&Co. as well as rebates for NMS equity executions are determined based on EDGX's tiered volume model. Schedule delineating orders eligible for such rebates and the applicable rates are published publicly by EDGX in the EDGX Fees Schedule, available at http://www.cboe.com/us/edgex/fees_schedule/edgxfeescheduleedge/. Please contact EDGX's public affairs and fees Schedule URL, link and applicable rates may change without notice. In general, during Q2 2023, EDGX paid MSSB rebate rates of $0.0027 per share for EDGX's Full-Service Channel executions priced at $1.00 per share or more and $0.0099 for executions priced below $1.00 per share via MS&Co. Executions that removed liquidity from EDGX qualified for tiered pricing and MSSB was charged a $0.00275 per share fee for executions priced at $1.00 per share or more and a 0.28% fee of the total notional value on executions priced below $1.00 per share. For EDGX's self-directed executions, MSSB received rebates of (net of fees) from EDGX in the amount of $17 in April, $65 in May, and $2,041 in June. For clarity, as indicated above, MSSB routes Self-Directed Channel orders to EDGX through MS&Co. with specific routing instructions to send to EDGX for MSSB's order routing determinations but MSSB does not route Full-Service Channel orders to EDGX for execution directly or indirectly through MS&Co other than as determined by MSSB as described above. MSSB also participates in EDGX's retail order priority program under which eligible retail orders receive priority ahead of other available order interest at a given price level or other enhanced execution benefits. MSSB reviews customers' appreciation of a periodic basis to determine program eligibility. MSSB's retail order priority program orders routed to EDGX through MS&Co will be combined with any other order flow that MSSB routes to EDGX for the purpose of determining the applicable pricing under EDGX's tiered pricing model described above. It is possible that MSSB could generate additional profit as a result of the combination of such order flow and the incentives of such tiered pricing program including on behalf of MSSB's customers disclosures regarding routing orders through MS&Co. are provided in the above Public Order Routing Report disclosures for MS&Co.

The Nasdaq Stock Market:

Morgan Stanley Smith Barney LLC ("MSSB") routes NMS equity orders to the Nasdaq Stock Market ("NASDAQ") to facilitate liquidity provision and price improvement opportunities for its customers. MSSB operates two primary service channels for its wealth management customers including the Full-Service Channel and the ETTRADE from Morgan Stanley Self-Directed Channel ("Self-Directed Channel"). Customers of the Full-Service Channel receive services from MSSB relating to the operation, servicing, and administration of their accounts and the generation of other orders for such accounts, including the services of a Financial Advisor. Among other things, MSSB receives compensation for customer Full-Service Channel orders from commissions on their brokerage account orders and fees on their advised accounts. Conversely, customers of the Self-Directed Channel generally generate and enter orders themselves for their brokerage accounts based upon their own investment decision making and without the benefit of the services of a Financial Advisor. MSSB's non-directed or "Directed" orders are subject to MSSB's 0% commission policy, pursuant to which customers generally do not pay base commission for order handling and execution of Self-Directed Channel NMS equities orders (subject to disclosed exceptions described more fully at https://us.etrade.com/what-we-offer/pricing-and-rates). Because MSSB does not charge commission on these Self-Directed Channel orders, the Firm seeks to be compensated, among other ways, through payment for order flow from MSSB's equity market makers and, as described in further detail below, from rebates on executions of Self-Directed Channel orders that MSSB routes to certain U.S. securities exchanges directly and indirectly, including NASDAQ. While MSSB determines where to route customer orders based on, and consistent with its best execution obligations, these U.S. exchange rebate payments could, in theory, incentivize MSSB to route higher percentages of MSSB customer orders to particular exchanges, regardless of other factors. MSSB's decision to route orders via a particular exchange is based on the fees and rebates referred to above, among other factors. MSSB's offers higher rebates and lower fees based on the execution volume thresholds. There is a potential conflict in that such rebates and fees could, in theory, incentivize MSSB to route a higher percentage of MSSB customer orders to NASDAQ rather than another venue in order to reach a higher tier. MSSB and NASDAQ, however, do not have any arrangements.

A. that require MSSB to meet certain volume thresholds;
B. that require MSSB to meet certain minimum volume thresholds or that provide disincentives to MSSB for failing to meet certain minimum volume thresholds;
C. for volume-based tiered payment schedules beyond the tiered volume model set forth in the EDGX Fees Schedule as described above;
D. that require MSSB to route to MQ or a minimum number of orders to EDGX.

The fees MSSB pays and rebates MSSB receives from NASDAQ for NMS equity executions are determined based on NASDAQ's tiered volume model. Schedules delineating orders eligible for such rebates and the applicable rates are published publicly by NASDAQ in the NASDAQ Fees Schedule, available at http://www.nasdactrader.com/trader.aspx?id=tx_pricing. Please note that NASDAQ's publicly available Fees Schedule URL, link and applicable rates may change without notice. In general, during Q2 2023, NASDAQ paid MSSB standard rebate rates of $0.00325 per share for NASDAQ's self-directed executions that MSSB routes to NASDAQ directly priced at $1.00 per share or more and did not pay any per share amount for executions priced below $1.00 per share. Self-Directed Channel executions that removed liquidity from NASDAQ qualified for tiered pricing and MSSB was charged fees of $0.003 per share for Self-Directed Channel executions priced at $1.00 per share or more and 0.3% of the total notional value of executions priced below $1.00 per share. For NASDAQ's self-directed executions, MSSB received rebates of (net of fees) from NASDAQ in the amount of $32 in April, $60 in May, and $1,131 in June. For clarity, as indicated above, MSSB does not route Full-Service Channel orders to NASDAQ for execution directly.

MSSB also participates in NASDAQ's retail order priority program under which eligible retail orders receive priority ahead of other available order interest at a given price level or other enhanced execution benefits. MSSB reviews customers' appreciation of a periodic basis to determine program eligibility. MSSB's retail order priority program orders routed to NASDAQ through MS&Co will be combined with any other order flow that MSSB routes to NASDAQ for the purpose of determining the applicable pricing under NASDAQ's tiered pricing model described above. It is possible that MSSB could generate additional profit as a result of the combination of such order flow and the incentives of such tiered pricing program including on behalf of MSSB's customers disclosures regarding routing orders through MS&Co.
Members Exchange (MEMX): Morgan Stanley Smith Barney LLC (“MSSB”) routes NMS equity orders to MEMX LLC ("MEMX") through its affiliate Morgan Stanley & Co., LLC (“MS&Co”), to facilitate liquidity provision and price improvement opportunities for its customers. MSSB operates two primary service channels for its wealth management customers including the Full-Service Channel and the E*TRADE from Morgan Stanley Self- Directed Channel (“Self-Directed Channel”). Customers of the Full-Service Channel receive services from MSSB relating to the operation, servicing, and administration of their MSSB brokerage or advised accounts and the generation of orders for such accounts, including the services of a Financial Advisor. Among other things, MSSB receives compensation for customer Full-Service Channel orders from commissions on their brokerage account orders and fees on their advised accounts. Conversely, customers of the Self-Directed Channel generally generate and enter orders themselves for their brokerage accounts based upon their own investment decision making and without the benefit of the services of a Financial Advisor. Self-Directed Channel orders for NMS equity securities are subject to MSSB’s $0 commission policy, pursuant to which customers generally do not pay base commission for order handling and execution of Self-Directed Channel NMS equity orders (subject to disclosed exceptions described more fully at https://us.etradecom/what-we-offer/pricing-and-rates). Because MSSB does not charge commission on these Self-Directed Channel orders, the Firm seeks to be compensated, among other ways, through payment for order flow from MEMX’s equity market makers and, as described in further detail below, from rebates on executions of Self-Directed Channel orders that MSSB routes to certain U.S. securities exchanges directly and indirectly through its affiliate Morgan Stanley & Co., LLC (“MS&Co”), including Self-Directed Channel orders that MSSB routes to MEMX through MS&Co. While MSSB determines where to route customer orders based on, and consistent with its best execution obligations, these U.S. exchange rebate payments could, in theory, incentivize MSSB to route higher percentages of NMS customer orders to particular venues over others. While the majority of Self-Directed Channel customers were customers of MSSB’s affiliate broker-dealer, E*TRADE Securities LLC (“ETS”) in Q2 2023 and not MSSB, a portion of Self-Directed Channel customers were customers of MSSB during Q2 2023. The tables above reflect Self-Directed Channel orders routed by MSSB only. Quarterly order routing statistics for ETS are available at https://us.etradecom/quarterly-order-routing-report. MSSB does not route Full-Service Channel NMS equity orders to MEMX directly or indirectly through MS&Co, though depending on market conditions, order pricing, and the order handling practices of, and regulatory requirements applicable to the market-makers to which MSSB routes customer orders, some MSSB Full-Service Channel non-directed NMS equity orders may be indirectly routed to, and executed on MEMX, including through MSSB’s affiliate MS&Co, which is a market maker on MEMX.

MS&Co either pays a fee or receives a rebate on behalf of MSSB for each Self-Directed Channel customer order execution on MEMX, depending on whether the order added to or subtracted from liquidity on the exchange. For clarity, MSSB pays such fee or receives such rebate, as applicable, for executions of Self-Directed Channel orders that MSSB routes to MEMX indirectly though MS&Co may also benefit indirectly from profits realized from exchange rebates to MS&Co for executing MSSB orders MS&Co receives in its capacity as market maker, which MS&Co may also receive from executions on MEMX. As a result of the corporate affiliation between MS&Co and MSSB, MS&Co may share indirectly in any such profits generated by MEMX & MS&Co. The fees and rebates referenced above are subject to volume pricing. To the extent that MEMX meets the execution volume thresholds necessary to qualify for preferred pricing under MEMX’s Fees Schedule in a given month, increased (rather than standard) rebate rates and decreased (rather than standard) fees will apply. Because MEMX offers higher rebates and lower fees based on a tiered volume model, there is a potential conflict in that such rebates and fees could, in theory, incentivize MEMX to route a higher percentage of customer orders to MEMX through MS&Co rather than another venue in order to reach a higher tier. MEMX and MSSB, however, do not have any arrangements:

A. that require MEMX to meet certain volume thresholds;
B. that require MEMX to meet certain minimum volume thresholds or that provide disincentives for MEMX to fail to meet certain minimum volume thresholds;
C. for volume-based tiered payment schedules beyond the tiered volume model set forth in the MEMX Fees Schedule as described above; or
D. that require MEMX to route any orders or a minimum number of orders to MEMX.

The fees MSSB pays and rebates MSSB receives from MEMX through MS&Co for NMS equity executions are determined based on MEMX’s tiered volume model. Schedules delineating orders eligible for such rebates and the applicable rates are published publicly by MEMX in the MEMX Fees Schedule available at http://info.memetrading.com/fee-schedule/. Please note that MEMX’s publicly available Fees Schedule URL link and applicable rates may change without notice. In general, during Q2 2023, MEMX paid MS&Co standard rebate rates of $0.0031 per share for Self-Directed Channel executions priced at $1.00 per share or more and 0.075% of the total trade notional value for executions priced below $1.00 per share via MS&Co. On executions that removed liquidity from MEMX qualified for tiered pricing, MS&Co was charged a $0.00295 per share fee for executions priced at $1.00 per share or more and a 0.28% fee of the total notional value on executions priced below $1.00 per share. For Q2 2023, MSSB received rebates (net of fees) from MEMX in the amount of $20 in April, $44 in May, and $1,957 in June. For clarity, and as indicated above, MSSB routes Self-Directed orders to MEMX through MS&Co with specific routing instructions to send to MEMX pursuant to MEMX’s order routing determinations whereas MSSB does not route Full-Service Channel orders to MEMX for execution directly or indirectly through MS&Co other than as determined by MEMX, as described above.

MSSB is an affiliated company of Strategic Investments I, Inc., both of which are wholly owned subsidiaries of Morgan Stanley and investor-shareholders of MEMX. Accordingly, MSSB, both directly and indirectly through its parent company Morgan Stanley and/or its affiliates may share in profits realized by MEMX, which could, in theory, incentivize MS&Co to route a higher percentage of Self-Directed Channel orders to MEMX over other execution venues. MSSB routes orders to MEMX through MS&Co will be combined with any other order flow that MS&Co routes to MEMX for the purpose of determining the applicable pricing under MEMX’s tiered pricing model described above. It is possible that MS&Co could generate additional profit as a result of the combination of such order flow and the incentives of such tiered pricing program including on behalf of MSSB. Further disclosures regarding routing of orders through MS&Co are provided in the above Public Order Routing Report disclosures for MS&Co.

---

**April 2023**

**Non-S&P 500 Stocks**

**Summary**

<table>
<thead>
<tr>
<th>Non-Directed Orders as % of All Orders</th>
<th>Market Orders as % of Non-Directed Orders</th>
<th>Marketable Limit Orders as % of Non-Directed Orders</th>
<th>Non-Marketable Limit Orders as % of Non-Directed Orders</th>
<th>Other Orders as % of Non-Directed Orders</th>
<th>Net Payment/Paid/Received for Market Orders(USD)</th>
<th>Net Payment/Paid/Received for Market Orders(cents per hundred shares)</th>
<th>Net Payment/Paid/Received for Non-Marketable Limit Orders(USD)</th>
<th>Net Payment/Paid/Received for Non-Marketable Limit Orders(cents per hundred shares)</th>
<th>Net Payment/Paid/Received for Other Orders(USD)</th>
<th>Net Payment/Paid/Received for Other Orders(cents per hundred shares)</th>
</tr>
</thead>
<tbody>
<tr>
<td>100.00</td>
<td>81.89</td>
<td>0.73</td>
<td>14.92</td>
<td>2.46</td>
<td>0.0018</td>
<td>-1,122.40</td>
<td>-0.2798</td>
<td>50,397.99</td>
<td>15,943.55</td>
<td>-9,044.73</td>
</tr>
</tbody>
</table>

**Venues**

- **Morgan Stanley & Co., LLC**
  - Non-Directed Order Flow
  - Market Orders (%): 76.33
  - Marketable Limit Orders (%): 76.67
  - Non-Marketable Limit Orders (%): 64.64
  - Other Orders (%): 80.4
  - Net Payment/Paid/Received for Market Orders(USD): 0.0018
  - Net Payment/Paid/Received for Market Orders(cents per hundred shares): -1,122.40
  - Net Payment/Paid/Received for Non-Marketable Limit Orders(USD): -0.2798
  - Net Payment/Paid/Received for Non-Marketable Limit Orders(cents per hundred shares): 50,397.99
  - Net Payment/Paid/Received for Other Orders(USD): 15,943.55
  - Net Payment/Paid/Received for Other Orders(cents per hundred shares): -9,044.73
  - Net Payment/Paid/Received for Other Orders(cents per hundred shares): -4,315.60
Morgan Stanley & Co. LLC: Morgan Stanley Smith Barney LLC ("MSSB") is an affiliate of Morgan Stanley & Co. LLC ("MS&Co."). Both MSSB and MS&Co are registered broker-dealers. MSSB operates two primary service channels for its wealth management customers, including the Full-Service Channel and the E*TRADE from Morgan Stanley Self-Directed Channel ("Self-Directed Channel"). Customers of the Full-Service Channel receive services from MSSB relating to the operation, servicing, and administration of their MSSB brokerage or advised accounts and the generation of orders for such accounts, including the services of a Financial Advisor. Among other things, MSSB receives compensation for customer Full-Service Channel orders from commissions on their brokerage account orders and fees on their advised accounts. As a result, MSSB may not seek or receive payment for order flow on such orders, apart from the U.S. securities exchange rebates described in further detail below. Conversely, customers of the Self-Directed Channel generally generate and enter orders themselves for their brokerage accounts based upon their own investment decisions. MS&Co, and without the benefit of the services of a Financial Advisor. Self-Directed Channel orders in the U.S. securities are subject to MSSB's SO commission policy, pursuant to which customers generally do not pay base commissions for order handling and execution of their Self-Directed Channel NMS equities orders (subject to disclosed exceptions as described more fully at https://us.etrade.com/what-we-offer/pricing-and-rates). While the majority of Self-Directed Channel customers were customers of MS&Co's affiliate broker-dealer, E*TRADE Securities LLC ("ETS") in Q2 2023 and not MSSB, a portion of Self-Directed Channel customers were customers of MSSB during Q2 2023. Quarterly order routing statistics for ETS are available at https://us.etrade.com/l/quarterly-order-routing-report. Although the columns in the table below which set out the percentage of the various order types combine order flow from MSSB's Full-Service Channel and Self-Directed Channel, the payment figures in the table above reflect only Full-Service Channel order executions. Neither the Full-Service Channel nor the Self-Directed Channel generally receive payment for order flow on these orders (other than as described above).

Solvely with respect to Full-Service Channel orders, MSSB routes NMS equities orders to MS&Co to facilitate liquidity provision and price improvement opportunities for its customers. Except for a limited number of directed Full-Service Channel equities orders which MS&Co. receives from MSSB and routes in accordance with customer instructions, all Full-Service Channel equities orders are routed by MSSB to MS&Co. for execution. MS&Co executes MSSB Full-Service Channel customer equity orders on an agency, principal or riskless principal basis and may receive compensation for such executions. In connection with these of these executions, MS&Co may internalize customer order flow to allow the customer to benefit from various sources of liquidity and to offer customer orders opportunities for price improvement. Such internalization may enable MS&Co to generate a trading profit and/or commissions or fees on the transaction. In addition, MSSB routes orders to U.S. securities exchanges that offer cash credits for orders that provide liquidity to their books and charge explicit fees for orders that extract liquidity from their books. MS&Co receives remuneration in the form of rebates from U.S. securities exchanges to which it routes or directs MSSB customer orders. These U.S. exchange rebate payments could, in theory, incentivize MSSB to route higher percentages of MSSB customer orders to particular venues over others, subject to MS&Co's independent order routing and best execution obligations. MS&Co may also receive incremental pricing benefits from U.S. securities exchanges and/or electronic communication networks if certain volume thresholds are met. The net of U.S. securities exchange fees paid by, and rebates provided to, MS&Co for MSSB Full-Service Channel customer executions are passed through to MSSB. As such, these rebate payments could theoretically incentivize MSSB to route a higher percentage of customer orders to MS&Co, subject to MSSB's independent order routing and best execution obligations. Additionally, affiliates of MSSB maintain ownership interests in certain market centers that represent as a result of any profits generated from the execution of orders.

Apart from a limited number of Self-Directed Channel directed equity orders, which MS&Co receives from MSSB or its affiliate broker-dealer, E*TRADE Securities, LLC with customer instructions to route to directly to certain U.S. securities exchanges and a limited number of non-directed Self-Directed Channel equity orders that MSSB routes to Cboe EDGX Exchange, Inc. and the Members Exchange for execution through MS&Co, MS&Co does not route Self-Directed Channel orders to MS&Co for execution directly. Self-Directed Channel equity orders that MS&Co routes to the U.S. securities exchanges through MS&Co will be combined with any other order flow that MSSB routes to the exchanges for the purpose of determining the applicable pricing and rebates under exchange tiered pricing models. MS&Co either pays a fee or receives a rebate for each Self-Directed Channel customer order execution on those exchanges, depending on whether the order added to or subtracted from liquidity on the exchange, which are passed through to MSSB at the rates and amounts reflected in the applicable relationship disclosures and tables in this report. See the extent that MS&Co meets the execution volume thresholds necessary to qualify for preferred pricing under an exchange tiered pricing model in a given month, increased (rather than standard) rebate rates and decreased (rather than standard) fees will apply. Because exchanges may offer higher rebates and lower fees based on a tiered volume model, there is a potential conflict in that such rebates and fees could, in theory, incentivize MSSB to route a higher percentage of Self-Directed Channel customer orders to a U.S. securities exchange to help MS&Co reach higher volume pricing tiers.

**Material Aspects:**

**CITADEL SEcurities LLc:**

<table>
<thead>
<tr>
<th>Venue</th>
<th>Non-directed Order Flow</th>
<th>Market Orders (%)</th>
<th>Marketable Limit Orders (%)</th>
<th>Non-Marketable Limit Orders (%)</th>
<th>Other Orders (%)</th>
<th>Net Payment Paid/Received for Market Orders(USD)</th>
<th>Net Payment Paid/Received for Markdown Limit Orders(USD)</th>
<th>Net Payment Paid/Received for Non-Marketable Limit Orders(USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>CITADEL Securities LLC</td>
<td>7.73</td>
<td>7.19</td>
<td>13.00</td>
<td>6.72</td>
<td>30.38</td>
<td>390.88</td>
<td>12.8653</td>
<td>76.25</td>
</tr>
<tr>
<td>Two Sigma Securities, LLC</td>
<td>6.69</td>
<td>6.66</td>
<td>11.84</td>
<td>6.61</td>
<td>6.60</td>
<td>27.25</td>
<td>4.7944</td>
<td>2.10</td>
</tr>
<tr>
<td>Virtu Americas, LLC</td>
<td>6.46</td>
<td>6.59</td>
<td>5.14</td>
<td>3.96</td>
<td>3.66</td>
<td>257.35</td>
<td>1.9000</td>
<td>79.50</td>
</tr>
<tr>
<td>G1 Execution Services, LLC</td>
<td>4.49</td>
<td>4.62</td>
<td>3.80</td>
<td>4.03</td>
<td>3.24</td>
<td>135.51</td>
<td>7.8865</td>
<td>22.91</td>
</tr>
<tr>
<td>Jane Street Capital</td>
<td>0.07</td>
<td>0.06</td>
<td>1.10</td>
<td>0.06</td>
<td>0.15</td>
<td>171.38</td>
<td>11.0529</td>
<td>56.05</td>
</tr>
<tr>
<td>UBS Securities, LLC</td>
<td>0.03</td>
<td>0.02</td>
<td>0.36</td>
<td>0.05</td>
<td>0.08</td>
<td>62.91</td>
<td>17.5791</td>
<td>37.22</td>
</tr>
<tr>
<td>Cboe EDGX Exchange, Inc.</td>
<td>0.01</td>
<td>0.00</td>
<td>0.07</td>
<td>0.00</td>
<td>0.00</td>
<td>0.0000</td>
<td>7.25</td>
<td>9.5722</td>
</tr>
<tr>
<td>The Nasdaq Stock Market</td>
<td>0.01</td>
<td>0.00</td>
<td>0.02</td>
<td>0.05</td>
<td>0.00</td>
<td>0.0000</td>
<td>0.0000</td>
<td>0.00</td>
</tr>
<tr>
<td>Members Exchange (MMSX)</td>
<td>0.01</td>
<td>0.00</td>
<td>0.02</td>
<td>0.05</td>
<td>0.00</td>
<td>0.0000</td>
<td>0.18</td>
<td>0.8811</td>
</tr>
</tbody>
</table>
Morgan Stanley Smith Barney LLC ("MSSB") routes NMS equity orders to Citadel Securities LLC ("Citadel") to facilitate liquidity provision and price improvement opportunities for its customers. MSSB operates two primary service channels for its wealth management customers, the Full-Service Channel and the E*TRADE from Morgan Stanley Self-Directed Channel ("Self-Directed Channel"). Although the columns in the table above which set out the percentage of the various order types combine order flow from MSSB's Full-Service Channel and Self-Directed Channel, the payment figures in the table above reflect only Self-Directed Channel order executions. The Full-Service Channel does not receive payment for order flow on these orders, whereas the Self-Directed Channel does. MSSB receives and handles non-directed customer orders in NMS equity securities on a held and not held basis through both channels consistent with its duty of best execution, but there are differences in how MSSB is compensated for the services it performs, which, as described in detail below, can impact the price improvement opportunities and trade executions that MSSB customers receive from Citadel.

Customers of the Full-Service Channel receive services from MSSB relating to the operation, servicing, and administration of their MSSB brokerage or advised accounts and the generation of orders for such accounts, including the services of a Financial Advisor. Among other things, MSSB receives compensation for customer Full-Service Channel executions from commissions on customers' brokerage account order executions and fees on their advised accounts. As a result, MSSB does not seek or receive payment for order flow on such orders from Citadel. In addition, as more fully described below, Citadel may send certain MSSB customer orders to an exchange or other market center for execution, including to market centers from which Citadel may receive payment in the form of rebates. Conversely, customers of the Self-Directed Channel generally generate and enter orders themselves for their brokerage accounts based upon their own investment decision making and without the benefit of the services of a Financial Advisor. Self-Directed Channel orders in NMS equities are subject to MSSB's $0 commission policy, pursuant to which customers generally do not pay base commissions for order handling and execution of their Self-Directed Channel NMS equities orders (subject to disclosed exceptions as described more fully at https://us.etrade.com/what-we-offer/pricing-and-rates). Because MSSB does not charge commissions on these Self-Directed Channel orders, MSSB seeks to be compensated, among other ways, through the receipt of payment for order flow from equity securities market makers, including Citadel. While the majority of Self-Directed Channel customers were customers of MSSB's affiliate broker-dealer, E*TRADE Securities LLC ("ETS") in Q2 2023 and not MSSB, a portion of Self-Directed Channel customers were customers of MSSB during Q2 2023. The Self-Directed Channel order statistics reflected in the tables above (which also include details on Full-Service Channel orders) include only those Self-Directed Channel orders routed by MSSB. Quarterly order routing statistics for ETS are available at https://us.etrade.com/quarterly-order-routing-report.

Citadel generates revenue from executing or facilitating the execution of MSSB customer orders. In exchange for routing such orders to Citadel, and solely with respect to Self-Directed Channel orders, MSSB receives payments from Citadel in the amounts outlined in the above Public Order Routing Report disclosures (i.e. payment for order flow), calculated at a rate of $0.002 per share for non-directed, NMS equity market and marketable limit order executions priced at $1.00 per share or more and $0.0031 per share for non-directed, NMS equity non-marketable limit order executions priced at $1.00 per share or more. MSSB does not receive payment from Citadel for NMS equity executions on Self-Directed Channel orders priced below $1.00 per share. Apart from certain Self-Directed Channel orders routed to Morgan Stanley & Co., LLC as disclosed above, MSSB only routes Self-Directed Channel NMS equity orders to market makers that pay for customer order flow, and all such market makers are subject to substantially the same rates of payment. For clarity, and as indicated above, MSSB does not receive payment from Citadel with respect to Full-Service Channel order executions.

To take advantage of rules adopted by the U.S. securities exchanges that allow retail orders to be eligible for certain potential benefits, including additional price improvement from retail liquidity programs and higher queue priority from retail attestation programs, and to allow Citadel to access such potential benefits for Self-Directed Channel NMS equity orders, MSSB marks applicable orders as retail orders on an order-by-order basis. MSSB and Citadel, however, do not have any arrangements:

A. that require MSSB to meet certain volume thresholds or that provide incentives to MSSB for meeting or exceeding certain volume thresholds;
B. that require MSSB to meet certain minimum volume thresholds or that provide disincentives to MSSB for failing to meet certain minimum volume thresholds;
C. for volume-based tiered payment schedules; or
D. that require MSSB to route any orders or a minimum number of orders to Citadel.

There is a potential conflict for a market maker such as Citadel both paying for order flow on applicable Self-Directed Channel orders and providing price improvement for such orders as the potential source of funds for each is the same, namely the anticipated profit the market maker seeks to earn from executing or facilitating the execution of Self-Directed Channel customer orders. Accordingly, from such anticipated profit, a market maker such as Citadel can (i) forgo a portion of such anticipated profit to provide price improvement; (ii) forgo a portion of such anticipated profit to pay for order flow; or (iii) retain a larger portion of anticipated profit and not provide (or provide less) price improvement or not provide (or provide less) payment for order flow. A market maker (such as Citadel)’s anticipated profit must be allocated among these three sub-categories, such that an increased allocation to any one sub-category will result in a decreased allocation to one or more of the other sub-categories. The allocation of resources between the three subcategories listed above, including the risk of overallocation to market maker profits at the expense of providing price improvement on Self-Directed Channel customer orders, is informed and mitigated by competition for MSSB’s market makers under the same general payment for order flow terms applicable to Citadel. A market maker such as Citadel executing a Full-Service Channel order does not have to allocate any of its anticipated profit in connection with such order to the payment for order flow subcategory (as it would with Self-Directed Channel orders) and is therefore able to allocate its anticipated profit to one or more other sub-categories (that is, to provide more price improvement or retain more anticipated profit or a mixture of the two). These same potential conflicts do not apply to Full-Service Channel customer order executions because MSSB does not receive payment for order flow from Citadel on these order executions and instead is compensated directly by MSSB’s customers as described above.

In addition to revenues that Citadel may collect for executing or facilitating the execution of customer orders (both Full-Service Channel and Self-Directed Channel customer orders) that MSSB routes to Citadel, Citadel also receives remuneration from U.S. securities exchanges to which it routes or directs MSSB customer orders in the form of rebates. These U.S. exchange rebate payments could, in theory incentivize Citadel to route higher percentages of MSSB customer orders to particular venues over others, subject to Citadel’s independent order routing and best execution obligations. MSSB does not share directly in any such rebates Citadel receives for executions of MSSB customer orders, although Citadel could potentially use such rebates to provide price improvement to MSSB customers, order flow payments to MSSB with respect to Self-Directed Channel orders, or both.

Two Sigma Securities, LLC,
Morgan Stanley Smith Barney LLC ("MSSB") routes NMS equity orders to Two Sigma Securities, LLC ("Two Sigma") to facilitate liquidity provision and price improvement opportunities for its customers. MSSB operates two primary service channels for its wealth management customers, the Full-Service Channel and the E*TRADE from Morgan Stanley Self Directed Channel ("Self-Directed Channel"). Although the columns in the table above which set out the percentage of the various order types combine order flow from MSSB's Full-Service Channel and Self-Directed Channel, the payment figures in the table reflect only Self-Directed Channel order executions. The Full-Service Channel does not receive payment for order flow on these orders, whereas the Self-Directed Channel does. MSSB receives and handles non-directed customer orders in NMS equity securities on a held and not held basis through both channels consistent with its duty of best execution, but there are differences in how MSSB is compensated for the services it performs, which, as described in detail below, can impact the price improvement opportunities and trade executions that MSSB customers receive from Two Sigma.

Customers of the Full-Service Channel receive services from MSSB relating to the operation, servicing, and administration of their MSSB brokerage or advised accounts and the generation of orders for such accounts, including the services of a Financial Advisor. Among other things, MSSB receives compensation for customer Full-Service Channel executions from commissions on customers' brokerage account order executions and fees on their advised accounts. As a result, MSSB does not seek or receive payment for order flow on such orders from Two Sigma. In addition, as more fully described below, Two Sigma may send certain MSSB customer orders to an exchange or other market center for execution, including to market centers from which Two Sigma may receive payment in the form of rebates. Conversely, customers of the Self-Directed Channel generally generate and enter orders themselves for their brokerage accounts based upon their own investment decision making and without the benefit of the services of a Financial Advisor. Self-Directed Channel orders in NMS equity securities are subject to MSSB's $0 commission policy, pursuant to which customers generally do not pay base commissions for order handling and execution of their Self-Directed Channel NMS equity orders (subject to disclosed exceptions as described more fully at https://us.etrade.com/what-we-offer/pricing-and-rates). Because MSSB does not charge commissions on these Self-Directed Channel orders, MSSB seeks to be compensated, among other ways, through the receipt of payment for order flow from equity securities market makers, including Two Sigma. While the majority of Self-Directed Channel customers were customers of MSSB's affiliate broker-dealer, E*TRADE Securities LLC ("ETS") in Q2 2023 and not MSSB, a portion of Self-Directed Channel customers were customers of MSSB during Q3 2023. The Self-Directed Channel order statistics reflected in the tables above (which also include details on Full-Service Channel orders) include only those Self-Directed Channel orders routed by MSSB. Quarterly order routing statistics for ETS are available at https://us.etrade.com/quarterly-order-routing-report.

Two Sigma generates revenue from executing or facilitating the execution of MSSB customer orders. In exchange for routing such orders to Two Sigma, and solely with respect to Self-Directed Channel orders, MSSB receives payments from Two Sigma in the amounts outlined in the above Public Order Routing Report disclosures (i.e. payment for order flow), calculated at a rate of $0.002 per share for non-directed, NMS equity market and marketable limit order executions priced at $1.00 per share or more and $0.0031 per share for non-directed, NMS equity nonmarketable limit order executions priced at $1.00 per share or more. MSSB does not receive payment from Two Sigma for NMS equity executions on Self-Directed Channel orders priced below $1.00 per share. Apart from certain Self-Directed Channel orders routed to Morgan Stanley & Co., LLC as disclosed above, MSSB only routes Self-Directed Channel NMS equity orders to market makers that pay for customer order flow, and all such market makers are subject to substantially the same rates of payment. For clarity, and as indicated above, MSSB does not receive payment from Two Sigma with respect to Full-Service Channel order executions.

To take advantage of rules adopted by the U.S. securities exchanges that allow retail orders to be eligible for certain potential benefits, including additional price improvement from retail liquidity programs and higher quote priority from retail attestation programs, and to allow Two Sigma to access such potential benefits for Self-Directed Channel NMS equity orders, MSSB marks applicable orders as retail orders on an order-by-order basis. MSSB and Two Sigma, however, do not have any arrangements:

A. that require MSSB to meet certain volume thresholds or that provide incentives to MSSB for meeting or exceeding certain volume thresholds;
B. that require MSSB to meet certain minimum volume thresholds or that provide disincentives to MSSB for failing to meet certain minimum volume thresholds;
C. for volume-based tiered payment schedules; or
D. that require MSSB to route any orders or a minimum number of orders to Two Sigma.

There is a potential conflict for a market maker such as Two Sigma both paying for order flow on applicable Self-Directed Channel orders and providing price improvement for such orders as the potential source of funds for each is the same, namely the anticipated profit the market maker seeks to earn from executing or facilitating the execution of Self-Directed Channel customer orders. Accordingly, from such anticipated profit, a market maker such as Two Sigma can (i) forgo a portion of such anticipated profit to provide price improvement; (ii) forgo a portion of such anticipated profit to pay for order flow; or (iii) retain a larger portion of anticipated profit and not provide (or provide less) price improvement or not provide (or provide less) payment for order flow. A market maker's (such as Two Sigma's) anticipated profit must be allocated among these three sub-categories, such that an increased allocation to any one sub-category will result in a decreased allocation to one or more of the other sub-categories. The allocation of resources between the three subcategories listed above, including the risk of overallocation to market maker profits at the expense of providing price improvement on Self-Directed Channel orders, is informed and mitigated by competition for Self-Directed Channel order flow amongst MSSB's market makers under the same general payment for order flow terms applicable to Two Sigma. A market maker such as Two Sigma executing a Full-Service Channel order does not have to allocate any of its anticipated profit in connection with such order to the payment for order flow subcategory (as it would with Self-Directed Channel orders) and is therefore able to allocate its anticipated profit to one or more other sub-categories (that is, to provide more price improvement or retain more anticipated profit or a mixture of the two). These same potential conflicts do not apply to Full-Service Channel customer order executions because MSSB does not receive payment for order flow from Two Sigma on these order executions and instead is compensated directly by MSSB's customers as described above.

In addition to revenues that Two Sigma may collect for executing or facilitating the execution of customer orders (both Full-Service Channel and Self-Directed Channel customer orders) that MSSB routes to Two Sigma, Two Sigma also receives remuneration from U.S. securities exchanges to which it routes or directs MSSB customer orders in the form of rebates. These U.S. exchange rebate payments could, in theory, incentivize Two Sigma to route higher percentages of MSSB customer orders to particular venues over others, subject to Two Sigma's independent order routing and best execution obligations. MSSB does not share directly in any such rebates Two Sigma receives for executions of MSSB customer orders, although Two Sigma could potentially use such rebates to provide price improvement to MSSB customers, order flow payments to MSSB with respect to Self-Directed Channel orders, or both.

Virtu Americas, LLC:
Morgan Stanley Smith Barney LLC ("MSSB") routes NMS equity orders to Virtu Americas, LLC ("Virtu") to facilitate liquidity provision and price improvement opportunities for its customers. MSSB operates two primary service channels for its wealth management customers, the Full-Service Channel and the E*TRADE from Morgan Stanley Self-Directed Channel ("Self-Directed Channel"). Although the columns in the table above which set out the percentage of the various order types combine order flow from MSSB's Full-Service Channel and Self-Directed Channel, the payment figures in the table above reflect only Self-Directed Channel order executions. The Full-Service Channel does not receive payment for order flow on these orders, whereas the Self-Directed Channel does. MSSB receives and handles non-directed customer orders in NMS equity securities on a held and not held basis through both channels consistent with its duty of best execution, but there are differences in how MSSB is compensated for the services it performs, which, as described in detail below, can impact the price improvement opportunities and trade executions that MSSB customers receive from Virtu.

Customers of the Full-Service Channel receive services from MSSB relating to the operation, servicing, and administration of their MSSB brokerage or advised accounts and the generation of orders for such accounts, including the services of a Financial Advisor. Among other things, MSSB receives compensation for customer Full-Service Channel executions from commissions on customers' brokerage account order executions and fees on their advised accounts. As a result, MSSB does not seek or receive payment for order flow on such orders from Virtu. In addition, as more fully described below, Virtu may send certain MSSB customer orders to an exchange or other market center for execution, including to market centers from which Virtu may receive payment in the form of rebates. Conversely, customers of the Self-Directed Channel generally enter and end orders themselves for their brokerage accounts based upon their own investment decision making and without the benefit of the services of a Financial Advisor. Self-Directed Channel orders in NMS equities are subject to MSSB's $9 commission policy, pursuant to which customers generally do not pay base commissions for order handling and execution of their Self-Directed Channel NMS equities orders (subject to disclosed exceptions as described more fully at https://us.etrade.com/what-we-offer/pricing-and-rates). Because MSSB does not charge commissions on these Self-Directed Channel orders, MSSB seeks to be compensated, among other ways, through the receipt of payment for order flow from equity securities market makers, including Virtu. While the majority of Self-Directed Channel customers were customers of MSSB's affiliate broker-dealer, E*TRADE Securities LLC ("ETS") in Q2 2023 and not MSSB, a portion of Self-Directed Channel customers were customers of MSSB during Q2 2023. The Self-Directed Channel order statistics reflected in the tables above (which also include details on Full-Service Channel orders) include only those Self-Directed Channel orders routed by MSSB. Quarterly order routing statistics for ETS are available at https://us.etrade.com/quarterly-order-routing-report.

Virtu generates revenue from executing or facilitating the execution of MSSB customer orders. In exchange for routing such orders to Virtu, and solely with respect to Self-Directed Channel orders, MSSB receives payments from Virtu in the amounts outlined in the above Public Order Routing Report disclosures (i.e. payment for order flow), calculated at a rate of $0.002 per share for non-directed, NMS equity market and marketable limit order executions priced at $1.00 per share or more and $0.0031 per share for non-directed, NMS equity non-marketable limit order executions priced at $1.00 per share or more. MSSB does not receive payment from Virtu for NMS equity executions on Self-Directed Channel orders priced below $1.00 per share. Apart from certain Self-Directed Channel orders routed to Morgan Stanley & Co., LLC as disclosed above, MSSB only routes Self-Directed Channel NMS equity orders to market makers that pay for customer order flow, and all such market makers are subject to substantially the same rates of payment. For clarity, and as indicated above, MSSB does not receive payment from Virtu with respect to Full-Service Channel order executions.

To take advantage of rules adopted by the U.S. securities exchanges that allow retail orders to be eligible for certain potential benefits, including additional price improvement from retail liquidity programs and higher queue priority from retail attestation programs, and to allow Virtu to access such potential benefits for Self-Directed Channel NMS equity orders, MSSB marks applicable orders as retail orders on an order-by-order basis. MSSB and Virtu, however, do not have any arrangements:

A. that require MSSB to meet certain volume thresholds or that provide incentives to MSSB for meeting or exceeding certain volume thresholds;
B. that require MSSB to meet certain minimum volume thresholds or that provide disincentives to MSSB for failing to meet certain minimum volume thresholds;
C. for volume-based tiered payment schedules; or
D. that require MSSB to route any orders or a minimum number of orders to Virtu.

There is a potential conflict for a market maker such as Virtu both paying for order flow on applicable Self-Directed Channel orders and providing price improvement for such orders as the potential source of funds for each is the same, namely the anticipated profit the market maker seeks to earn from executing or facilitating the execution of Self-Directed Channel customer orders. Accordingly, from such anticipated profit, a market maker such as Virtu can (i) forgo a portion of such anticipated profit to provide price improvement; (ii) forgo a portion of such anticipated profit to pay for order flow; or (iii) retain a larger portion of anticipated profit and not provide (or provide less) price improvement or not provide (or provide less) payment for order flow. A market maker's (such as Virtu's) anticipated profit must be allocated among these three sub-categories, such that an increased allocation to any one sub-category will result in a decreased allocation to one or more of the other sub-categories. The allocation of resources between the three subcategories listed above, including the risk of overallocation to market maker profits at the expense of providing price improvement on Self-Directed Channel customer orders, is informed and mitigated by competition for Self-Directed Channel order flow amongst MSSB's market makers under the same general payment for order flow terms applicable to Virtu. A market maker such as Virtu executing a Full-Service Channel order does not have to allocate any of its anticipated profit in connection with such order to the payment for order flow subcategory (as it would with Self-Directed Channel orders) and is therefore able to allocate its anticipated profit to one or more other sub-categories (that is, to provide more price improvement or retain more anticipated profit or a mixture of the two). These same potential conflicts do not apply to Full-Service Channel customer order executions because MSSB does not receive payment for order flow from Virtu on those order executions and instead is compensated directly by MSSB's customers as described above.

In addition to revenues that Virtu may collect for executing or facilitating the execution of customer orders (both Full-Service Channel and Self-Directed Channel customer orders) that MSSB routes to Virtu, Virtu also receives remuneration from U.S. securities exchanges to which it routes or directs MSSB customer orders in the form of rebates. These U.S. exchange rebate payments could, in theory, incentivize Virtu to route higher percentages of MSSB customer orders to particular venues over others, subject to Virtu's independent order routing and best execution obligations. MSSB does not share directly in any such rebates Virtu receives for executions of MSSB customer orders, although Virtu could potentially use such rebates to provide price improvement to MSSB customers, order flow payments to MSSB with respect to Self-Directed Channel orders, or both.

G1 Execution Services, LLC.
Morgan Stanley Smith Barney LLC ("MSSB") routes NMS equity orders to G1X Executions Services, LLC ("G1X") to facilitate liquidity provision and price improvement opportunities for its customers. MSSB operates two primary service channels for its wealth management customers, the Full-Service Channel and the E*TRADE from Morgan Stanley Self-Directed Channel ("Self-Directed Channel"). Although the columns in the table above which set out the percentage of the various order types combine order flow from MSSB's Full-Service Channel and Self-Directed Channel, the payment figures in the table above reflect only Self-Directed Channel order executions. The Full-Service Channel does not receive payment for order flow on these orders, whereas the Self-Directed Channel does. MSSB receives and handles non-directed customer orders in NMS equity securities on a held and not held basis through both channels consistent with its duty of best execution, but there are differences in how MSSB is compensated for the services it performs, which, as described in detail below, can impact the price improvement opportunities and trade executions that MSSB customers receive from G1X.

Customers of the Full-Service Channel receive services from MSSB relating to the operation, servicing, and administration of their MSSB brokerage or advised accounts and the generation of orders for such accounts, including the services of a Financial Advisor. Among other things, MSSB receives compensation for customer Full-Service Channel executions from commissions on customers’ brokerage account order executions and fees on their advised accounts. As a result, MSSB does not seek or receive payment for order flow on such orders from G1X. In addition, as more fully described below, G1X may send certain MSSB customer orders to an exchange or other market center for execution, including to market centers from which G1X may receive payment in the form of rebates. Conversely, customers of the Self-Directed Channel generally generate and enter orders themselves for their brokerage accounts based upon their own investment decision making and without the benefit of the services of a Financial Advisor. Self-Directed Channel orders in NMS equities are subject to MSSB's $0 commission policy, pursuant to which customers generally do not pay base commissions for order handling and execution of their Self-Directed Channel NMS equities orders (subject to disclosed exceptions as described more fully at https://us.etrade.com/what-we-offer/pricing-and-rates). Because MSSB does not charge commissions on these Self-Directed Channel orders, MSSB seeks to be compensated, among other ways, through the receipt of payment for order flow from equity securities market makers, including G1X. While the majority of Self-Directed Channel customers were customers of MSSB’s affiliate broker-dealer, E*TRADE Securities LLC ("ETS") in Q2 2023 and not MSSB, a portion of Self-Directed Channel customers were customers of MSSB during Q2 2023. The Self-Directed Channel order statistics reflected in the tables above (which also include details on Full-Service Channel orders) include only those Self-Directed Channel orders routed by MSSB. Quarterly order routing statistics for ETS are available at https://us.etrade.com/quarterly-order-routing-report.

G1X generates revenue from executing or facilitating the execution of MSSB customer orders. In exchange for routing such orders to G1X, and solely with respect to Self-Directed Channel orders, MSSB receives payments from G1X in the amounts outlined in the above Public Order Routing Report disclosures (i.e. payment for order flow), calculated at a rate of $0.002 per share for non-directed, NMS equity market and marketable limit order executions priced at $1.00 per share or more and $0.0031 per share for non-directed, NMS equity non-marketable limit order executions priced at $1.00 per share or more. MSSB does not receive payment from G1X for NMS equity executions on Self-Directed Channel orders priced below $1.00 per share. Apart from certain Self-Directed Channel orders routed to Morgan Stanley & Co., LLC as discussed above, MSSB only routes Self-Directed Channel NMS equity orders to market makers that pay for customer order flow, and all such market makers are subject to the same rates of payment. For clarity, and as indicated above, MSSB does not receive payment from G1X with respect to Full-Service Channel order executions.

To take advantage of rules adopted by the U.S. securities exchanges that allow retail orders to be eligible for certain potential benefits, including additional price improvement from retail liquidity programs and higher queue priority from retail attestation programs, and to allow G1X to access such potential benefits for Self-Directed Channel NMS equity orders, MSSB marks applicable orders as retail orders on an order-by-order basis. MSSB and G1X, however, do not have any arrangements:

A. that require MSSB to meet certain volume thresholds or that provide incentives to MSSB for meeting or exceeding certain volume thresholds;
B. that require MSSB to meet certain minimum volume thresholds or that provide disincentives to MSSB for failing to meet certain minimum volume thresholds;
C. for volume-based tiered payment schedules; or
D. that require MSSB to route any orders or a minimum number of orders to G1X.

There is a potential conflict for a market maker such as G1X both paying for order flow on applicable Self-Directed Channel orders and providing price improvement for such orders as the potential source of funds for each is the same, namely the anticipated profit the market maker seeks to earn from executing or facilitating the execution of Self-Directed Channel customer orders. Accordingly, from such anticipated profit, a market maker such as G1X can (i) forgo a portion of such anticipated profit to provide price improvement; (ii) forgo a portion of such anticipated profit to pay for order flow; or (iii) retain a larger portion of anticipated profit and not provide (or provide less) price improvement or not provide (or provide less) payment for order flow. A market maker’s (such as G1X) anticipated profit must be allocated among these three sub-categories, such that an increased allocation to any one sub-category will result in a decreased allocation to one or more of the other sub-categories. The allocation of resources between the three subcategories listed above, including the risk of overallocation to market maker profits at the expense of providing price improvement on Self-Directed Channel customer orders, is informed and mitigated by competition for Self-Directed Channel order flow amongst MSSB’s market makers under the same general payment for order flow terms applicable to G1X. A market maker such as G1X executing a Full-Service Channel order does not have to allocate any of its anticipated profit in connection with such order to the payment for order flow subcategory (as it would with Self-Directed Channel orders) and is therefore able to allocate its anticipated profit to one or more other sub-categories (that is, to provide more price improvement or retain more anticipated profit or a mixture of the two). These same potential conflicts do not apply to Full-Service Channel customer order executions because MSSB does not receive payment for order flow from G1X on these order executions and instead is compensated directly by MSSB’s customers as described above.

In addition to revenues that G1X may collect for executing or facilitating the execution of customer orders (both Full-Service Channel and Self-Directed Channel customer orders) that MSSB routes to G1X, G1X also receives remuneration from U.S. securities exchanges to which it routes or directs MSSB customer orders in the form of rebates. These U.S. exchange rebate payments could, in theory, incentivize G1X to route higher percentages of MSSB customer orders to particular venues over others, subject to G1X’s independent order routing and best execution obligations. MSSB does not share directly in any such rebates G1X receives for executions of MSSB customer orders, although G1X could potentially use such rebates to provide price improvement to MSSB customers, order flow payments to MSSB with respect to Self-Directed Channel orders, or both.

Jane Street Capital:
Morgan Stanley Smith Barney LLC ("MSSB") routes NMS equity orders to Jane Street Capital ("Jane Street") to facilitate liquidity provision and price improvement opportunities for its customers. MSSB operates two primary service channels for its wealth management customers including the Full-Service Channel and the E*TRADE from Morgan Stanley Self-Directed Channel ("Self-Directed Channel"). Customers of the Full-Service Channel receive services from MSSB relating to the operation, servicing, and administration of their MSSB brokerage or advised accounts, including the execution of orders for such accounts, including the services of a Financial Advisor. Among other things, MSSB receives compensation for customer Full-Service Channel orders from commissions on their brokerage account orders and fees on their advised accounts. As a result, MSSB does not seek or receive payment for order flow on such orders. Conversely, customers of the Self-Directed Channel generally generate and enter orders themselves for their brokerage accounts based upon their own investment decision making and without the benefit of the services of a Financial Advisor. Self-Directed Channel orders in NMS equities are subject to MSSB’s $0 commission policy, pursuant to which customers generally do not pay base commissions for order handling and execution of their Self-Directed Channel NMS equities orders (subject to discounted exceptions as described more fully at https://mssb.com). MSSB also does not charge commissions on these Self-Directed Channel orders. MSSB does not receive any payment for order flow from equity securities market makers, including Jane Street. While the majority of Self-Directed Channel customers were customers of MSSB’s affiliate broker-dealer, E*TRADE Securities LLC ("ETS") in Q2 2023 and not MSSB, a portion of Self-Directed Channel customers were customers of MSSB during Q2 2023. The tables above reflect Self-Directed Channel orders routed by MSSB only. Quarterly order routing statistics for ETS are available at https://us.etrade.com/q/quarterly-order-routing-report. MSSB does not route Full-Service Channel NMS equity orders to Jane Street.

Jane Street generates revenue from executing or facilitating the execution of Self-Directed Channel customer orders. In exchange for such routing, and solely with respect to Self-Directed Channel orders, MSSB receives payments from Jane Street in the amounts outlined in the above Public Order Routing Report disclosures, calculated at a rate of $0.002 per share for non-directed, NMS equity market and marketable limit order executions priced at $1.00 per share or more and $0.0031 per share for non-directed, NMS equity non-marketable limit order executions priced at $1.00 per share or more. MSSB does not receive payment from Jane Street for NMS equity executions priced below $1.00 per share. Apart from certain Self-Directed Channel orders routed to Morgan Stanley & Co., LLC as disclosed above, MSSB only routes Self-Directed Channel equity orders to market makers that pay for customer order flow, and all such market makers are subject to substantially the same rates of payment. For clarity, MSSB does not route Full-Service Channel NMS equity orders to Jane Street.

To take advantage of rules adopted by the U.S. securities exchanges that allow retail orders to be eligible for certain potential benefits, including additional price improvement from retail liquidity programs and higher queue priority from retail attribution programs, and to allow Jane Street to access such potential benefits for Self-Directed Channel NMS equity orders, MSSB marks applicable orders as retail orders on an order-by-order basis. MSSB and Jane Street, however, do not have any arrangements:

A. that require MSSB to meet certain volume thresholds or that provide incentives to MSSB for meeting or exceeding certain volume thresholds;
B. that require MSSB to meet certain minimum thresholds or that provide disincentives to MSSB for failing to meet certain minimum volume thresholds;
C. for volume-based tiered payment schedules; or
D. that require MSSB to route any orders or a minimum number of orders to Jane Street.

There is a potential conflict for a market maker such as Jane Street both paying for order flow on applicable Self-Directed Channel orders and providing price improvement for such orders as the potential source of funds for each is the same, namely the anticipated profit the market maker seeks to earn from executing or facilitating the execution of Self-Directed Channel customer orders. Accordingly, from such anticipated profit, a market maker such as Jane Street can (i) forgo a portion of such anticipated profit to provide price improvement; (ii) forgo a portion of such anticipated profit to pay for order flow; or (iii) retain a larger proportion of anticipated profit and not provide (or provide less) price improvement or not provide (or provide less) payment for order flow. A market maker’s (such as Jane Street’s) anticipated profit must be allocated among these three sub-categories, such that an increased allocation to any one sub-category will result in a decreased allocation to one or more of the other sub-categories. The allocation of resources between the three subcategories listed above, including the risk of overallocation to market makers that pay for customer order flow, is informed and mitigated by competition for order flow amongst MSSB’s market makers under the same general payment for order flow terms applicable to Jane Street.

In addition to revenues that Jane Street may collect for executing or facilitating the execution of Self-Directed Channel customer orders that MSSB routes to Jane Street, Jane Street also receives remuneration from U.S. securities exchanges to which it routes or directs MSSB customer orders in the form of rebates. These U.S. exchange rebate payments could, in theory, incentivize Jane Street to route higher percentages of MSSB customer orders to particular venues over others, subject to Jane Street’s independent order routing and best execution obligations. Exchange rebates paid to Jane Street for MSSB customer executions are not passed through to MSSB or its customers, although Jane Street could potentially use these rebates to provide price improvement to MSSB customers, order flow payments to MSSB with respect Self-Directed Channel orders, or both.

UBS Securities, LLC:

Morgan Stanley Smith Barney LLC ("MSSB") routes NMS equity orders to UBS Securities, LLC ("UBS") to facilitate liquidity provision and price improvement opportunities for its customers. MSSB operates two primary service channels for its wealth management customers including the Full-Service Channel and the E*TRADE from Morgan Stanley Self-Directed Channel ("Self-Directed Channel"). Customers of the Full-Service Channel receive services from MSSB relating to the operation, servicing, and administration of their MSSB brokerage or advised accounts and the generation of orders for such accounts, including the services of a Financial Advisor. Among other things, MSSB receives compensation for customer Full-Service Channel orders from commissions on their brokerage account orders and fees on their advised accounts. As a result, MSSB does not seek or receive payment for order flow on such orders. Conversely, customers of the Self-Directed Channel generally generate and enter orders themselves for their brokerage accounts based upon their own investment decision making and without the benefit of the services of a Financial Advisor. Self-Directed Channel orders in NMS equities are subject to MSSB’s $0 commission policy, pursuant to which customers generally do not pay base commissions for order handling and execution of their Self-Directed Channel NMS equities orders (subject to discounted exceptions as described more fully at https://us.etrade.com/what-we-offer/pricing-and-rates). Because MSSB does not charge commissions on these Self-Directed Channel orders, MSSB seeks to be compensated, among other ways, through the receipt of payment for order flow from equity securities market makers that pay for customer order flow, and all such market makers are subject to substantially the same rates of payment. For clarity, MSSB does not route Full-Service Channel NMS equity orders to UBS.

UBS generates revenue from executing or facilitating the execution of Self-Directed Channel customer orders. In exchange for such routing, and solely with respect to Self-Directed Channel orders, MSSB receives payments from UBS in the amounts outlined in the above Public Order Routing Report disclosures, calculated at a rate of $0.002 per share for non-directed, NMS equity market and marketable limit order executions priced at $1.00 per share or more and $0.0031 per share for non-directed, NMS equity non-marketable limit order executions priced at $1.00 per share or more. MSSB, however, does not route Self-Directed Channel orders to market makers that pay for customer order flow, and all such market makers are subject to substantially the same rates of payment. For clarity, MSSB does not route Full-Service Channel NMS equity orders to UBS.

To take advantage of rules adopted by the U.S. securities exchanges that allow retail orders to be eligible for certain potential benefits, including additional price improvement from retail liquidity programs and higher queue priority from retail attribution programs, and to allow UBS to access such potential benefits for Self-Directed Channel NMS equity orders, MSSB marks applicable orders as retail orders on an order-by-order basis. MSSB and UBS, however, do not have any arrangements:

A. that require MSSB to meet certain volume thresholds or that provide incentives to MSSB for meeting or exceeding certain volume thresholds;
B. that require MSSB to meet certain minimum thresholds or that provide disincentives to MSSB for failing to meet certain minimum volume thresholds;
C. for volume-based tiered payment schedules; or
D. that require MSSB to route any orders or a minimum number of orders to UBS.

There is a potential conflict for a market maker such as UBS both paying for order flow on applicable Self-Directed Channel orders and providing price improvement for such orders as the potential source of funds for each is the same, namely the anticipated profit the market maker seeks to earn from executing or facilitating the execution of Self-Directed Channel customer orders. Accordingly, from such anticipated profit, a market maker such as UBS can (i) forgo a portion of such anticipated profit to provide price improvement; (ii) forgo a portion of such anticipated profit to pay for order flow; or (iii) retain a larger proportion of anticipated profit and not provide (or provide less) price improvement or not provide (or provide less) payment for order flow. A market maker’s (such as UBS’s) anticipated profit must be allocated among these three sub-categories, such that an increased allocation to any one sub-category will result in a decreased allocation to one or more of the other sub-categories. The allocation of resources between the three subcategories listed above, including the risk of overallocation to market makers at the expense of providing price improvement on Self-Directed Channel customer orders, is informed and mitigated by competition for order flow amongst MSSB’s market makers under the same general payment for order flow terms applicable to UBS.

In addition to revenues that UBS may collect for executing or facilitating the execution of Self-Directed Channel customer orders that MSSB routes to UBS, UBS also receives remuneration from U.S. securities exchanges to which it routes or directs MSSB customer orders in the form of rebates. These U.S. exchange rebate payments could, in theory, incentivize UBS to route higher percentages of MSSB customer orders to particular venues over others, subject to UBS’s independent order routing and best execution obligations. Exchange rebates paid to UBS for MSSB customer executions are not passed through to MSSB or its customers, although UBS could potentially use these rebates to provide price improvement to MSSB customers, order flow payments to MSSB with respect Self-Directed Channel orders, or both.
Morgan Stanley Smith Barney LLC ("MSSB") routes NMS equity orders to Cboe EDGX Exchange, Inc. through its affiliate Morgan Stanley & Co., LLC ("MS&Co."), to facilitate liquidity provision and price improvement opportunities for its customers. MSSB operates two primary service channels for its wealth management customers including the Full-Service Channel and the E-TRADE from Morgan Stanley Self-Directed Channel ("Self-Directed Channel"). Customers of the Full-Service Channel receive services from MSSB relating to the operation, servicing, and administration of accounts, including the services of a Financial Advisor. Among other things, MSSB receives compensation for arrangements for orders from customers on their brokerage accounts and fees on their advised accounts. Conversely, customers of the Self-Directed Channel generally generate and enter orders themselves for their brokerage accounts based upon their own investment decision making and without the benefit of the services of a Financial Advisor. Self-Directed Channel orders for NMS equity securities are subject to MSSB’s $0 commission policy, pursuant to which customers generally do not pay commission for order handling and execution of Self-Directed Channel NMS equities orders (subject to disclosed exceptions described above). MSSB does not charge commission on these Self-Directed Channel orders, the Firm seeks to be compensated, among other ways, through payment for order flow from MS&Co.’s equity market makers and, as described in further detail below, from rebates on executions of Self-Directed Channel orders that MSSB routes to certain U.S. securities exchanges directly and indirectly through its affiliate M. Stanley & Co., LLC ("MS&Co."), including Directly Directed Channel orders that MSSB routes to EDGX through MS&Co. While MSSB determines where to route customer orders based on, and consistent with its best execution obligations, these U.S. exchange rebate payments could, in theory, incentivize MSSB to route higher percentages of MSSB’s customer orders to exchanges with lower rebate payments or with other exchanges. There is a potential conflict in that such rebates and fees could, in theory, incentivize MSSB to route a higher percentage of MSSB customer orders to EDGX through MS&Co rather than another venue in order to reach a higher tier. MSSB and EDGX, however, do not have any arrangements.

For example, a rebate or fee is received on behalf of MSSB for each Self-Directed Channel customer order execution on EDGX, depending on whether the order added to or subtracted from liquidity on the exchange. For clarity, MSSB pays such fee or receives such rebate, as applicable, for executions of Full-Service Channel orders that MSSB routes to EDGX indirectly through MS&Co and may also benefit indirectly from profits realized from exchange rebates to MS&Co for executing MSSB orders. MSSB orders receive its capacity as market maker, which may also benefit from the execution of these orders. As a result of the partnership with MSSB, EDGX’s eligibility arrangements:

- May be indirectly routed to, and executed on EDGX, through MSSB’s affiliate MS&Co, which is market maker on EDGX.

MSSB also participates in EDGX’s retail order priority program under which eligible retail orders receive priority ahead of other available interest at a given price level or other enhanced execution benefits. MSSB reviews customers’ activity on a periodic basis to determine program eligibility. MSSB orders routed to EDGX through MS&Co will be combined with any other order flow that MSSB routes to EDGX for the purpose of determining the applicable pricing under EDGX’s tiered pricing model described above. It is possible that MSSB could generate additional profit as a result of the combination of such order flow and the incentives of such tiered pricing program including on behalf of MSSB's customers, MSSB may charge additional fees or rebates on executions of orders routed through EDGX.

The Nasdaq Stock Market:

Morgan Stanley Smith Barney LLC, ("MSSB") routes NMS equity orders to the Nasdaq Stock Market ("NASDAQ") to facilitate liquidity provision and price improvement opportunities for its customers. MSSB operates two primary service channels for its wealth management customers including the Full-Service Channel and the E-TRADE from Morgan Stanley Self-Directed Channel ("Self-Directed Channel"). Customers of the Full-Service Channel receive services from MSSB relating to the operation, servicing, and administration of their brokerage accounts and the generation of orders for such accounts, including the services of a Financial Advisor. Among other things, MSSB receives compensation for customer Full-Service Channel orders from commissions on their brokerage account orders and fees on their advised accounts. Conversely, customers of the Self-Directed Channel generally generate and enter orders themselves for their brokerage accounts based upon their own investment decision making and without the benefit of the services of a Financial Advisor. Self-Directed Channel orders for NMS equity securities are subject to MSSB’s $0 commission policy, pursuant to which customers generally do not pay commission for order handling and execution of Self-Directed Channel NMS equities orders (subject to disclosed exceptions described more fully at https://us.etrade.com/what-we-offer/pricing-and-rates). Because MSSB does not charge commission on these Self-Directed Channel orders, the Firm seeks to be compensated, among other ways, through payment for order flow from MSSB’s equity market makers and, as described in further detail below, from rebates on executions of Self-Directed Channel orders that MSSB routes to certain U.S. securities exchanges directly and indirectly, including NASDAQ. While MSSB determines where to route customer orders based on, and consistent with its best execution obligations, these U.S. exchange rebate payments could, in theory, incentivize MSSB to route higher percentages of MSSB’s customer orders to exchanges with lower rebate payments or with other exchanges. There is a potential conflict in that such rebates and fees could, in theory, incentivize MSSB to route a higher percentage of MSSB customer orders to EDGX through MS&Co rather than another venue in order to reach a higher tier. MSSB and NASDAQ, however, do not have any arrangements.

- May be indirectly routed to, and executed on EDGX, through MSSB’s affiliate MS&Co, which is market maker on NASDAQ.

For example, a rebate or fee is received on behalf of MSSB for each Self-Directed Channel customer order execution on NASDAQ, depending on whether the order added to or subtracted from liquidity on the exchange. For clarity, MSSB pays such fee or receives such rebate, as applicable, for executions of Full-Service Channel orders that MSSB routes to NASDAQ directly through MSSB may also benefit indirectly from profits realized from exchange rebates to MS&Co for executing MSSB orders MSSB receives in its capacity as market maker, which may also benefit from the execution of these orders. As a result of the partnership with MSSB, NASDAQ's eligibility arrangements:

- May be indirectly routed to, and executed on NASDAQ, through MSSB’s affiliate MS&Co, which is market maker on NASDAQ.
Members Exchange (MEMX): Morgan Stanley Smith Barney LLC ("MSSB") routes NASDAQ stock market orders to MEMX LLC ("MEMX") through its affiliate Morgan Stanley & Co., LLC ("MS&Co"), to facilitate liquidity provision and price improvement opportunities for its customers. MSSB operates a two service channels for its wealth management customers including the Full-Service Channel and the E*TRADE from Morgan Stanley Self-Directed Channel ("Self-Directed Channel"). Customers of the Full-Service Channel receive services from MSSB relating to the operation, servicing, and administration of their MSSB brokerage or advised accounts and the generation of orders for such accounts, including the services of a Financial Advisor. Among other things, MSSB receives compensation for customer brokerage channel orders from commissions on their brokerage account orders and fees on their advised accounts. Conversely, customers of the Self-Directed Channel generally generate and enter orders themselves for their brokerage accounts based upon their own investment decision making and without the benefit of the services of a Financial Advisor. Self-Directed Channel orders are placed to NASDAQ equity securities are subject to MSSB's $0 commission policy, pursuant to which customers generally do not pay base commission for order handling and execution of Self-Directed Channel NASDAQ equity orders (subject to disclosed exceptions described more fully at https://us.etrade.com/what-we-charge/pricing-and-rates). Because MSSB does not charge commission on these Self-Directed Channel orders, the Firm seeks to be compensated, among other ways, through payment for order flow from MEMX's equity market makers and, as described in further detail below, from rebates on executions of Self-Directed Channel orders by MSSB routes to certain U.S. securities links directly and indirectly through its affiliate Morgan Stanley & Co., LLC ("MS&Co"), including Self-Directed Channel orders that MSSB routes to MEMX through MS&Co. While MSSB determines where to route customer orders based on, and consistent with its best execution obligations, these U.S. exchange rebate payments could, in theory, incentivize MSSB to route higher percentages of MSSB customer orders to particular venues over others. While the majority of Self-Directed Channel customers were customers of MSSB's affiliate broker-dealer, E*TRADE Securities LLC ("ETS") in Q2 2023 and not MSSB, a portion of Self-Directed Channel customers were customers of MSSB during Q2 2023. The tables above reflect Self-Directed Channel orders routed by MSSB only. Quarterly order routing statistics for ETS are available at https://us.etrade.com/q2-quarterly-order-routing-report. MSSB does not route Full-Service Channel NASDAQ equity orders to MEMX directly or indirectly through MS&Co, though depending on market conditions, order pricing, and the order handling practices of, and regulatory requirements applicable to the market-makers to which MSSB routes customer orders, some MSSB Full-Service Channel non-directed NASDAQ equity orders may be indirectly routed to, and executed on MEMX, including through MS&Co's affiliate MSSB LLC, which is a market maker on MEMX.

MSSB either pays a fee or receives a rebate on behalf of MSSB for each Self-Directed Channel customer order execution on MEMX, depending on whether the order added to or subtracted from liquidity on the exchange. For clarity, MSSB pays such fee or receives such rebate, as applicable, for executions of Self-Directed Channel orders that MSSB routes to MEMX indirectly through MS&Co may also benefit indirectly from profits realized from exchange rebates to MS&Co for executing MSSB orders MS&Co receives in its capacity as market maker, which MSSB may also receive from executions on MEMX. As a result of the corporate affiliation between MS&Co and MSSB, MS&Co may share indirectly in any such profits generated by MS&Co. The fees and rebates referenced above are subject to volume pricing. To the extent that MEMX meets the execution volume thresholds necessary to qualify for preferred pricing under MEMX's Fees Schedule in a given month, increased (rather than standard) rebate rates and decreased (rather than standard) fees will apply. Because MEMX offers higher rebates and lower fees based on a tiered volume model, there is a potential conflict in that such rebates and fees could, in theory, incentivize MSSB to route a higher percentage of MSSB customer orders to MEMX through MS&Co rather than another venue in order to reach a higher tier. MSSB and MEMX, however, do not have any arrangements:

A. that require MSSB to meet certain volume thresholds;
B. that require MSSB to meet certain minimum volume thresholds or that provide disincentives to MEMX for failing to meet certain minimum volume thresholds;
C. for volume-based tiered payment schedules beyond the tiered volume model set forth in the MEMX's Fees Schedule as described above; or
D. that require MSSB to route any orders or a minimum number of orders to MEMX.

The fees MSSB pays and rebates MSSB receives from MEMX through MS&Co for NASDAQ equity executions are determined based on MEMX's tiered volume model. Schedules delineating orders eligible for such rebates and the applicable rates are published publicly by MEMX in the MEMX Fees Schedule, available at http://info.memetrading.com/fee-schedule/. Please note that MEMX's publicly available Fees Schedule URL link and applicable rates may change without notice. In general, during Q2 2023, MEMX paid MS&Co standard rebate rates of $0.0031 per share for Self-Directed Channel executions priced at $1.00 per share or more and a 0.075% of the total trade notional value for executions priced below $1.00 per share via MS&Co. On executions that removed liquidity from MEMX qualified for tiered pricing, MS&Co was charged a $0.00295 per share fee for executions priced at $1.00 per share or more and a 0.327% fee of the total notional value on executions priced below $1.00 per share. For Q2 2023, MSSB received rebates (net of fees) from MEMX in the amount of $20 in April, $44 in May, and $1,957 in June. For clarity, and as indicated above, MSSB routes Self-Directed orders to MEMX through MS&Co with specific routing instructions to send to MEMX pursuant to MSSB's order routing determinations whereas MSSB does not route Full-Service Channel orders to MEMX for execution directly or indirectly through MS&Co other than as determined by MS&Co, according above.

MSSB is an affiliated company of Strategic Investments I, Inc., both of which are wholly owned subsidiaries of Morgan Stanley and investor-shareholders of MEMX. Accordingly, MSSB, both directly and indirectly through its parent company Morgan Stanley and/or its affiliates may share in profits realized by MEMX, which could, in theory, incentivize MSSB to route a higher percentage of Self-Directed Channel orders to MEMX over other execution venues. MSSB orders routed to MEMX through MS&Co will be combined with any other order flow that MSSB routes to MEMX for the purpose of determining the applicable pricing under MEMX's tiered pricing model described above. It is possible that MS&Co could generate additional profit as a result of the combination of such order flow and the incentives of such tiered pricing program including on behalf of MSSB. Further disclosures regarding routing of orders through MS&Co are provided in the above Public Order Routing Report disclosures for MS&Co.

April 2023

Options

Summary

<table>
<thead>
<tr>
<th>Non-Directed Orders as % of All Orders</th>
<th>Market Orders as % of Non-Directed Orders</th>
<th>Marketable Limit Orders as % of Non-Directed Orders</th>
<th>Non-Marketable Limit Orders as % of Non-Directed Orders</th>
<th>Other Orders as % of Non-Directed Orders</th>
<th>Net Payment Paid/Received for Market Orders(USD)</th>
<th>Net Payment Paid/Received for Market Orders(USD)</th>
<th>Net Payment Paid/Received for Non-Marketable Limit Orders(USD)</th>
<th>Net Payment Paid/Received for Non-Marketable Limit Orders(USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>100.00</td>
<td>38.84</td>
<td>7.61</td>
<td>35.90</td>
<td>17.65</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
</tbody>
</table>

Venues

<table>
<thead>
<tr>
<th>Venue - Non-directed Order Flow</th>
<th>Non-Directed Orders (%)</th>
<th>Market Orders (%)</th>
<th>Marketable Limit Orders (%)</th>
<th>Non-Marketable Limit Orders (%)</th>
<th>Other Orders (%)</th>
<th>Net Payment Paid/Received for Market Orders(USD)</th>
<th>Net Payment Paid/Received for Market Orders(USD)</th>
<th>Net Payment Paid/Received for Non-Marketable Limit Orders(USD)</th>
<th>Net Payment Paid/Received for Non-Marketable Limit Orders(USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Morgan Stanley &amp; Co., LLC</td>
<td>83.35</td>
<td>83.35</td>
<td>83.34</td>
<td>82.50</td>
<td>85.08</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net Payment Paid/Received for Other Orders(USD)</th>
<th>Net Payment Paid/Received for Other Orders(USD)</th>
<th>Net Payment Paid/Received for Other Orders(USD)</th>
<th>Net Payment Paid/Received for Other Orders(USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Venue - Non-directed Order Flow</td>
<td>Non-Directed Orders (%)</td>
<td>Market Orders (%)</td>
<td>Marketable Limit Orders (%)</td>
</tr>
<tr>
<td>---------------------------------</td>
<td>-------------------------</td>
<td>------------------</td>
<td>-----------------------------</td>
</tr>
<tr>
<td>Citadel Securities, LLC</td>
<td>12.06</td>
<td>12.44</td>
<td>12.18</td>
</tr>
<tr>
<td>Wolverine Execution Services, LLC</td>
<td>3.15</td>
<td>3.00</td>
<td>2.92</td>
</tr>
<tr>
<td>Global Execution Brokers LP</td>
<td>1.22</td>
<td>1.16</td>
<td>1.44</td>
</tr>
<tr>
<td>Dash/IMC Financial Markets</td>
<td>0.21</td>
<td>0.05</td>
<td>0.11</td>
</tr>
<tr>
<td>Jane Street Execution Services LLC</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Citigroup Global Markets Inc. (ICB Markets)</td>
<td>0.00</td>
<td>0.00</td>
<td>0.01</td>
</tr>
</tbody>
</table>

### Material Aspects:

Morgan Stanley & Co., LLC:

Morgan Stanley Smith Barney LLC ("MSSB") is an affiliate of Morgan Stanley & Co., LLC ("MS&Co"). Both MSSB and MS&Co are registered broker-dealers. MSSB operates two primary service channels for its wealth management customers, including the Full-Service Channel and the E*TRADE from Morgan Stanley Self-Directed Channel ("Self-Directed Channel"). Customers of the Full-Service Channel receive services from MSSB relating to the operation, servicing, and administration of their MSSB brokerage or advised accounts and the generation of orders for such accounts, including the services of a Financial Advisor. Conversely, customers of the Self-Directed Channel generate and enter orders themselves for their brokerage accounts based upon their own investment decision making and without the benefit of the services of a Financial Advisor.

MSSB sends orders in U.S.-listed options to MS&Co to facilitate liquidity provision and price improvement opportunities for its customers. MSSB customer orders in U.S.-listed options that are sent to MS&Co are then routed by MS&Co to a U.S. options exchange to be either crossed or executed against MS&Co’s interest and/or other liquidity on such exchanges, subject to the principles of best execution. In general, MS&Co generates revenue from executing or facilitating the execution of MSSB customer orders. MSSB does not receive payment from MS&Co for the options orders it routes to MS&Co (i.e. payment for order flow), either for Full-Service Channel options orders or Self-Directed Channel options orders executed by MS&Co and MSSB and MS&Co do not have any arrangements:

A. that require MS&Co to meet certain volume thresholds or that provide incentives to MS&Co for meeting or exceeding certain volume thresholds;  
B. that require MSSB to meet certain minimum volume thresholds or that provide disincentives to MS&Co for failing to meet certain minimum volume thresholds;  
C. for volume-based tiered payment schedules; or  
D. that require MS&Co to route any orders or a minimum number of orders to MS&Co.

In the course of providing liquidity, MS&Co may preference option orders to MS&Co’s options market maker or third-party market makers on the applicable exchange, consistent with exchange-sponsored programs which are described in the fee schedules of each such exchange option. MS&Co also participates in exchange-sponsored listed option payment for order flow programs under which MS&Co may also receive remuneration from the U.S. options exchanges to which it routes or directs MSSB customer options orders in the form of rebates, including from exchanges in which MS&Co’s parent company Morgan Stanley or another affiliated entity may have a financial interest. These U.S. options exchange rebate payments could, in theory, incentivize MS&Co to route higher percentages of MSSB customer orders to particular venues over others, subject to MS&Co’s independent order routing and best execution obligations.

MS&Co receives rebates and pays fees for the routing of customer orders in exchange listed options to option exchanges. When the rebates exceeded receive the fees paid to such venue, MS&Co receives benefits from the trading activity. In addition, certain exchanges offer volume-based tiered rates based on the type of order routed. MS&Co receives incremental pricing benefits from exchange offers volume-based tiered rates. The volume tiers are published in the fee schedule by the exchange. Exchange rebates provided and fees charged to MS&Co for MSSB customer executions by the U.S. options exchanges are not passed through to MSSB or its customers. However, MSSB is an affiliated company of MS&Co, which is a market maker on various U.S. options exchanges and MS&Co may realize market-making profits from MS&Co orders routed to MS&Co for execution. In addition, MS&Co executes are combined on a monthly basis with other order flow that MS&Co executes for tiered pricing program incentive purposes and it is possible that MS&Co could generate additional profit as a result of the combination of such order flow and the incentives of such tiered pricing programs. As a result of MSSB’s corporate affiliation with MS&Co, MSSB may share indirectly in any such profits (whether from market-making, from pricing programs, or otherwise) generated by MS&Co.

Citadel Securities, LLC:
Morgan Stanley Smith Barney LLC ("MSSB") routes orders in NMS securities that are U.S.-listed options to Citadel Securities LLC ("Citadel") to facilitate liquidity provision and price improvement opportunities for its customers. MSSB operates two primary service channels for its wealth management customers including the Full-Service Channel and the E*TRADE from Morgan Stanley Self-Directed Channel ("Self-Directed Channel"). Although the columns in the table above which set out the percentage of the various order types combine order flow from MSSB's Full-Service Channel and Self-Directed Channel, the payment figures in the table above reflect only Self-Directed Channel order executions. The Full-Service Channel does not receive payment for order flow on these orders, whereas the Self-Directed Channel does. MSSB receives and handles non-directed options orders on a held and not held basis through both channels consistent with its duty of best execution, but there are differences in how MSSB is compensated for the services it performs, which, as described in detail below, can impact the price improvement opportunities and trade executions that MSSB customers receive from Citadel.

Customers of the Full-Service Channel receive services from MSSB relating to the operation, servicing, and administration of their MSSB brokerage or advised accounts and the generation of orders for such accounts, including the services of an MSSB Financial Advisor. Among other things, MSSB receives compensation for customer Full-Service Channel orders from commissions on their brokerage account orders and fees on their advised accounts. As a result, MSSB does not seek or receive payment for order flow on such orders from Citadel. In addition, as more fully described below, Citadel executes MSSB customer orders on U.S. listed options exchanges from which Citadel may receive payment in the form of rebates. Conversely, customers of the Self-Directed Channel generally generate and enter orders themselves for their brokerage accounts based upon their own investment decision making and without the benefit of the services of a Financial Advisor. Self-Directed Channel orders in NMS securities that are options contracts are subject to the MSSB's $0 based commission policy, pursuant to which customers generally do not pay base commission for order handling and execution of Self-Directed Channel NMS options orders (subject to disclosed exceptions as described more fully at https://us.etrade.com/what-we-offer/pricing-and-rates). Because MSSB does not charge commission on these Self-Directed Channel orders, the Firm seeks to be compensated, among other ways, through the receipt of fee for order flow from the options market makers that provide liquidity and guarantee executions on the U.S. options exchanges, including Citadel. While the majority of Self-Directed Channel customers are customers of MSSB's affiliate broker-dealer, E*TRADE Securities LLC ("ETS") in Q2 2023 and not MSSB, a portion of Self-Directed Channel customers were customers of MSSB during Q2 2023. The Self-Directed Channel options order execution statistics in the tables above (which also include details on Full-Service Channel options orders) reflect only those Self-Directed Channel orders routed by MSSB. Quarterly order routing statistics for ETS are available at https://us.etrade.com/q/quarterly-order-routing-report.

Citadel generates revenue from executing or facilitating the execution of MSSB customer orders. In exchange for such routing, and solely with respect to Self-Directed Channel options orders, MSSB receives payment from Citadel in the amounts outlined in the above Public Order Routing Report disclosures, calculated at a rate of $0.48 per contract for simple and complex equity options orders. MSSB does not receive payment from Citadel for index options executions on Self-Directed Channel orders or for options orders of Professional Customers, which are orders of customers who submit an average of 390 options orders per trading day, per calendar month, on a quarterly basis. Other than for certain limited order types, which MSSB routes to its affiliate Morgan Stanley & Co., LLC for handling and execution, MSSB only routes Self-Directed Channel orders in NMS securities that are options contracts to market makers that pay for customer order flow, and all such market makers are subject to substantially the same rate of payment. For clarity, and as indicated above, MSSB does not receive payment from Citadel with respect to Full-Service Channel order executions. Furthermore, MSSB and Citadel do not have any arrangements:

A. that require MSSB to meet certain volume thresholds or that provide incentives to MSSB for meeting or exceeding certain volume thresholds;
B. that require MSSB to meet certain minimum volume thresholds or that provide disincentives to MSSB for falling to meet certain minimum volume thresholds;
C. for volume-based tiered payment schedules; or
D. that require MSSB to route any orders or a minimum number of orders to Citadel.

In general, public, retail, or non-professional index options order execution fees range from $0.00 to $1.32 per contract, depending on the index option class and premium price, with Citadel passing exchange fees for Self-Directed Channel index option executions back to MSSB each month. For Q2 2023, MSSB paid total fees on customer index options executions of $3 in April, $18 in May, and $616 in June.

There is a potential conflict in an options market maker such as Citadel both paying for order flow on applicable Self-Directed Channel orders and providing price improvement for such orders, as the potential source of funds for each is the same, namely the anticipated profit the options market maker seeks to earn from executing or facilitating the execution of MSSB customer orders. Accordingly, from such anticipated profit, an options market maker such as Citadel can (i) forgo a portion of such anticipated profit to provide price improvement; (ii) forgo a portion of such anticipated profit to pay for order flow; or (iii) retain a larger portion of anticipated profit and not provide any (or less) price improvement or not provide less payment for order flow. An options market maker's (such as Citadel's) anticipated profit must be allocated among these three sub-categories, such that an increased allocation to any one sub-category will result in a decreased allocation to one or more of the other sub-categories. The allocation of resources between the three subcategories listed above, including the risk of overallocation to market maker profits at the expense of providing price improvement on Self-Directed Channel customer orders, is informed and mitigated by competition for Self-Directed Channel order flow amongst MSSB's market makers under the same general payment for order flow terms applicable to Citadel.

Citadel also acts as options market maker on one or more of the U.S. options exchanges on which it can execute an MSSB customer order and, as such, Citadel can earn a profit from such market-making executions. In addition to revenues that Citadel may collect for executing or facilitating the execution of MSSB customer orders, Citadel may also receive remuneration from the U.S. options exchanges to which it routes or directs MSSB customer options orders in the form of rebates. These U.S. options exchange rebate payments could, in theory, incentivize Citadel to route higher percentages of MSSB customer orders to particular venues over others, subject to Citadel's independent order routing and best execution obligations. Citadel also acts as options market maker on one or more of the options exchanges on which it can execute an MSSB customer order and, as such, Citadel can earn a profit from such market-making executions. MSSB does not share directly in any rebates Citadel receives for executions of MSSB customer orders, although Citadel could potentially use these rebates to provide price improvement to MSSB customers, order flow payments to MSSB with respect to Self-Directed Channel orders, or both.

Wolverine Execution Services, LLC:
Morgan Stanley Smith Barney LLC ("MSSB") routes orders in NMS securities that are U.S.-listed options to Wolverine Execution Services, LLC ("Wolverine") to facilitate liquidity provision and price improvement opportunities for its customers. MSSB operates two primary service channels for its wealth management customers including the Full-Service Channel and the E*TRADE from Morgan Stanley Self-Directed Channel ("Self-Directed Channel"). Although the columns in the table above which set out the percentage of the various order types combine order flow from MSSB's Full-Service Channel and Self-Directed Channel, the payment figures in the table above reflect only Self-Directed Channel order executions. The Full-Service Channel does not receive payment for order flow on these orders, whereas the Self-Directed Channel does. MSSB receives and handles non-directed orders on a held and not held basis through both channels consistent with its duty of best execution, but there are differences in how MSSB is compensated for the services it performs, which, as described in detail below, can impact the price improvement opportunities and trade executions that MSSB customers receive from Wolverine.

Customers of the Full-Service Channel receive services from MSSB relating to the operation, servicing, and administration of their MSSB brokerage or advised accounts and the generation of orders for such accounts, including the services of an MSSB Financial Advisor. Among other things, MSSB receives compensation for Full-Service Channel orders from commissions on their brokerage account orders and fees on their advised accounts. As a result, MSSB does not seek or receive payment for order flow on such orders from Wolverine. In addition, as more fully described below, Wolverine executes MSSB customer orders on U.S.-listed options exchanges from which Wolverine may receive payment in the form of rebates. Conversely, customers of the Self-Directed Channel generally generate and enter orders themselves for their brokerage accounts based upon their own investment decision-making and without the benefit of the services of a Financial Advisor. Self-Directed Channel orders in NMS securities that are options contracts are subject to the MSSB's $0.50 based commission policy, pursuant to which customers generally do not pay base commission for order handling and execution of Self-Directed Channel NMS options orders (subject to disclosed exceptions as described more fully at https://us.etrade.com/what-we-offer/pricing-and-rates). Because MSSB does not charge commission on these Self-Directed Channel orders, the Firm seeks to be compensated, among other ways, through the receipt of payment for such order flow from the options market makers that provide liquidity and guarantee executions on the U.S. options exchanges, including Wolverine. While the majority of Self-Directed Channel customers were customers of MSSB's affiliate broker-dealer, E*TRADE Securities LLC ("ETS") in Q2 2023 and not MSSB, a portion of Self-Directed Channel customers were customers of MSSB during Q2 2023. The Self-Directed Channel orders and corresponding execution statistics in the tables above (which also include details on Full-Service Channel options orders) reflect only those Self-Directed Channel orders routed by MSSB. Quarterly order routing statistics for ETS are available at https://us.etrade.com/quarterly-order-routing-report.

Wolverine generates revenue from executing or facilitating the execution of MSSB orders. In exchange for such routing, and solely with respect to Self-Directed Channel options orders, MSSB receives payment from Wolverine in the amounts outlined in the above Public Order Routing Report disclosures, calculated at a rate of $0.48 per contract for simple and complex equity options orders. MSSB does not receive payment from Wolverine for index options executions on Self-Directed Channel orders or for options orders of Professional Customers, which are orders of customers who submit an average of 395 options orders per trading day, per calendar month, on a quarterly basis. Other than for certain limited order types, which MSSB routes to its affiliate Morgan Stanley & Co., LLC for handling and execution, MSSB only routes Self-Directed Channel orders in NMS securities that are options contracts to market makers that pay for customer order flow, and all such market makers are subject to substantially the same rate of payment. For clarity, and as indicated above, MSSB does not receive payment from Wolverine with respect to Full-Service Channel order executions. Furthermore, MSSB and Wolverine do not have any arrangements:

A. that require MSSB to meet certain volume thresholds or that provide incentives to MSSB for meeting or exceeding certain volume thresholds;
B. that require MSSB to meet certain minimum volume thresholds or that provide disincentives to MSSB for failing to meet certain minimum volume thresholds;
C. for volume-based tiered payment schedules; or
D. that require MSSB to route any orders or a minimum number of orders to Wolverine.

In general, public, retail, or non-professional index options order execution fees range from $0.00 to $1.32 per contract, depending on the index option class and premium price, with Wolverine passing exchange fees for index option executions back to MSSB each month. For Q2 2023, MSSB paid total fees on customer index options executions of $0 in April, $0 in May, and $3,573 in June.

There is a potential conflict to an options market maker such as Wolverine both paying for order flow on applicable Self-Directed Channel orders and providing price improvement for such orders, as the potential source of funds for each is the same, namely the anticipated profit the options market maker seeks to earn from executing or facilitating the execution of MSSB customer orders. Accordingly, from such anticipated profit, an options market maker such as Wolverine can (i) forgo a portion of such anticipated profit to provide price improvement, (ii) forgo a portion of such anticipated profit to pay for order flow; or (iii) retain a larger portion of anticipated profit and not provide (or provide less) price improvement or not provide (or provide less) payment for order flow. An options market maker's (such as Wolverine's) anticipated profit must be allocated among these three sub-categories, such that an increased allocation to any one sub-category will result in a decreased allocation to one or more of the other sub-categories. The allocation of resources between the three subcategories listed above, including the risk of overallocation to market maker profits at the expense of providing price improvement on Self-Directed Channel customer orders, is informed and mitigated by competition for Self-Directed Channel order flow amongst MSSB’s market makers under the same general payment for order flow terms applicable to Wolverine.

Wolverine also acts as options market maker on one or more of the U.S. options exchanges on which it can execute an MSSB customer order and, as such, Wolverine can earn a profit from such market-making executions. In addition to revenues that Wolverine may collect for executing or facilitating the execution of MSSB customer orders, Wolverine may also receive remuneration from the U.S. options exchanges to which it routes or directs MSSB customer options orders in the form of rebates. These U.S. options exchange rebate payments could, in theory, incentivize Wolverine to route higher percentages of MSSB customer orders to particular venues over others, subject to Wolverine's independent order routing and best execution obligations. Wolverine also acts as options market maker on one or more of the options exchanges on which it can execute an MSSB customer order and, as such, Wolverine can earn a profit from such market-making executions. MSSB does not share directly in any rebates Wolverine receives for executions of MSSB customer orders, although Wolverine could potentially use these rebates to provide price improvement to MSSB customers, order flow payments to MSSB with respect to Self-Directed Channel orders, or both.

Global Execution Brokers LP:
Morgan Stanley Smith Barney LLC ("MSSB") routes customer orders in NMS securities that are options contracts to Global Execution Brokers, LLC ("G1X") to facilitate liquidity provision and price improvement opportunities for its customers. MSSB operates two primary service channels for their wealth management customers including the Full-Service Channel and the E*TRADE from Morgan Stanley Self-Directed Channel ("Self-Directed Channel"). Customers of the Full-Service Channel receive services from MSSB relating to the operation, servicing, and administration of their Morgan Stanley Smith Barney LLC accounts and the services of a Financial Advisor. Conversely, customers of the Self-Directed Channel generally generate and enter orders themselves for their brokerage accounts based upon their own investment decision making and without the benefit of the services of a Financial Advisor. Self-Directed Channel orders in NMS securities that are options contracts are subject to the MSSB $0.25 commission policy, pursuant to which customers generally (subject to described exceptions as described more fully at https://us.etrade.com/what-we-offer/pricing-and-rates) do not pay base commission for order handling and execution of Self-Directed Channel NMS options orders. Because MSSB does not charge commission on these Self-Directed Channel orders, the Firm seeks to incentivize customers of the Self-Directed Channel to provide liquidity and guarantee executions on the U.S. options exchange listed in G1X. While nearly all Self-Directed Channel customers are customers of MSSB’s affiliate broker-dealer, E*TRADE Securities LLC ("ETS") and not MSSB, a limited number of Self-Directed Channel customers were customers of MSSB during Q4 2022. The tables above reflect Self-Directed Channel orders routed by MSSB only. Quarterly order routing statistics for E*TRADE from Morgan Stanley Self-Directed Channel orders routed by ETS are available at https://us.etrade.com/Quarterly-order-routing-report. MSSB does not route Full-Service Channel options orders to G1X.

G1X generates revenue from executing or facilitating the execution of MSSB Self-Directed Channel orders in exchange for such routing and solely with respect to Self-Directed Channel orders, MSSB receives payment from G1X (based upon the consideration G1X receives for each transaction for which it provides such services). MSSB does not receive payment from G1X for index options execution orders placed for orders of Professional Customers, which are orders of customers who submit an average of 390 options orders per trading day, per calendar month, on a quarterly basis. Choice of particular order execution brokers or dealers, including ($18 million or more) does not route Full-Service Channel options orders to G1X.

G1X also acts as options market maker on one or more of the U.S. options exchanges on which it can execute MSSB customer orders and, as such, G1X can earn a profit from such market-making executions. In addition to revenues that G1X may collect for executing or facilitating the execution of Self-Directed Channel customer orders, G1X may also receive remuneration from the U.S. options exchanges to which it routes or directs Self-Directed Channel customer orders in the form of rebates. These U.S. options exchange rebate payments could, in theory, incentivize G1X to route higher percentages of MSSB customer orders to particular venues over others, subject to G1X’s independent order routing and best execution obligations. Exchange rebates provided to G1X for MSSB customer order executions by the U.S. options exchanges are not passed through to MSSB or its customers although G1X could potentially use these rebates to provide price improvement to MSSB customers, order flow payments with respect to Self-Directed Channel orders, or both.

Dash/IMC Financial Markets:

Morgan Stanley Smith Barney LLC ("MSSB") routes U.S.-listed options orders to Dash Financial Services, LLC ("Dash") to facilitate liquidity provision and price improvement opportunities for its customers. MSSB operates two primary service channels for its wealth management customers including the Full-Service Channel and the E*TRADE from Morgan Stanley Self-Directed Channel ("Self-Directed Channel"). Customers of the Full-Service Channel receive services from MSSB relating to the operation, servicing, and administration of their Morgan Stanley Smith Barney LLC accounts and the services of a Financial Advisor. Conversely, customers of the Self-Directed Channel generally generate and enter orders themselves for their brokerage accounts based upon their own investment decision making and without the benefit of the services of a Financial Advisor. Self-Directed Channel orders in NMS securities that are options contracts are subject to the MSSB $0.25 commission policy, pursuant to which customers generally (subject to described exceptions as described more fully at https://us.etrade.com/what-we-offer/pricing-and-rates) do not pay base commission for order handling and execution of Self-Directed Channel NMS options orders. Because MSSB does not charge commission on these Self-Directed Channel orders, the Firm seeks to incentivize customers of the Self-Directed Channel to provide liquidity and guarantee executions on the U.S. options exchange listed in G1X. While nearly all Self-Directed Channel customers are customers of MSSB’s affiliate broker-dealer, E*TRADE Securities LLC ("ETS") and not MSSB, a limited number of Self-Directed Channel customers were customers of MSSB during Q4 2022. The tables above reflect Self-Directed Channel orders routed by MSSB only. Quarterly order routing statistics for E*TRADE from Morgan Stanley Self-Directed Channel orders routed by ETS are available at https://us.etrade.com/Quarterly-order-routing-report. MSSB does not route Full-Service Channel options orders to G1X.

Dash generates revenue from executing or facilitating the execution of MSSB customer orders. In exchange for such routing and solely with respect to Self-Directed Channel options orders, MSSB receives payment from Dash (based upon the consideration Dash receives from the U.S. options exchanges with which has arrangements as described below) (i.e. payment for order flow) in the amounts outlined in the above Public Order Routing Report disclosures, calculated at a rate of $0.48 per contract for simple and complex equity options orders. MSSB does not receive payment from Dash for index options execution orders placed for orders of Professional Customers, which are orders of customers who submit an average of 390 options orders per trading day, per calendar month, on a quarterly basis. Choice of particular order execution brokers or dealers, including Dash/IMC Financial Markets does not route Full-Service Channel options orders to G1X.

In general, public, retail, or non-professional index options order execution fees range from $0.00 to $1.32 per contract, depending on the index option class and premium price, with Dash paying exchange fees for index option executions back to MSSB each month. For Q2 2023, MSSB paid total fees on customer index option executions of $18 in April, $0 in May, and $1,127 in June.

In connection with Dash’s handling of MSSB retail equity option orders and options with respect to Self-Directed Channel orders, Dash has arrangements with multiple, unaffiliated liquidity providers, including IMC Financial Markets, designed to facilitate liquidity provision and price improvement opportunities. Pursuant to these arrangements, Dash routes MSSB Self-Directed Channel orders to exchanges and may prefer the liquidity providers on such applicable exchange, consistent with exchange-sponsored programs which are described in the fee schedules of each such exchange. The liquidity providers provide Dash with payment in connection with Dash’s routing of MSSB Self-Directed Channel orders and obligations, including through reciprocal order flow arrangements between Dash and such liquidity provider and/or payment per contract to Dash in return for Self-Directed Channel orders that Dash routes or directs. Dash provides payment to MSSB on such Self-Directed Channel orders as described above based upon the compensation Dash receives from such liquidity providers. For clarity, and as indicated above, MSSB does not route Full-Service Channel options orders to Dash. Furthermore, MSSB and Dash do not have any arrangements.

MSSB orders are routed from customers to G1X or E*TRADE. In addition to revenues that MSSB may collect for executing or facilitating the execution of Self-Directed Channel customer orders, Dash may also receive remuneration from the U.S. options exchanges to which it routes or directs MSSB customer options orders in the form of rebates. These U.S. options exchange rebate payments could, in theory, incentivize Dash to route higher percentages of MSSB customer orders to particular venues over others, subject to Dash’s independent order routing and best execution obligations. MSSB does not share directly in any rebates Dash receives for executions of MSSB customer orders, although Dash could potentially use these rebates to provide price improvement to MSSB customers, order flow payments with respect to Self-Directed Channel orders, or both.
Jane Street Execution Services LLC: Morgan Stanley Smith Barney LLC ("MSBB") routes customer orders in NMS securities that are options contracts to Jane Street Execution Services, LLC ("Jane Street") to facilitate liquidity provision and price improvement opportunities for its customers. MSBB operates two primary service channels for its wealth management customers including the Full-Service Channel and the E*TRADE from Morgan Stanley Self-Directed Channel ("Self-Directed Channel"). Customers of the Full-Service Channel receive services from MSBB relating to the operation, servicing, and administration of their MSBB brokerage or advised accounts and the generation of orders for such accounts, including the services of a Financial Advisor. Among other things, MSBB receives compensation for customer Full-Service Channel orders from commissions on their brokerage account orders and fees on their advised accounts. As a result, MSBB does not seek or receive payment for order flow on such orders. Conversely, customers of the Self-Directed Channel generally generate and enter orders themselves for their brokerage accounts based upon their own investment decision making and without the benefit of the services of a Financial Advisor. MSBB does not route Self-Directed Channel customer options orders to Jane Street and the tables above reflect Full-Service Channel order executions only. For clarity, MSBB does not receive payment from Jane Street for Full-Service Channel option order executions and MSBB does not route Self-Directed Channel options orders to Jane Street. Additionally, MSBB and Jane Street do not have any arrangements:

A. that require MSBB to meet certain volume thresholds or that provide incentives to MSBB for meeting or exceeding certain volume thresholds;
B. that require MSBB to meet certain minimum volume thresholds or that provide disincentives to MSBB for failing to meet certain minimum volume thresholds;
C. for volume based tiered payment schedules; or
D. that require MSBB to route any orders or a minimum number of orders to Jane Street.

Jane Street may receive remuneration from the U.S. options exchanges to which it routes or directs MSBB customer options orders in the form of rebates. These U.S. options exchange rebate payments could, in theory, incentivize Jane Street to route higher percentages of MSBB customer orders to particular venues over others, subject to Jane Street’s independent order routing and best execution obligation. Exchange rebates provided to Jane Street for MSBB customer order executions by the U.S. options exchanges are not passed through to MSBB or its customers although Jane Street’s receipt of such rebates could potentially be used to provide price improvement to MSBB customers.

Citigroup Global Markets Inc. (CGM): Morgan Stanley Smith Barney LLC ("MSBB") routes customer orders in NMS securities that are options contracts to Citigroup Global Markets Inc. ("Citigroup") to facilitate liquidity provision and price improvement opportunities for its customers. MSBB operates two primary service channels for its wealth management customers including the Full-Service Channel and the E*TRADE from Morgan Stanley Self-Directed Channel ("Self-Directed Channel"). Customers of the Full-Service Channel receive services from MSBB relating to the operation, servicing, and administration of their MSBB brokerage or advised accounts and the generation of orders for such accounts, including the services of a Financial Advisor. Among other things, MSBB receives compensation for customer Full-Service Channel orders from commissions on their brokerage account orders and fees on their advised accounts. As a result, MSBB does not seek or receive payment for order flow on such orders. Conversely, customers of the Self-Directed Channel generally generate and enter orders themselves for their brokerage accounts based upon their own investment decision making and without the benefit of the services of a Financial Advisor. MSBB does not route Self-Directed Channel customer options orders to Citigroup and the tables above reflect Full-Service Channel order executions only. For clarity, MSBB does not receive payment from Citigroup for Full-Service Channel option order executions and MSBB does not route Self-Directed Channel options orders to Citigroup. Additionally, MSBB and Citigroup do not have any arrangements:

A. that require MSBB to meet certain volume thresholds or that provide incentives to MSBB for meeting or exceeding certain volume thresholds;
B. that require MSBB to meet certain minimum volume thresholds or that provide disincentives to MSBB for failing to meet certain minimum volume thresholds;
C. for volume based tiered payment schedules; or
D. that require MSBB to route any orders or a minimum number of orders to Citigroup.

Citigroup may receive remuneration from the U.S. options exchanges to which it routes or directs MSBB customer options orders in the form of rebates. These U.S. options exchange rebate payments could, in theory, incentivize Citigroup to route higher percentages of MSBB customer orders to particular venues over others, subject to Citigroup’s independent order routing and best execution obligation. Exchange rebates provided to Citigroup for MSBB customer order executions by the U.S. options exchanges are not passed through to MSBB or its customers although Citigroup’s receipt of such rebates could potentially be used to provide price improvement to MSBB customers.

May 2023

S&P 500 Stocks

Summary

<table>
<thead>
<tr>
<th>Non-Directed Orders as % of All Orders</th>
<th>Market Orders as % of Non-Directed Orders</th>
<th>Marketable Limit Orders as % of Non-Directed Orders</th>
<th>Non-Marketable Limit Orders as % of Non-Directed Orders</th>
<th>Other Orders as % of Non-Directed Orders</th>
</tr>
</thead>
<tbody>
<tr>
<td>100.00</td>
<td>93.71</td>
<td>0.49</td>
<td>3.58</td>
<td>2.22</td>
</tr>
</tbody>
</table>

Venues

<table>
<thead>
<tr>
<th>Venue - Non-directed Order Flow</th>
<th>Non-Directed Orders (%)</th>
<th>Market Orders (%)</th>
<th>Marketable Limit Orders (%)</th>
<th>Non-Marketable Limit Orders (%)</th>
<th>Other Orders (%)</th>
<th>Net Payment Paid/Received for Market Orders(USD)</th>
<th>Net Payment Paid/Received for Marketable Limit Orders(USD)</th>
<th>Net Payment Paid/Received for Non-Marketable Limit Orders(USD)</th>
<th>Net Payment Paid/Received for Non-Marketable Limit Orders(cents per hundred shares)</th>
<th>Net Payment Paid/Received for Non-Marketable Limit Orders(cents per hundred shares)</th>
<th>Net Payment Paid/Received for Other Orders(USD)</th>
<th>Net Payment Paid/Received for Other Orders(cents per hundred shares)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Morgan Stanley Smith Barney, LLC</td>
<td>78.61</td>
<td>78.55</td>
<td>80.14</td>
<td>81.17</td>
<td>76.35</td>
<td>2.12</td>
<td>0.0002</td>
<td>-171.12</td>
<td>-0.2495</td>
<td>32,656.67</td>
<td>26.2537</td>
<td>-6,799.25</td>
</tr>
<tr>
<td>Two Sigma Securities, LLC</td>
<td>5.65</td>
<td>5.58</td>
<td>6.67</td>
<td>7.54</td>
<td>5.31</td>
<td>7.79</td>
<td>16,9630</td>
<td>10.8647</td>
<td>6.60</td>
<td>29,849.6</td>
<td>1.52</td>
<td>16,9042</td>
</tr>
<tr>
<td>Venue - Non-directed Order Flow</td>
<td>Non-Directed Orders (%)</td>
<td>Market Orders (%)</td>
<td>Marketable Limit Orders (%)</td>
<td>Non-Marketable Limit Orders (%)</td>
<td>Other Orders (%)</td>
<td>Net Payment/Paid/Received for Market Orders(USD)</td>
<td>Net Payment/Paid/Received for Marketable Limit Orders(USD)</td>
<td>Net Payment/Paid/Received for Non-Marketable Limit Orders(USD)</td>
<td>Net Payment/Paid/Received for Other Orders(USD)</td>
<td>Net Payment/Paid/Received for Other Orders(cents per hundred shares)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>--------------------------------</td>
<td>-------------------------</td>
<td>-------------------</td>
<td>----------------------------</td>
<td>--------------------------------</td>
<td>-----------------</td>
<td>-----------------------------------------------</td>
<td>------------------------------------------------</td>
<td>------------------------------------------------</td>
<td>-----------------------------------------------</td>
<td>------------------------------------------------</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CITADEL SECURITIES LLC</td>
<td>5.57</td>
<td>5.46</td>
<td>5.57</td>
<td>5.89</td>
<td>9.70</td>
<td>82.16</td>
<td>20.0000</td>
<td>1.39</td>
<td>19.9426</td>
<td>9.96</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Virtu Americas, LLC</td>
<td>5.49</td>
<td>5.62</td>
<td>4.40</td>
<td>3.00</td>
<td>4.38</td>
<td>55.94</td>
<td>0.0536</td>
<td>2.91</td>
<td>0.1490</td>
<td>6.98</td>
<td></td>
<td></td>
</tr>
<tr>
<td>G1 Execution Services, LLC</td>
<td>4.62</td>
<td>4.75</td>
<td>2.70</td>
<td>1.93</td>
<td>4.20</td>
<td>22.60</td>
<td>18.4129</td>
<td>1.14</td>
<td>5.6241</td>
<td>7.43</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jane Street Capital</td>
<td>0.03</td>
<td>0.03</td>
<td>0.30</td>
<td>0.09</td>
<td>0.03</td>
<td>35.91</td>
<td>20.0000</td>
<td>0.80</td>
<td>16.6527</td>
<td>1.80</td>
<td></td>
<td></td>
</tr>
<tr>
<td>UBS Securities, LLC</td>
<td>0.01</td>
<td>0.01</td>
<td>0.14</td>
<td>0.06</td>
<td>0.03</td>
<td>5.61</td>
<td>20.0000</td>
<td>2.24</td>
<td>20.0000</td>
<td>0.72</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chi-X EDGX Exchange, Inc.</td>
<td>0.01</td>
<td>0.00</td>
<td>0.00</td>
<td>0.15</td>
<td>0.00</td>
<td>0.00</td>
<td>0.0000</td>
<td>0.00</td>
<td>0.0000</td>
<td>-19.01</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The Nasdaq Stock Market</td>
<td>0.00</td>
<td>0.00</td>
<td>0.02</td>
<td>0.11</td>
<td>0.00</td>
<td>0.00</td>
<td>0.0000</td>
<td>0.00</td>
<td>0.0000</td>
<td>0.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Members Exchange (MEMX)</td>
<td>0.00</td>
<td>0.00</td>
<td>0.01</td>
<td>0.05</td>
<td>0.00</td>
<td>0.00</td>
<td>0.0000</td>
<td>0.10</td>
<td>31.2500</td>
<td>-1.67</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Material Aspects:

Morgan Stanley & Co., LLC:

Morgan Stanley Smith Barney LLC (“MSBB”) is an affiliate of Morgan Stanley & Co., LLC (“MS&Co”). Both MSBB and MS&Co are registered broker-dealers. MSBB operates two primary service channels for its wealth management customers, including the Full-Service Channel and the ETTRADE Channel from Morgan Stanley Self-Directed Channel (“Self-Directed Channel”). Customers of the Full-Service Channel receive services from MSBB relating to the operation, servicing, and administration of their MSBB brokerage or advised accounts and the generation of orders for such accounts, including the services of a Financial Advisor. Among other things, MSBB receives compensation for customer Full-Service Channel orders from commissions on their brokerage account orders and fees on their advised accounts. As a result, MSBB does not seek or receive payment for order flow on such orders, apart from the U.S. securities exchange rebates described in further detail below. Conversely, customers of the Self-Directed Channel generally generate and enter orders themselves for their brokerage accounts based upon their own investment decision making and without the benefit of the services of a Financial Advisor. Self-Directed Channel orders in NMS equities are subject to MSBB’s 50 commission policy, pursuant to which customers generally do not pay base commissions for order handling and execution of their Self-Directed Channel NMS equities orders (subject to disclosed exceptions as described more fully at https://us.etrade.com/what-we-offer/pricing-and-rates/). While the majority of Self-Directed Channel customers are customers of MSBB’s affiliated broker-dealer, E*TRADE Securities LLC (“ETS”) (since 2023 and not MSBB), a portion of Self-Directed Channel customers were customers of MSBB during Q2 2023. Quarterly order routing statistics for ETS are available at https://us.etrade.com/qquarterly-order-routing-report. Although the columns in the table above which set out the percentage of the various order types combine order flow from MSBB’s Full-Service Channel and Self-Directed Channel, the payment figures in the table above reflect only Full-Service Channel order executions. Neither the Full-Service Channel nor the Self-Directed Channel generally receive payment for order flow on these orders (other than as described above).

So long with respect to Full-Service Channel orders, MSBB routes NMS equity orders to MS&Co to facilitate liquidity provision and price improvement opportunities for its customers. Except for a limited number of directed Full-Service Channel equity orders which MS&Co receives from MSBB and routes in accordance with customer instructions, all Full-Service Channel equity orders are routed by MSBB to MS&Co: for execution. MS&Co executes Full-Service Channel customer equity orders on an agency, principal or riskless principal basis and may receive compensation for such executions. In connection with certain of these executions, MS&Co may internalize customer order flow to allow the customer to benefit from various sources of liquidity and to offer customer orders opportunities for price improvement. Such internalization may enable MS&Co to generate a trading profit and/or commissions or fees on the transaction. In addition, MS&Co routes orders to U.S. securities exchanges that offer cash credits for orders that provide liquidity to their books and charge explicit fees for orders that extract liquidity from their books. MS&Co receives remuneration in the form of rebates from U.S. securities exchanges to which it routes or directs MSBB customer orders. These U.S. exchange rebate payments could, in theory, incentivize MS&Co to route a higher percentage of MSBB customer orders to particular venues over others, subject to MS&Co’s independent order routing and best execution obligations. MSBB may also receive incremental pricing benefits from U.S. securities exchanges and/or electronic communication networks if certain volume thresholds are met. The net of U.S. securities exchange fees paid by, and rebates provided to, MSBB for Full-Service Channel customer executions are passed through to MS&Co. As such, these rebate payments could theoretically incentivize MSBB to route a higher percentage of customer orders to MS&Co, subject to MSBB’s independent order routing and best execution obligations. Additionally, all MSBB maintain ownership interests in certain market centers that stand to appreciate as a result of any profits generated from the execution of orders.

Apart from a limited number of Self-Directed Channel directed equity orders, which MS&Co receives from MSBB or its affiliated broker-dealer E*TRADE Securities, LLC with customer instructions to route to directly to certain U.S. securities exchanges and a limited number of non-directed Self-Directed Channel equity orders that MSBB routes to Cboe EDGX Exchange, Inc. and the Members Exchange for execution through MS&Co, MSBB does not route Self-Directed Channel orders to MS&Co for execution directly. Self-Directed Channel equity orders that MSBB routes to the U.S. securities exchanges through MS&Co will be combined with any other order flow that MS&Co routes to the exchange for the purpose of determining the applicable pricing and rebates under exchange tiered pricing models. MS&Co either pays a fee or receives a rebate for each Self-Directed Channel customer order execution on those exchanges, depending on whether the order added to or subtracted from liquidity on the exchange, which are passed through to MSBB at the rates and amounts reflected in the applicable relationship disclosures and tables in this report. To the extent that MS&Co meets the execution volume thresholds necessary to qualify for preferred pricing under an exchange tiered pricing model in a given month, increased (rather than standard) rebate rates and decreased (rather than standard) fees will apply. Because exchanges may offer higher rebates and lower fees based on a tiered volume model, there is a potential conflict in that such rebates and fees could, in theory, incentivize MSBB to route a higher percentage of Self-Directed Channel customer orders to a U.S. securities exchange to help MS&Co reach higher volume pricing tiers.

Two Sigma Securities, LLC:
Morgan Stanley Smith Barney LLC ("MSSB") routes NMS equity orders to Two Sigma Securities, LLC ("Two Sigma") to facilitate liquidity provision and price improvement opportunities for its customers. MSSB operates two primary service channels for its wealth management customers, the Full-Service Channel and the E*TRADE from Morgan Stanley Self Directed Channel ("Self-Directed Channel"). Although the columns in the table above which set out the percentage of the various order types combine order flow from MSSB’s Full-Service Channel and Self-Directed Channel, the payment figures in the table reflect only Self-Directed Channel order executions. The Full-Service Channel does not receive payment for order flow on these orders, whereas the Self-Directed Channel does. MSSB receives and handles non-directed customer orders in NMS equity securities on a held and not held basis through both channels consistent with its duty of best execution, but there are differences in how MSSB is compensated for the services it performs, which, as described in detail below, can impact the price improvement opportunities and trade executions that MSSB customers receive from Two Sigma.

Customers of the Full-Service Channel receive services from MSSB relating to the operation, servicing, and administration of their MSSB brokerage or advised accounts and the generation of orders for such accounts, including the services of a Financial Advisor. Among other things, MSSB receives compensation for customer Full-Service Channel executions from commissions on customers’ brokerage account order executions and fees on their advised accounts. As a result, MSSB does not seek or receive payment for order flow on such orders from Two Sigma. In addition, as more fully described below, Two Sigma may send certain MSSB customer orders to an exchange or other market center for execution, including to market centers from which Two Sigma may receive payment in the form of rebates. Conversely, customers of the Self-Directed Channel generally generate and enter orders themselves for their brokerage accounts based upon their own investment decision making and without the benefit of the services of a Financial Advisor. Self-Directed Channel orders in NMS securities are subject to MSSB’s $0 commission policy, pursuant to which customers generally do not pay base commissions for order handling and execution of their Self-Directed Channel NMS equity orders (subject to disclosed exceptions as described more fully at https://us.etradecom/what-we-offer/pricing-and-rates). Because MSSB does not charge commissions on these Self-Directed Channel orders, MSSB seeks to be compensated by other, through the receipt of payment for order flow from equity securities market makers, including Two Sigma. While the majority of Self-Directed Channel customers were customers of MSSB’s affiliate broker-dealer, E*TRADE Securities LLC ("ETS") in Q2 2023 and not MSSB, a portion of Self-Directed Channel customers were customers of MSSB during Q2 2023. The Self-Directed Channel order statistics reflected in the tables above (which also include details on Full-Service Channel orders) include only those Self-Directed Channel orders routed by MSSB. Quarterly order routing statistics for ETS are available at https://us.etradecom/quarterly-order-routing-report.

Two Sigma generates revenue from executing or facilitating the execution of MSSB customer orders. In exchange for routing such orders to Two Sigma, and solely with respect to Self-Directed Channel orders, MSSB receives payments from Two Sigma in the amounts outlined in the above Public Order Routing Report disclosures (i.e. payment for order flow), calculated at a rate of $0.002 per share for non-directed, NMS equity market and marketable limit order executions priced at $1.00 per share or more and $0.0031 per share for non-directed, NMS equity nonmarketable limit order executions priced at $1.00 per share or more. MSSB does not receive payment from Two Sigma for NMS equity executions on Self-Directed Channel orders priced below $1.00 per share. Apart from certain Self-Directed Channel orders routed to Morgan Stanley & Co., LLC as disclosed above, MSSB only routes Self-Directed Channel NMS equity orders to market makers that pay for customer order flow, and all such market makers are subject to substantially the same rates of payment. For clarity, and as indicated above, MSSB does not receive payment from Two Sigma with respect to Full-Service Channel order executions.

To take advantage of rules adopted by the U.S. securities exchanges that allow retail orders to be eligible for certain potential benefits, including additional price improvement from retail liquidity programs and higher queue priority from retail attestation programs, and to allow Two Sigma to access such potential benefits for Self-Directed Channel NMS equity orders, MSSB marks applicable orders as retail orders on an order-by-order basis. MSSB and Two Sigma, however, do not have any arrangements:

- A. that require MSSB to meet certain volume thresholds or that provide incentives to MSSB for meeting or exceeding certain volume thresholds;
- B. that require MSSB to meet certain minimum volume thresholds or that provide disincentives to MSSB for failing to meet certain minimum volume thresholds;
- C. for volume-based tiered payment schedules; or
- D. that require MSSB to route any orders or a minimum number of orders to Two Sigma.

There is a potential conflict for a market maker such as Two Sigma both paying for order flow on applicable Self-Directed Channel orders and providing price improvement for such orders as the potential source of funds for each is the same, namely the anticipated profit the market maker seeks to earn from executing or facilitating the execution of Self-Directed Channel customer orders. Accordingly, from such anticipated profit, a market maker such as Two Sigma can (i) forgo a portion of such anticipated profit to provide price improvement; (ii) forgo a portion of such anticipated profit to pay for order flow; or (iii) retain a larger portion of anticipated profit and not provide (or provide less) price improvement or not provide (or provide less) payment for order flow. A market maker’s (such as Two Sigma’s) anticipated profit must be allocated among these three sub-categories, such that an increased allocation to any one sub-category will result in a decreased allocation to one or more of the other sub-categories. The allocation of resources between the three subcategories listed above, including the risk of overallocation to market maker profits at the expense of providing price improvement on Self-Directed Channel orders, is informed and mitigated by competition for Self-Directed Channel order flow amongst MSSB’s market makers under the same general payment for order flow terms applicable to Two Sigma. A market maker such as Two Sigma executing a Full-Service Channel order does not have to allocate any of its anticipated profit in connection with such order to the payment for order flow subcategory (as it would with Self-Directed Channel orders) and is therefore able to allocate its anticipated profit to one or more other sub-categories (that is, to provide more price improvement or retain more anticipated profit or a mixture of the two). These same potential conflicts do not apply to Full-Service Channel customer order executions because MSSB does not receive payment for order flow from Two Sigma on these order executions and instead is compensated directly by MSSB’s customers as described above.

In addition to revenues that Two Sigma may collect for executing or facilitating the execution of customer orders (both Full-Service Channel and Self-Directed Channel customer orders) that MSSB routes to Two Sigma, Two Sigma also receives remuneration from U.S. securities exchanges to which it routes or directs MSSB customer orders in the form of rebates. These U.S. exchange rebate payments could, in theory, incentivize Two Sigma to route higher percentages of MSSB customer orders to particular venues over others, subject to Two Sigma’s independent order routing and best execution obligations. MSSB does not share directly in any such rebates Two Sigma receives for executions of MSSB customer orders, although Two Sigma could potentially use such rebates to provide price improvement to MSSB customers, order flow payments to MSSB with respect to Self-Directed Channel orders, or both.

CITADEL SECURITIES LLC
Morgan Stanley Smith Barney LLC ("MSSB") routes NMS equity orders to Citadel Securities LLC ("Citadel") to facilitate liquidity provision and price improvement opportunities for its customers. MSSB operates two primary service channels for its wealth management customers, the Full-Service Channel and the E*TRADE from Morgan Stanley Self- Directed Channel ("Self- Directed Channel"). Although the columns in the table above which set out the percentage of the various order types combine order flow from MSSB's Full-Service Channel and Self- Directed Channel, the payment figures in the table above reflect only Self- Directed Channel order executions. The Full-Service Channel does not receive payment for order flow on these orders, whereas the Self- Directed Channel does. MSSB receives and handles non- directed customer orders in NMS equity securities on a held and not held basis through both channels consistent with its duty of best execution, but there are differences in how MSSB is compensated for the services it performs, which, as described in detail below, can impact the price improvement opportunities and trade executions that MSSB customers receive from Citadel.

Customers of the Full-Service Channel receive services from MSSB relating to the operation, servicing, and administration of their MSSB brokerage or advised accounts and the generation of orders for such accounts, including the services of a Financial Advisor. Among other things, MSSB receives compensation for customer Full-Service Channel executions from commissions on customers' brokerage account order executions and fees on their advised accounts. As a result, MSSB does not seek or receive payment for order flow on such orders from Citadel. In addition, as more fully described below, Citadel may send certain MSSB customer orders to an exchange or other market center for execution, including to market centers from which Citadel may receive payment in the form of rebates. Conversely, customers of the Self- Directed Channel generally generate and enter orders themselves for their brokerage accounts based upon their own investment decision making and without the benefit of the services of a Financial Advisor. Self- Directed Channel orders in NMS equities are subject to MSSB's $9 commission policy, pursuant to which customers generally do not pay base commissions for order handling and execution of their Self- Directed Channel NMS equities orders (subject to disclosed exceptions as described more fully at https://us.etrade.com/what-we-offer/pricing-and-rates). Because MSSB does not charge commissions on these Self- Directed Channel orders, MSSB seeks to be compensated, among other ways, through the receipt of payment for order flow from equity securities market makers, including Citadel. While the majority of Self- Directed Channel customers were customers of MSSB's affiliate broker-dealer, E*TRADE Securities LLC ("ETS") in Q2 2023 and not MSSB, a portion of Self- Directed Channel customers were customers of MSSB during Q2 2023. The Self- Directed Channel order statistics reflected in the tables above (which also include details on Full-Service Channel orders) include only those Self- Directed Channel orders routed by MSSB. Quarterly order routing statistics for ETS are available at https://us.etrade.com/quarterly-order-routing-report.

Citadel generates revenue from executing or facilitating the execution of MSSB customer orders. In exchange for routing such orders to Citadel, and solely with respect to Self- Directed Channel orders, MSSB receives payments from Citadel in the amounts outlined in the above Public Order Routing Report disclosures (i.e. payment for order flow), calculated at a rate of $0.002 per share for non-directed, NMS equity market and marketable limit order executions priced at $1.00 per share or more and $0.0031 per share for non-directed, NMS equity non-marketable limit order executions priced at $1.00 per share or more. MSSB does not receive payment from Citadel for NMS equity executions on Self- Directed Channel orders priced below $1.00 per share. Apart from certain Self- Directed Channel orders routed to Morgan Stanley & Co., LLC as disclosed above, MSSB only routes Self- Directed Channel NMS equity orders to market makers that pay for customer order flow, and all such market makers are subject to substantially the same rates of payment. For clarity, and as indicated above, MSSB does not receive payment from Citadel with respect to Full-Service Channel order executions.

To take advantage of rules adopted by the U.S. securities exchanges that allow retail orders to be eligible for certain potential benefits, including additional price improvement from retail liquidity programs and higher queue priority from retail attestation programs, and to allow Citadel to access such potential benefits for Self- Directed Channel NMS equity orders, MSSB marks applicable orders as retail orders on an order-by-order basis. MSSB and Citadel, however, do not have any arrangements:

A. that require MSSB to meet certain volume thresholds or that provide incentives to MSSB for meeting or exceeding certain volume thresholds;
B. that require MSSB to meet certain minimum volume thresholds or that provide disincentives to MSSB for failing to meet certain minimum volume thresholds;
C. for volume-based tiered payment schedules; or
D. that require MSSB to route any orders or a minimum number of orders to Citadel.

There is a potential conflict for a market maker such as Citadel both paying for order flow on applicable Self- Directed Channel orders and providing price improvement for such orders as the potential source of funds for each is the same, namely the anticipated profit the market maker seeks to earn from executing or facilitating the execution of Self- Directed Channel customer orders. Accordingly, from such anticipated profit, a market maker such as Citadel can (i) forgo a portion of such anticipated profit to provide price improvement; (ii) forgo a portion of such anticipated profit to pay for order flow; or (iii) retain a larger portion of anticipated profit and not provide (or provide less) price improvement or not provide (or provide less) payment for order flow. A market maker's (such as Citadel's) anticipated profit must be allocated among these three sub- categories, such that an increased allocation to any one sub- category will result in a decreased allocation to one or more of the other sub- categories. The allocation of resources between the three subcategories listed above, including the risk of overallocation to market maker profits at the expense of providing price improvement on Self- Directed Channel customer orders, is informed and mitigated by competition for Self- Directed Channel order flow amongst MSSB's market makers under the same general payment for order flow terms applicable to Citadel. A market maker such as Citadel executing a Full-Service Channel order does not have to allocate any of its anticipated profit in connection with such order to the payment for order flow subcategory (as it would with Self- Directed Channel orders) and is therefore able to allocate its anticipated profit to one or more other sub- categories (that is, to provide more price improvement or retain more anticipated profit or a mixture of the two). These same potential conflicts do not apply to Full-Service Channel customer order executions because MSSB does not receive payment for order flow from Citadel on these order executions and instead is compensated directly by MSSB's customers as described above.

In addition to revenues that Citadel may collect for executing or facilitating the execution of customer orders (both Full-Service Channel and Self- Directed Channel customer orders) that MSSB routes to Citadel, Citadel also receives remuneration from U.S. securities exchanges to which it routes or directs MSSB customer orders in the form of rebates. These U.S. exchange rebate payments could, in theory incentivize Citadel to route higher percentages of MSSB customer orders to particular venues over others, subject to Citadel's independent order routing and best execution obligations. MSSB does not share directly in any such rebates Citadel receives for executions of MSSB customer orders, although Citadel could potentially use such rebates to provide price improvement to MSSB customers, order flow payments to MSSB with respect to Self- Directed Channel orders, or both.

Virtu Americas, LLC:
Morgan Stanley Smith Barney LLC (“MSSB”) routes NMS equity orders to Virtu Americas, LLC ("Virtu") to facilitate liquidity provision and price improvement opportunities for its customers. MSSB operates two primary service channels for its wealth management customers, the Full-Service Channel and the E*TRADE from Morgan Stanley Self-Directed Channel (“Self-Directed Channel”). Although the columns in the table above which set out the percentage of the various order types combine order flow from MSSB’s Full-Service Channel and Self-Directed Channel, the payment figures in the table above reflect only Self-Directed Channel order executions. The Full Service Channel does not receive payment for order flow on these orders, whereas the Self-Directed Channel does. MSSB receives and handles non-directed customer orders in NMS equity securities on a held and not held basis through both channels consistent with its duty of best execution, but there are differences in how MSSB is compensated for the services it performs, which, as described in detail below, can impact the price improvement opportunities and trade executions that MSSB customers receive from Virtu.

Customers of the Full-Service Channel receive services from MSSB relating to the operation, servicing, and administration of their MSSB brokerage or advised accounts and the generation of orders for such accounts, including the services of a Financial Advisor. Among other things, MSSB receives compensation for customer Full-Service Channel executions from commissions on customers’ brokerage account order executions and fees on their advised accounts. As a result, MSSB does not seek or receive payment for order flow on such orders from Virtu. In addition, as more fully described below, Virtu may send certain MSSB customer orders to an exchange or other market center for execution, including to market centers from which Virtu may receive payment in the form of rebates. Conversely, customers of the Self-Directed Channel generally enter and generate orders themselves for their brokerage accounts based upon their own investment decision making and without the benefit of the services of a Financial Advisor. Self-Directed Channel orders in NMS equities are subject to MSSB’s $9 commission policy, pursuant to which customers generally do not pay base commissions for order handling and execution of their Self-Directed Channel NMS equities orders (subject to disclosed exceptions as described more fully at https://us.etrade.com/what-we-offer/pricing-and-rates). Because MSSB does not charge commissions on these Self-Directed Channel orders, MSSB seeks to be compensated, among other ways, through the receipt of payment for order flow from equity securities market makers, including Virtu. While the majority of Self-Directed Channel customers were customers of MSSB’s affiliate broker-dealer, E*TRADE Securities LLC (“ETS”) in Q2 2023 and not MSSB, a portion of Self-Directed Channel customers were customers of MSSB during Q2 2023. The Self-Directed Channel order statistics reflected in the tables above (which also include details on Full-Service Channel orders) include only those Self-Directed Channel orders routed by MSSB. Quarterly order routing statistics for ETS are available at https://us.etrade.com/q/quarterly-order-routing-report.

Virtu generates revenue from executing or facilitating the execution of MSSB customer orders. In exchange for routing such orders to Virtu, and solely with respect to Self-Directed Channel orders, MSSB receives payments from Virtu in the amounts outlined in the above Public Order Routing Report disclosures (i.e. payment for order flow), calculated at a rate of $0.002 per share for non-directed, NMS equity market and marketable limit order executions priced at $1.00 per share or more and $0.0031 per share for non-directed, NMS equity non-marketable limit order executions priced at $1.00 per share or more. MSSB does not receive payment from Virtu for NMS equity executions on Self-Directed Channel orders priced below $1.00 per share. Apart from certain Self-Directed Channel orders routed to Morgan Stanley & Co., LLC as disclosed above, MSSB only routes Self-Directed Channel NMS equity orders to market makers that pay for customer order flow, and all such market makers are subject to substantially the same rates of payment. For clarity, and as indicated above, MSSB does not receive payment from Virtu with respect to Full-Service Channel order executions.

To take advantage of rules adopted by the U.S. securities exchanges that allow retail orders to be eligible for certain potential benefits, including additional price improvement from retail liquidity programs and higher queue priority from retail attestation programs, and to allow Virtu to access such potential benefits for Self-Directed Channel NMS equity orders, MSSB marks applicable orders as retail orders on an order-by-order basis. MSSB and Virtu, however, do not have any arrangements:

A. that require MSSB to meet certain volume thresholds or that provide incentives to MSSB for meeting or exceeding certain volume thresholds;
B. that require MSSB to meet certain minimum volume thresholds or that provide disincentives to MSSB for failing to meet certain minimum volume thresholds;
C. for volume-based tiered payment schedules; or
D. that require MSSB to route any orders or a minimum number of orders to Virtu.

There is a potential conflict for a market maker such as Virtu both paying for order flow on applicable Self-Directed Channel orders and providing price improvement for such orders as the potential source of funds for each is the same, namely the anticipated profit the market maker seeks to earn from executing or facilitating the execution of Self-Directed Channel customer orders. Accordingly, from such anticipated profit, a market maker such as Virtu can (i) forgo a portion of such anticipated profit to provide price improvement; (ii) forgo a portion of such anticipated profit to pay for order flow; or (iii) retain a larger portion of anticipated profit and not provide (or provide less) price improvement or not provide (or provide less) payment for order flow. A market maker’s (such as Virtu’s) anticipated profit must be allocated among these three sub-categories, such that an increased allocation to any one sub-category will result in a decreased allocation to one or more of the other sub-categories. The allocation of resources between the three subcategories listed above, including the risk of overallocation to market maker profits at the expense of providing price improvement on Self-Directed Channel customer orders, is informed and mitigated by competition for Self-Directed Channel order flow amongst MSSB’s market makers under the same general payment for order flow terms applicable to Virtu. A market maker such as Virtu executing a Full-Service Channel order does not have to allocate any of its anticipated profit in connection with such order to the payment for order flow subcategory (as it would with Self-Directed Channel orders) and is therefore able to allocate its anticipated profit to one or more other sub-categories (that is, to provide more price improvement or retain more anticipated profit or a mixture of the two). These same potential conflicts do not apply to Full-Service Channel customer order executions because MSSB does not receive payment for order flow from Virtu on these order executions and instead is compensated directly by MSSB’s customers as described above.

In addition to revenues that Virtu may collect for executing or facilitating the execution of customer orders (both Full-Service Channel and Self-Directed Channel customer orders) that MSSB routes to Virtu, Virtu also receives remuneration from U.S. securities exchanges to which it routes or directs MSSB customer orders in the form of rebates. These U.S. exchange rebate payments could, in theory, incentivize Virtu to route higher percentages of MSSB customer orders to particular venues over others, subject to Virtu’s independent order routing and best execution obligations. MSSB does not share directly in any such rebates Virtu receives for executions of MSSB customer orders, although Virtu could potentially use such rebates to provide price improvement to MSSB customers, order flow payments to MSSB with respect to Self-Directed Channel orders, or both.

G1 Execution Services, LLC
Morgan Stanley Smith Barney LLC (“MSSB”) routes NMS equity orders to G1X Executions Services, LLC (“G1X”) to facilitate liquidity provision and price improvement opportunities for its customers. MSSB operates two primary service channels for its wealth management customers, the Full-Service Channel and the E*TRADE from Morgan Stanley Self-Directed Channel (“Self-Directed Channel”). Although the columns in the table above which set out the percentage of the various order types combine order flow from MSSB’s Full-Service Channel and Self-Directed Channel, the payment figures in the table above reflect only Self-Directed Channel order executions. The Full-Service Channel does not receive payment for order flow on these orders, whereas the Self-Directed Channel does. MSSB receives and handles non-directed customer orders in NMS equity securities on a held and not held basis through both channels consistent with its duty of best execution, but there are differences in how MSSB is compensated for the services it performs, which, as described in detail below, can impact the price improvement opportunities and trade executions that MSSB customers receive from G1X.

Customers of the Full-Service Channel receive services from MSSB relating to the operation, servicing, and administration of their MSSB brokerage or advised accounts and the generation of orders for such accounts, including the services of a Financial Advisor. Among other things, MSSB receives compensation for customer Full-Service Channel executions from commissions on customers’ brokerage account order accounts and fees on their advised accounts. As a result, MSSB does not seek or receive payment for order flow on such orders from G1X. In addition, as more fully described below, G1X may send certain MSSB customer orders to an exchange or other market center for execution, including to market centers from which G1X may receive payment in the form of rebates. Conversely, customers of the Self-Directed Channel generally generate and enter orders themselves for their brokerage accounts based upon their own investment decision making and without the benefit of the services of a Financial Advisor. Self-Directed Channel orders in NMS equities are subject to MSSB’s $0 commission policy, pursuant to which customers generally do not pay base commissions for order handling and execution of their Self-Directed Channel NMS equities orders (subject to disclosed exceptions as described more fully at https://us.etade.com/what-we-offer/pricing-and-rates). Because MSSB does not charge commissions on these Self-Directed Channel orders, MSSB seeks to be compensated, among other ways, through the receipt of payment for order flow from equity securities market makers, including G1X. While the majority of Self-Directed Channel customers were customers of MSSB’s affiliate broker-dealer, ET*TRADE Securities LLC (“ETS”) in Q2 2023 and not MSSB, a portion of Self-Directed Channel customers were customers of MSSB during Q2 2023. The Self-Directed Channel order statistics reflected in the tables above (which also include details on Full-Service Channel orders) include only those Self-Directed Channel orders routed by MSSB. Quarterly order routing statistics for ETS are available at https://us.etade.com/q/quarterly-order-routing-report.

G1X generates revenue from executing or facilitating the execution of MSSB customer orders. In exchange for routing such orders to G1X, and soley with respect to Self-Directed Channel orders, MSSB receives payments from G1X in the amounts outlined in the above Public Order Routing Report disclosures (i.e. payment for order flow), calculated at a rate of $0.002 per share for non-directed, NMS equity market and marketable limit order executions priced at $1.00 per share or more and $0.0031 per share for non-directed, NMS equity non-marketable limit order executions priced at $1.00 per share or more. MSSB does not receive payment from G1X for NMS equity executions on Self-Directed Channel orders priced below $1.00 per share. Apart from certain Self-Directed Channel orders routed to Morgan Stanley & Co., LLC as disclosed above, MSSB only routes Self-Directed Channel NMS equity orders to market makers that pay for customer order flow, and all such market makers are subject to substantially the same rates of payment. For clarity, and as indicated above, MSSB does not receive payment from G1X with respect to Full-Service Channel order executions.

To take advantage of rules adopted by the U.S. securities exchanges that allow retail orders to be eligible for certain potential benefits, including additional price improvement from retail liquidity programs and higher queue priority from retail attestation programs, and to allow G1X to access such potential benefits for Self-Directed Channel NMS equity orders, MSSB marks applicable orders as retail orders on an order-by-order basis. MSSB and G1X, however, do not have any arrangements:

A. that require MSSB to meet certain volume thresholds or that provide incentives to MSSB for meeting or exceeding certain volume thresholds;
B. that require MSSB to meet certain minimum volume thresholds or that provide disincentives to MSSB for failing to meet certain minimum volume thresholds;
C. for volume-based tiered payment schedules; or
D. that require MSSB to route any orders or a minimum number of orders to G1X.

There is a potential conflict for a market maker such as G1X both paying for order flow on applicable Self-Directed Channel orders and providing price improvement for such orders as the potential source of funds for each is the same, namely the anticipated profit the market maker seeks to earn from executing or facilitating the execution of Self-Directed Channel customer orders. Accordingly, from such anticipated profit, a market maker such as G1X can (i) forgo a portion of such anticipated profit to provide price improvement; (ii) forgo a portion of such anticipated profit to pay for order flow; or (iii) retain a larger portion of anticipated profit and not provide (or provide less) price improvement or not provide (or provide less) payment for order flow. A market maker’s (such as G1X’s) anticipated profit must be allocated among these three sub-categories, such that an increased allocation to any one sub-category will result in a decreased allocation to one or more of the other sub-categories. The allocation of resources between the three sub-categories listed above, including the risk of overallocation to market maker profits at the expense of providing price improvement on Self-Directed Channel customer orders, is informed and mitigated by competition for Self-Directed Channel order flow amongst MSSB’s market makers under the same general payment for order flow terms applicable to G1X. A market maker such as G1X executing a Full-Service Channel order does not have to allocate any of its anticipated profit in connection with such order to the payment for order flow subcategory (as it would with Self-Directed Channel orders) and is therefore able to allocate its anticipated profit to one or more other sub-categories (that is, to provide more price improvement or retain more anticipated profit or a mixture of the two). These same potential conflicts do not apply to Full-Service Channel customer order executions because MSSB does not receive payment for order flow from G1X on these order executions and instead is compensated directly by MSSB’s customers as described above.

In addition to revenues that G1X may collect for executing or facilitating the execution of customer orders (both Full-Service Channel and Self-Directed Channel customer orders) that MSSB routes to G1X, G1X also receives remuneration from U.S. securities exchanges to which it routes or directs MSSB customer orders in the form of rebates. These U.S. exchange rebate payments could, in theory, incentivize G1X to route higher percentages of MSSB customer orders to particular venues over others, subject to G1X’s independent order routing and best execution obligations. MSSB does not share directly in any such rebates G1X receives for executions of MSSB customer orders, although G1X could potentially use such rebates to provide price improvement to MSSB customers, order flow payments to MSSB with respect to Self-Directed Channel orders, or both.

Jane Street Capital:
Morgan Stanley Smith Barney LLC ("MSSB") routes NMS equity orders to Jane Street Capital ("Jane Street") to facilitate liquidity provision and price improvement opportunities for its customers. MSSB operates two primary service channels for its wealth management customers including the Full-Service Channel and the **ETRADE** from Morgan Stanley Self-Directed Channel ("Self-Directed Channel"). Customers of the Full-Service Channel receive services from MSSB relating to the operation, servicing, and administration of their MSSB brokerage or advised accounts, including the execution of orders for such accounts, including the services of a Financial Advisor. Among other things, MSSB receives compensation from customer Full-Service Channel orders from commissions on their brokerage account orders and fees on their advised accounts. As a result, MSSB does not seek or receive payment for order flow on such orders. Conversely, customers of the Self-Directed Channel generally generate and enter orders themselves for their brokerage accounts based on the execution or investment decision making and without the benefit of the services of a Financial Advisor. Self-Directed Channel orders in NMS equities are subject to MSSB's $0 commission policy, pursuant to which customers generally do not pay base commissions for order handling and execution of their Self-Directed Channel NMS equities orders (subject to disclosed exceptions as described more fully at https://us.etrade.com/what-we-offer/pricing-and-rates). Because MSSB does not charge commissions on these Self-Directed Channel orders, MSSB may be compensated, among other ways, through the receipt of payment for order flow from equity securities market makers, including Jane Street. While the majority of Self-Directed Channel customers were customers of MSSB's affiliate broker-dealer, **ETRADE Securities LLC ("ETS")** in Q2 2023 and not MSSB, a portion of Self-Directed Channel customers were customers of MSSB during Q2 2023. The tables above reflect Self-Directed Channel orders routed by MSSB only. Quarterly order routing statistics for ETS are available at https://us.etrade.com/quarterly-order-routing-report. MSSB does not route Full-Service Channel NMS equity orders to Jane Street.

Jane Street generates revenue from executing or facilitating the execution of Self-Directed Channel customer orders. In exchange for such routing, and solely with respect to Self-Directed Channel orders, MSSB receives payments from Jane Street in the amounts outlined in the above Public Order Routing Report disclosures, calculated at a rate of $0.002 per share for non-directed, NMS equity market and marketable limit order executions priced at $1.00 per share or more and $0.0031 per share for non-directed, NMS equity non-marketable limit order executions priced at $1.00 per share or more. MSSB does not receive payment from Jane Street for NMS equity executions priced below $1.00 per share. Apart from certain Self-Directed Channel orders routed to Morgan Stanley & Co., LLC as disclosed above, MSSB only routes Self-Directed Channel equity orders to market makers that pay for customer order flow, and all such market makers are subject to substantially the same rates of payment. For clarity, MSSB does not route Full-Service Channel NMS equity orders to Jane Street.

To take advantage of rules adopted by the U.S. securities exchanges that allow retail orders to be eligible for certain potential benefits, including additional price improvement from retail liquidity programs and higher queue priority from retail attribution programs, and to allow Jane Street to access such potential benefits for Self-Directed Channel NMS equity orders, MSSB marks applicable orders as retail orders on an order-by-order basis. MSSB and Jane Street, however, do not have any arrangements:

A. that require MSSB to meet certain volume thresholds or that provide incentives to MSSB for meeting or exceeding certain volume thresholds;

B. that require MSSB to meet certain minimum volume thresholds or that provide disincentives to MSSB for failing to meet certain minimum volume thresholds;

C. for volume-based tiered payment schedules; or

D. that require MSSB to route any orders or a minimum number of orders to Jane Street.

There is a potential conflict for a market maker such as Jane Street both paying for order flow on applicable Self-Directed Channel customer orders and providing price improvement for such orders as the potential source of funds for each is the same, namely the anticipated profit the market maker seeks to earn from executing or facilitating the execution of Self-Directed Channel customer orders. Accordingly, from such anticipated profit, a market maker such as Jane Street can (i) forgo a portion of such anticipated profit to provide price improvement; (ii) forgo a portion of such anticipated profit to pay for order flow; or (iii) retain a larger portion of anticipated profit and not provide (or provide less) price improvement or not provide (or provide less) payment for order flow. A market maker's (such as Jane Street's) anticipated profit must be allocated among these three sub-categories, such that an increased allocation to any one sub-category will result in a decreased allocation to one or more of the other sub-categories. The allocation of resources between the three subcategories listed above, including the risk of overallocation to market maker profits at the expense of providing price improvement on Self-Directed Channel customer orders, is informed and mitigated by competition for order flow amongst MSSB's market makers under the same general payment for order flow terms applicable to Jane Street.

In addition to revenues that Jane Street may collect for executing or facilitating the execution of Self-Directed Channel customer orders that MSSB routes to Jane Street, Jane Street also receives remuneration from U.S. securities exchanges to which it routes or directs MSSB customer orders in the form of rebates. These U.S. exchange rebate payments could, in theory, incentivize Jane Street to route higher percentages of MSSB customer orders to particular venues over others, subject to Jane Street's independent ordering and best execution obligations.

Exchange rebates provided to Jane Street for MSSB customer executions are not passed through to MSSB or its customers, although Jane Street could potentially use these rebates to provide price improvement to MSSB customers, order flow payments to MSSB with respect Self-Directed Channel orders, or both.

UBS Securities, LLC:
Morgan Stanley Smith Barney LLC ("MSSB") routes NMS equity orders to UBS Securities, LLC ("UBS") to facilitate liquidity provision and price improvement opportunities for its customers. MSSB operates two primary service channels for its wealth management customers including the Full-Service Channel and the **ETRADE** from Morgan Stanley Self-Directed Channel ("Self-Directed Channel"). Customers of the Full-Service Channel receive services from MSSB relating to the operation, servicing, and administration of their MSSB brokerage or advised accounts and the generation of orders for such accounts, including the services of a Financial Advisor. Among other things, MSSB receives compensation from customer Full-Service Channel orders from commissions on their brokerage account orders and fees on their advised accounts. As a result, MSSB does not seek or receive payment for order flow on such orders. Conversely, customers of the Self-Directed Channel generally generate and enter orders themselves for their brokerage accounts based on their own investment decision making and without the benefit of the services of a Financial Advisor. Self-Directed Channel orders in NMS equities are subject to MSSB's $0 commission policy, pursuant to which customers generally do not pay base commissions for order handling and execution of their Self-Directed Channel NMS equities orders (subject to disclosed exceptions as described more fully at https://us.etrade.com/what-we-offer/pricing-and-rates). Because MSSB does not charge commissions on these Self-Directed Channel orders, MSSB seeks to be compensated, among other ways, through the receipt of payment for order flow from equity securities market makers, including UBS. While the majority of Self-Directed Channel customers were customers of MSSB's affiliate broker-dealer, **ETRADE Securities LLC ("ETS")** in Q2 2023 and not MSSB, a portion of Self-Directed Channel customers were customers of MSSB during Q2 2023. The tables above reflect Self-Directed Channel orders routed by MSSB only. Quarterly order routing statistics for ETS are available at https://us.etrade.com/quarterly-order-routing-report. MSSB does not route Full-Service Channel NMS equity orders to UBS.

UBS generates revenue from executing or facilitating the execution of Self-Directed Channel customer orders. In exchange for such routing, and solely with respect to Self-Directed Channel orders, MSSB receives payments from UBS in the amounts outlined in the above Public Order Routing Report disclosures, calculated at a rate of $0.002 per share for non-directed, NMS equity market and marketable limit order executions priced at $1.00 per share or more and $0.0031 per share for non-directed, NMS equity non-marketable limit order executions priced at $1.00 per share or more. MSSB does not receive payment from UBS for NMS equity executions priced below $1.00 per share. Apart from certain Self-Directed Channel orders routed to Morgan Stanley & Co., LLC as disclosed above, MSSB only routes Self-Directed Channel equity orders to market makers that pay for customer order flow, and all such market makers are subject to substantially the same rates of payment. For clarity, MSSB does not route Full-Service Channel NMS equity orders to UBS.

To take advantage of rules adopted by the U.S. securities exchanges that allow retail orders to be eligible for certain potential benefits, including additional price improvement from retail liquidity programs and higher queue priority from retail attribution programs, and to allow UBS to access such potential benefits for Self-Directed Channel NMS equity orders, MSSB marks applicable orders as retail orders on an order-by-order basis. MSSB and UBS, however, do not have any arrangements:

A. that require MSSB to meet certain volume thresholds or that provide incentives to MSSB for meeting or exceeding certain volume thresholds;

B. that require MSSB to meet certain minimum volume thresholds or that provide disincentives to MSSB for failing to meet certain minimum volume thresholds;

C. for volume-based tiered payment schedules; or

D. that require MSSB to route any orders or a minimum number of orders to UBS.

There is a potential conflict for a market maker such as UBS both paying for order flow on applicable Self-Directed Channel customer orders and providing price improvement for such orders as the potential source of funds for each is the same, namely the anticipated profit the market maker seeks to earn from executing or facilitating the execution of Self-Directed Channel customer orders. Accordingly, from such anticipated profit, a market maker such as UBS can (i) forgo a portion of such anticipated profit to provide price improvement; (ii) forgo a portion of such anticipated profit to pay for order flow; or (iii) retain a larger portion of anticipated profit and not provide (or provide less) price improvement or not provide (or provide less) payment for order flow. A market maker's (such as UBS's) anticipated profit must be allocated among these three sub-categories, such that an increased allocation to any one sub-category will result in a decreased allocation to one or more of the other sub-categories. The allocation of resources between the three subcategories listed above, including the risk of overallocation to market maker profits at the expense of providing price improvement on Self-Directed Channel customer orders, is informed and mitigated by competition for order flow amongst MSSB's market makers under the same general payment for order flow terms applicable to UBS.

In addition to revenues that UBS may collect for executing or facilitating the execution of Self-Directed Channel customer orders that MSSB routes to UBS, UBS also receives remuneration from U.S. securities exchanges to which it routes or directs MSSB customer orders in the form of rebates. These U.S. exchange rebate payments could, in theory, incentivize UBS to route higher percentages of MSSB customer orders to particular venues over others, subject to UBS's independent ordering and best execution obligations. Exchange rebates provided to UBS for MSSB customer executions are not passed through to MSSB or its customers, although UBS could potentially use these rebates to provide price improvement to MSSB customers, order flow payments to MSSB with respect Self-Directed Channel orders, or both.
Morgan Stanley Smith Barney LLC ("MSSB") routes NMS equity orders to Cboe EDGX Exchange, Inc. through its affiliate Morgan Stanley & Co., LLC ("MS&Co."), to facilitate liquidity provision and price improvement opportunities for its customers. MSSB operates two primary service channels for its wealth management customers including the Full-Service Channel and the ETXtrade from Morgan Stanley Self-Directed Channel ("Self-Directed Channel"). Customers of the Full-Service Channel receive services from MS&Co relating to the operation, servicing, and administration of such accounts, including the services of a Financial Advisor. Among other things, MSSB receives compensation for the execution of orders from customers based on certain disclosures regarding commissions charges including, among other things, the execution of orders or a minimum number of orders to EDGX. MSSB also provides in the public order routing report disclosures for EDGX.

Morgan Stanley Smith Barney LLC ("MSSB") routes NMS equity orders to the Nasdaq Stock Market ("NASDAQ") to facilitate liquidity provision and price improvement opportunities for its customers. MSSB operates two primary service channels for its wealth management customers including the Full-Service Channel and the ETXtrade from Morgan Stanley Self-Directed Channel ("Self-Directed Channel"). Customers of the Full-Service Channel receive services from MS&Co relating to the operation, servicing, and administration of their MSSB brokerage or advised accounts and the generation of orders for such accounts, including the services of a Financial Advisor. Among other things, MSSB receives compensation for customer Full-Service Channel orders from commissions on their brokerage account orders and fees on their advised accounts. Conversely, customers of the Self-Directed Channel generally generate and enter orders themselves for their brokerage accounts based upon their own investment decision making and without the benefit of the services of a Financial Advisor. MSSB also participates in EDGX's retail order priority program under which eligible retail orders receive priority ahead of any other available order at a given price level or other enhanced execution benefits. MSSB reviews customers' activity on a periodic basis to determine program eligibility and to review whether customers continue to qualify for EDGX retail order priority. MSSB routes orders to EDGX through MS&Co to further enhance the order flow and to the extent that MSSB routes customer orders to EDGX, MSSB provides in the public Order Routing Report disclosures for EDGX.

MSSB either pays a fee or receives a rebate on behalf of each Self-Directed Channel customer order execution on EDGX, depending on whether the order added to or subtracted from liquidity on the exchange. For clarity, MSSB pays such fee or receives such rebate, as applicable, for executions of Self-Directed Channel orders that MSSB routes to EDGX indirectly through MS&Co and may also benefit indirectly from profits realized from exchange rebates to MS&Co for executing MSSB orders. MSSB receives in its capacity as market maker, which MS&Co may also benefit directly from profits realized from exchange rebates to MS&Co for executing MSSB orders. As a result of such self-interested transactions, MSSB may benefit directly or indirectly from EDGX's fee schedule. For orders directed to EDGX through MS&Co, investment in EDGX's Full-Service Channel NMS equity orders may be indirectly routed to, and executed on, EDGX through MSSB's affiliated MS&Co, which is a market maker on EDGX.

The fees MSSB pays and rebates MS&Co receives from EDGX through MSSB & MS&Co for NMS equity executions are determined based on EDGX's tiered volume model. Schedule detailing orders eligible for such rebates and the applicable rates are published publicly by EDGX in the EDGX Fees Schedule, available at http://www.cboex.com/us/equities/nms/fee_schedule.edgxf. Please note EDGX's publicly available Fees Schedule URL is not applicable and may change without notice. In general, during Q2 2023, EDGX paid MSSB rebate rates of $0.0077 per share for executing Direct-Self-Directed Channel executions priced at $1.00 per share or more and $0.0099 for executions priced below $1.00 per share via MS&Co. Executions that removed liquidity from EDGX qualified for tiered pricing and MS&Co was charged a $0.0077 per share fee for executions priced at $1.00 per share or more and a 0.28% fee of the total notional value on executions priced below $1.00 per share. For executions directed to EDGX through MS&Co, the firm seeks to be compensated, among other ways, through payment for order flow from MS&Co's equity market makers and, as described in further detail below, from rebates on executions of Self-Directed Channel orders that MSSB routes to others U.S. securities exchanges directly and indirectly, including NASDAQ. While MSSB determines where to route customer orders based on, and consistent with its best execution obligations, these U.S. exchange rebate payments could, in theory, incentivize MSSB to route to higher percentages of MSSB customers to particular venues over others. While the majority of Self-Directed Channel customers were customers of MS&Co's affiliate broker-dealer, ETXtrade Securities LLC ("ETS") in 2023, Q2 2023, and MSSB's open-to-the-public Tiered Volume Schedules. Quarterly order routing statistics for EDGX's Tiered Volume Model can be found at https://us.etrade.com/qi/quarterly-order-routing-report. MSSB does not route Full-Service Channel NMS equity orders to EDGX directly or indirectly through MS&Co or other than as determined by MS&Co as described above.

MSSB also participates in EDGX's retail order priority program under which eligible retail orders receive priority ahead of any other available order at a given price level or other enhanced execution benefits. MSSB reviews customers' activity on a periodic basis to determine program eligibility and to review whether customers continue to qualify for EDGX retail order priority. MSSB routes orders to EDGX through MS&Co to further enhance the order flow and to the extent that MSSB routes customer orders to EDGX, MSSB provides in the public Order Routing Report disclosures for EDGX.
Members Exchange (MEMX): Morgan Stanley Smith Barney LLC ("MSSB") routes NMS equity orders to MEMX LLC ("MEMX") through its affiliate Morgan Stanley & Co., LLC ("MS&Co."), to facilitate liquidity provision and price improvement opportunities for its customers. MSSB operates two primary service channels for its wealth management customers including the Full-Service Channel and the E*TRADE from Morgan Stanley Self-Directed Channel ("Self-Directed Channel"). Customers of the Full-Service Channel receive services from MSSB relating to the operation, servicing, and administration of their MSSB brokerage or advised accounts and the generation of orders for such accounts, including the services of a Financial Advisor. Among other things, MSSB receives compensation for customer Full-Service Channel orders from commissions on their brokerage account orders and fees on their advised accounts. Conversely, customers of the Self-Directed Channel generally generate and enter orders themselves for their brokerage accounts based upon their own investment decision making and without the benefit of the services of a Financial Advisor. Self-Directed Channel orders for NMS equity securities are subject to MSSB's $0 commission policy, pursuant to which customers generally do not pay base commission for order handling and execution of Self-Directed Channel NMS equity orders (subject to disclosed exceptions described more fully at https://us.etrade.com/what-we-offer/pricing-and-rates). Because MSSB does not charge commission on these Self-Directed Channel orders, the Firm seeks to be compensated, among other ways, through payment for order flow from MEMX's equity market makers and, as described in further detail below, through rebates on executions of Self-Directed Channel orders that MSSB routes to certain U.S. securities exchanges directly and indirectly through its affiliate Morgan Stanley & Co., LLC ("MS&Co."), including Self-Directed Channel orders that MSSB routes to MEMX through MS&Co. While MSSB determines where to route customer orders based on, and consistent with its best execution obligations, these U.S. exchange rebate payments could, in theory, incentivize MSSB to route higher percentages of customer orders to particular venues over others. While the majority of Self-Directed Channel customers are customers of MSSB's affiliate broker-dealer, E*TRADE Securities LLC ("ETS") in Q2 2023 and not MSSB, a portion of Self-Directed Channel customers were customers of MSSB during Q2 2023. The tables above reflect Self-Directed Channel orders routed by MSSB only. Quarterly order routing statistics for ETS are available at https://us.etrade.com/quarterly-order-routing-report. MSSB does not route Full-Service Channel NMS equity orders to MEMX directly or indirectly through MS&Co., though depending on market conditions, order pricing, and the order handling practices of, and regulatory requirements applicable to the market-makers to which MSSB routes customer orders, some MSSB Full-Service Channel non-directed NMS equity orders may be indirectly routed to, and executed on MEMX, including through MSSB's affiliate MS&Co., which is a market maker on MEMX.

MS&Co either pays a fee or receives a rebate on behalf of MSSB for each Self-Directed Channel customer order execution on MEMX, depending on whether the order added to or subtracted from liquidity on the exchange. For clarity, MS&Co pays such fee or receives such rebate, as applicable, for executions of Self-Directed Channel orders that MSSB routes to MEMX indirectly through MS&Co may also benefit indirectly from profits realized from exchange rebates to MS&Co for executing MSSB orders MS&Co receives in its capacity as market maker, which MS&Co may also receive from executions on MEMX. As a result of the corporate affiliation between MS&Co and MSSB, MS&Co may share indirectly in any such profits generated by MSSB & MS&Co. The fees and rebates referenced above are subject to volume pricing. To the extent that MEMX meets the execution volume thresholds necessary to qualify for preferred pricing under MEMX's Fees Schedule in a given month, increased (rather than standard) rebate rates and decreased (rather than standard) fees will apply. Because MEMX offers higher rebates and lower fees based on a tiered volume model, there is a potential conflict in that such rebates and fees could, in theory, incentivize MSSB to route a higher percentage of MSSB customer orders to MEMX through MS&Co rather than another venue in order to reach a higher tier. MSSB and MEMX, however, do not have any arrangements:

A. that require MSSB to meet certain volume thresholds;
B. that require MSSB to meet certain minimum volume thresholds or that provide disincentives to MSSB for failing to meet certain minimum volume thresholds;
C. for volume-based tiered payment schedules beyond the tiered volume model set forth in the MEMX Fees Schedule as described above; or
D. that require MSSB to route any orders or a minimum number of orders to MEMX.

The fees MSSB pays and rebates MSSB receives from MEMX through MS&Co for NMS equity executions are determined based on MEMX's tiered volume model. Schedules delineating orders eligible for such rebates and the applicable rates are published publicly by MEMX in the MEMX Fees Schedule, available at http://info.memxtrading.com/fee-schedule/. Please note that MEMX's publicly available Fees Schedule URL link and applicable rates may change without notice. In general, during Q2 2023, MEMX paid MS&Co standard rebate rates of $0.0031 per share for Self-Directed Channel executions priced at $1.00 per share or more and 0.075% of the total trade notional value for executions priced below $1.00 per share via MS&Co. On executions that removed liquidity from MEMX qualified for tiered pricing, MS&Co was charged a $0.00295 per share fee for executions priced at $1.00 per share or more and a 0.28% fee of the notional value on executions priced below $1.00 per share. For Q2 2023, MSSB received rebates (net of fees) from MEMX in the amount of $20 in April, $44 in May, and $1,957 in June. For clarity, and as indicated above, MSSB routes Self-Directed orders to MEMX through MS&Co with specific routing instructions to send to MEMX pursuant to MSSB's order routing determinations whereas MSSB does not route Full-Service Channel orders to MEMX for execution directly or indirectly through MS&Co other than as determined by MSSB, as described above.

MSSB is an affiliated company of Strategic Investments I, Inc., both of which are wholly owned subsidiaries of Morgan Stanley and investor-shareholders of MEMX. Accordingly, MSSB, both directly and indirectly through its parent company Morgan Stanley and/or its affiliates may share in profits realized by MEMX, which could, in theory, incentivize MSSB to route a higher percentage of Self-Directed Channel orders to MEMX over other execution venues. MSSB routes the combination of other flow that MSSB routes to MEMX for the purpose of determining the applicable pricing under MEMX's tiered pricing model described above. It is possible that MS&Co could generate additional profit as a result of this combination of such order flow and the incentives of such tiered pricing program including on behalf of MSSB. Further disclosures regarding routing of orders through MS&Co are provided in the above Public Order Routing Report disclosures for MS&Co.

May 2023

Non-S&P 500 Stocks

Summary

<table>
<thead>
<tr>
<th>Non-Directed Orders as % of All Orders</th>
<th>Market Orders as % of Non-Directed Orders</th>
<th>Marketable Limit Orders as % of Non-Directed Orders</th>
<th>Non-Marketable Limit Orders as % of Non-Directed Orders</th>
<th>Other Orders as % of Non-Directed Orders</th>
</tr>
</thead>
<tbody>
<tr>
<td>100.00</td>
<td>81.30</td>
<td>0.91</td>
<td>14.75</td>
<td>3.04</td>
</tr>
</tbody>
</table>

Venues

<table>
<thead>
<tr>
<th>Venue</th>
<th>Non-Directed Order Flow</th>
<th>Non-Directed (%)</th>
<th>Market Orders (%)</th>
<th>Marketable Limit Orders (%)</th>
<th>Non-Marketable Limit Orders (%)</th>
<th>Other Orders (%)</th>
<th>Net Payment/Paid/Received for Market Orders(USD)</th>
<th>Net Payment/Paid/Received for Market Orders(cents per hundred shares)</th>
<th>Net Payment/Paid/Received for Non-Marketable Limit Orders(USD)</th>
<th>Net Payment/Paid/Received for Non-Marketable Limit Orders(cents per hundred shares)</th>
<th>Net Payment/Paid/Received for Other Orders(USD)</th>
<th>Net Payment/Paid/Received for Other Orders(cents per hundred shares)</th>
</tr>
</thead>
</table>
Material Aspects:
Morgan Stanley & Co. LLC
Morgan Stanley Smith Barney LLC ("MISSB") is an affiliate of Morgan Stanley & Co., LLC ("MS&Co"). Both MISSB and MS&Co are registered broker-dealers. MISSB operates two primary service channels for its wealth management customers, including the Full-Service Channel and the E*TRADE from Morgan Stanley Self-Directed Channel ("Self-Directed Channel"). Customers of the Full-Service Channel receive services from MISSB relating to the operation, servicing, and administration of their MISSB brokerage or advised accounts and the generation of orders for such accounts, including the services of a Financial Advisor. Among other things, MISSB receives compensation for customer Full-Service Channel orders from commissions on their brokerage account orders and fees on their advised accounts. As a result, MS&Co does not seek or receive payment for order flow on such orders, apart from the U.S. securities exchange rebates described in further detail below. Conversely, customers of the Self-Directed Channel generally generate and enter orders themselves for their brokerage accounts based upon their own investment decisions and without the benefit of the services of a Financial Advisor. Self-Directed Channel orders in NMS equities are subject to MISSB's $0 commission policy, pursuant to which customers generally do not pay base commissions for order handling and execution of their Self-Directed Channel NMS equities orders (subject to disclosed exceptions as described more fully at https://us.etterade.com/what-we-offer/pricing-and-rates). While the majority of Self-Directed Channel customers were customers of MISSB's affiliate broker-dealer, E*TRADE Securities LLC ("ETS") in Q2 2023 and not MISSB, a portion of Self-Directed Channel customers were customers of MISSB during Q2 2023. Quarterly order routing statistics for ETS are available at https://us.etterade.com/quarterly-order-routing-report. Although the columns in the table above which set out the percentage of the various order types combine order flow from MISSB's Full-Service Channel and Self-Directed Channel, the payment figures in the table above reflect only Full-Service Channel order executions. Neither the Full-Service Channel nor the Self-Directed Channel generally receive payment for order flow on these orders (other than as described above).

Solely with respect to Full-Service Channel orders, MISSB routes NMS equity orders to MS&Co to facilitate liquidity provision and price improvement opportunities for its customers. Except for a limited number of directed Full-Service Channel equity orders which MS&Co receives from MISSB and routes in accordance with customer instructions, all Full-Service Channel equity orders are routed by MISSB to MS&Co. For execution. MS&Co executes MISSB Full-Service Channel customer equity orders on an agency, principal or riskless principal basis and may receive compensation for such executions. In connection with certain of these executions, MS&Co may internalize customer order flow to allow the customer to benefit from various sources of liquidity and to offer customer orders opportunities for price improvement. Such internalization may enable MS&Co to generate a trading profit and or commissions or fees on the transaction. In addition, MISSB & Co routes orders to U.S. securities exchanges that offer cash credits for orders that provide liquidity to their books and charge explicit fees for orders that extract liquidity from their books. MS&Co receives remuneration in the form of rebates from U.S. securities exchanges to which it routes or directs MISSB customer orders. These U.S. exchange rebate payments could, in theory, incentivize MS&Co to route higher percentages of MISSB customer orders to particular venues over others, subject to MS&Co's independent order routing and best execution obligations. MS&Co may also receive incremental pricing benefits from U.S. securities exchanges and/or electronic communication networks if certain volume thresholds are met. The net of U.S. securities exchange fees paid by, and rebates provided to, MS&Co for MISSB Full-Service Channel customer executions are passed through to MISSB. As such, these rebate payments could theoretically incentivize MISSB to route a higher percentage of customer orders to MS&Co, subject to MISSB's independent order routing and best execution obligations. Additionally, affiliates of MISSB maintain ownership interests in certain market centers that stand as a result of any profits generated from the execution of orders.

Apart from a limited number of Self-Directed Channel directed equity orders, which MS&Co receives from MISSB or its affiliate broker-dealer E*TRADE Securities, LLC with customer instructions to route to directly to certain U.S. securities exchanges and a limited number of non-directed Self-Directed Channel equity orders that MISSB routes to E*TRADE Exchange, Inc. and the Members Exchange for execution through MS&Co, MISSB does not route Self-Directed Channel orders to MS&Co for execution directly. Self-Directed Channel equity orders that MISSB routes to the U.S. securities exchanges through MS&Co will be combined with any other orders that MS&Co routes to the exchange for the purpose of determining the applicable pricing and rebates under exchange tiered pricing models. MS&Co either pays a fee or receives a rebate for each Self-Directed Channel customer order execution on those exchanges, depending on whether the order added to or subtracted from liquidity on the exchange, which are passed through to MISSB at the rates and amounts reflected in the applicable relationship disclosures and tables in this report. In the extent that MS&Co meets the execution volume thresholds necessary to qualify for preferred pricing under an exchange tiered pricing model in a given month, increased (rather than standard) rebate rates and decreased (rather than standard) fees will apply. Because exchanges may offer higher rebates and lower fees based on a tiered volume model, there is a potential conflict in that such rebates and fees could, in theory, incentivize MISSB to route a higher percentage of Self-Directed Channel customer orders to a U.S. securities exchange to help MS&Co reach higher volume pricing tiers.

CITADEL SECURITIES LLC:

<table>
<thead>
<tr>
<th>Venue</th>
<th>Non-directed Order Flow</th>
<th>Non-Directed Orders (%)</th>
<th>Market Orders (%)</th>
<th>Marketable Limit Orders (%)</th>
<th>Non-Marketable Limit Orders (%)</th>
<th>Other Orders (%)</th>
<th>Net Payment Paid/Received for Market Orders(USD)</th>
<th>Net Payment Paid/Received for Market Orders(cents per hundred shares)</th>
<th>Net Payment Paid/Received for Marketable Limit Orders(USD)</th>
<th>Net Payment Paid/Received for Marketable Limit Orders(cents per hundred shares)</th>
<th>Net Payment Paid/Received for Non-Marketable Limit Orders(USD)</th>
<th>Net Payment Paid/Received for Non-Marketable Limit Orders(cents per hundred shares)</th>
<th>Net Payment Paid/Received for Other Orders(USD)</th>
<th>Net Payment Paid/Received for Other Orders(cents per hundred shares)</th>
</tr>
</thead>
<tbody>
<tr>
<td>CITADEL SECURITIES LLC</td>
<td>5.49</td>
<td>5.41</td>
<td>7.20</td>
<td>4.94</td>
<td>9.78</td>
<td>496.78</td>
<td>11.3861</td>
<td>217.69</td>
<td>7.7059</td>
<td>86.66</td>
<td>10.2234</td>
<td>82.09</td>
<td>14.8719</td>
<td></td>
</tr>
<tr>
<td>Virtu Americas, LLC</td>
<td>5.31</td>
<td>5.53</td>
<td>6.69</td>
<td>4.15</td>
<td>4.58</td>
<td>434.60</td>
<td>0.1950</td>
<td>121.53</td>
<td>0.5916</td>
<td>108.35</td>
<td>0.7956</td>
<td>35.29</td>
<td>0.3797</td>
<td></td>
</tr>
<tr>
<td>Two Sigma Securities, LLC</td>
<td>5.29</td>
<td>5.39</td>
<td>5.90</td>
<td>4.77</td>
<td>5.22</td>
<td>44.34</td>
<td>16.9996</td>
<td>9.10</td>
<td>2.1572</td>
<td>217.17</td>
<td>11.3598</td>
<td>9.18</td>
<td>10.0802</td>
<td></td>
</tr>
<tr>
<td>Jane Street Capital</td>
<td>0.07</td>
<td>0.06</td>
<td>0.82</td>
<td>0.07</td>
<td>0.11</td>
<td>246.91</td>
<td>15.7270</td>
<td>72.10</td>
<td>3.2874</td>
<td>32.44</td>
<td>12.2970</td>
<td>16.67</td>
<td>8.2651</td>
<td></td>
</tr>
<tr>
<td>UBS Securities, LLC</td>
<td>0.03</td>
<td>0.02</td>
<td>0.25</td>
<td>0.06</td>
<td>0.07</td>
<td>53.24</td>
<td>19.4023</td>
<td>26.98</td>
<td>5.2768</td>
<td>62.77</td>
<td>23.6954</td>
<td>16.99</td>
<td>7.3477</td>
<td></td>
</tr>
<tr>
<td>Cboe EDGX Exchange, Inc.</td>
<td>0.01</td>
<td>0.00</td>
<td>0.02</td>
<td>0.07</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.07</td>
<td>1.4675</td>
<td>-55.99</td>
<td>-21.1247</td>
<td>0.00</td>
<td>0.0000</td>
<td></td>
</tr>
<tr>
<td>The Nasdaq Stock Market</td>
<td>0.01</td>
<td>0.00</td>
<td>0.01</td>
<td>0.07</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.0000</td>
<td>0.00</td>
<td>0.0000</td>
<td>0.00</td>
<td>0.0000</td>
<td></td>
</tr>
<tr>
<td>Members Exchange (MXX)</td>
<td>0.01</td>
<td>0.00</td>
<td>0.00</td>
<td>0.05</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.0000</td>
<td>-41.93</td>
<td>-25.9227</td>
<td>0.00</td>
<td>0.0000</td>
<td></td>
</tr>
</tbody>
</table>
Morgan Stanley Smith Barney LLC ("MSSB") routes NMS equity orders to Citadel Securities LLC ("Citadel") to facilitate liquidity provision and price improvement opportunities for its customers. MSSB operates two primary service channels for its wealth management customers, the Full-Service Channel and the E*TRADE from Morgan Stanley Self-Directed Channel ("Self-Directed Channel"). Although the columns in the table above which set out the percentage of the various order types combine order flow from MSSB's Full-Service Channel and Self-Directed Channel, the payment figures in the table above reflect only Self-Directed Channel order executions. The Full-Service Channel does not receive payment for order flow on these orders, whereas the Self-Directed Channel does. MSSB receives and handles non-directed customer orders in NMS equity securities on a held and not held basis through both channels consistent with its duty of best execution, but there are differences in how MSSB is compensated for the services it performs, which, as described in detail below, can impact the price improvement opportunities and trade executions that MSSB customers receive from Citadel.

Customers of the Full-Service Channel receive services from MSSB relating to the operation, servicing, and administration of their MSSB brokerage or advised accounts and the generation of orders for such accounts, including the services of a Financial Advisor. Among other things, MSSB receives compensation for customer Full-Service Channel executions from commissions on customers' brokerage account order executions and fees on their advised accounts. As a result, MSSB does not seek or receive payment for order flow on such orders from Citadel. In addition, as more fully described below, Citadel may send certain MSSB customer orders to an exchange or other market center for execution, including to market centers from which Citadel may receive payment in the form of rebates. Conversely, customers of the Self-Directed Channel generally generate and enter orders themselves for their brokerage accounts based upon their own investment decision making and without the benefit of the services of a Financial Advisor. Self-Directed Channel orders in NMS equities are subject to MSSB’s $9 commission policy, pursuant to which customers generally do not pay base commissions for order handling and execution of their Self-Directed Channel NMS equities orders (subject to disclosed exceptions as described more fully at https://us.etrade.com/what-we-offer/price-and-rates). Because MSSB does not charge commissions on these Self-Directed Channel orders, MSSB seeks to be compensated, among other ways, through the receipt of payment for order flow from equity securities market makers, including Citadel. While the majority of Self-Directed Channel customers were customers of MSSB’s affiliate broker-dealer, E*TRADE Securities LLC ("ETS") in Q2 2023 and not MSSB, a portion of Self-Directed Channel customers were customers of MSSB during Q2 2023. The Self-Directed Channel order statistics reflected in the tables above (which also include details on Full-Service Channel orders) include only those Self-Directed Channel orders routed by MSSB. Quarterly order routing statistics for ETS are available at https://us.etrade.com/quarterly-order-routing-report.

Citadel generates revenue from executing or facilitating the execution of MSSB customer orders. In exchange for routing such orders to Citadel, and solely with respect to Self-Directed Channel orders, MSSB receives payments from Citadel in the amounts outlined in the above Public Order Routing Report disclosures (i.e. payment for order flow), calculated at a rate of $0.002 per share for non-directed, NMS equity market and marketable limit order executions priced at $1.00 per share or more and $0.0031 per share for non-directed, NMS equity non-marketable limit order executions priced at $1.00 per share or more. MSSB does not receive payment from Citadel for NMS equity executions on Self-Directed Channel orders priced below $1.00 per share. Apart from certain Self-Directed Channel orders routed to Morgan Stanley & Co., LLC as disclosed above, MSSB only routes Self-Directed Channel NMS equity orders to market makers that pay for customer order flow, and all such market makers are subject to substantially the same rates of payment. For clarity, and as indicated above, MSSB does not receive payment from Citadel with respect to Full-Service Channel order executions.

To take advantage of rules adopted by the U.S. securities exchanges that allow retail orders to be eligible for certain potential benefits, including additional price improvement from retail liquidity programs and higher queue priority from retail attestation programs, and to allow Citadel to access such potential benefits for Self-Directed Channel NMS equity orders, MSSB marks applicable orders as retail orders on an order-by-order basis. MSSB and Citadel, however, do not have any arrangements:

A. that require MSSB to meet certain volume thresholds or that provide incentives to MSSB for meeting or exceeding certain volume thresholds;
B. that require MSSB to meet certain minimum volume thresholds or that provide disincentives to MSSB for failing to meet certain minimum volume thresholds;
C. for volume-based tiered payment schedules; or
D. that require MSSB to route any orders or a minimum number of orders to Citadel.

There is a potential conflict for a market maker such as Citadel both paying for order flow on applicable Self-Directed Channel orders and providing price improvement for such orders as the potential source of funds for each is the same, namely the anticipated profit the market maker seeks to earn from executing or facilitating the execution of Self-Directed Channel customer orders. Accordingly, from such anticipated profit, a market maker such as Citadel can (i) forgo a portion of such anticipated profit to provide price improvement; (ii) forgo a portion of such anticipated profit to pay for order flow; or (iii) retain a larger portion of anticipated profit and not provide (or provide less) price improvement or not provide (or provide less) payment for order flow. A market maker's (such as Citadel's) anticipated profit must be allocated among these three sub-categories, such that an increased allocation to any one sub-category will result in a decreased allocation to one or more of the other sub-categories. The allocation of resources between the three subcategories listed above, including the risk of overallocation to market maker profits at the expense of providing price improvement on Self-Directed Channel customer orders, is informed and mitigated by competition for Self-Directed Channel order flow amongst MSSB’s market makers under the same general payment for order flow terms applicable to Citadel. A market maker such as Citadel executing a Full-Service Channel order does not have to allocate any of its anticipated profit in connection with such order to the payment for order flow subcategory (as it would with Self-Directed Channel orders) and is therefore able to allocate its anticipated profit to one or more other sub-categories (that is, to provide more price improvement or retain more anticipated profit or a mixture of the two). These same potential conflicts do not apply to Full-Service Channel customer order executions because MSSB does not receive payment for order flow from Citadel on these order executions and instead is compensated directly by MSSB’s customers as described above.

In addition to revenues that Citadel may collect for executing or facilitating the execution of customer orders (both Full-Service Channel and Self-Directed Channel customer orders) that MSSB routes to Citadel, Citadel also receives remuneration from U.S. securities exchanges to which it routes or directs MSSB customer orders in the form of rebates. These U.S. exchange rebate payments could, in theory incentivize Citadel to route higher percentages of MSSB customer orders to particular venues over others, subject to Citadel’s independent order routing and best execution obligations. MSSB does not share directly in any such rebates Citadel receives for executions of MSSB customer orders, although Citadel could potentially use such rebates to provide price improvement to MSSB customers, order flow payments to MSSB with respect to Self-Directed Channel orders, or both.

Virtu Americas, LLC:
Morgan Stanley Smith Barney LLC ("MSSB") routes NMS equity orders to Virtu Americas, LLC ("Virtu") to facilitate liquidity provision and price improvement opportunities for its customers. MSSB operates two primary service channels for its wealth management customers, the Full-Service Channel and the E*TRADE from Morgan Stanley Self-Directed Channel ("Self-Directed Channel"). Although the columns in the table above which set out the percentage of the various order types combine order flow from MSSB's Full-Service Channel and Self-Directed Channel, the payment figures in the table above reflect only Self-Directed Channel order executions. The Full-Service Channel does not receive payment for order flow on these orders, whereas the Self-Directed Channel does. MSSB receives and handles non-directed customer orders in NMS equity securities on a held and not held basis through both channels consistent with its duty of best execution, but there are differences in how MSSB is compensated for the services it performs, which, as described in detail below, can impact the price improvement opportunities and trade executions that MSSB customers receive from Virtu.

Customers of the Full-Service Channel receive services from MSSB relating to the operation, servicing, and administration of their MSSB brokerage or advised accounts and the generation of orders for such accounts, including the services of a Financial Advisor. Among other things, MSSB receives compensation for customer Full-Service Channel executions from commissions on customers' brokerage account order executions and fees on their advised accounts. As a result, MSSB does not seek or receive payment for order flow on such orders from Virtu. In addition, as more fully described below, Virtu may send certain MSSB customer orders to an exchange or other market center for execution, including to market centers from which Virtu may receive payment in the form of rebates. Conversely, customers of the Self-Directed Channel generally enter and execute orders themselves for their brokerage accounts based upon their own investment decision making and without the benefit of the services of a Financial Advisor. Self-Directed Channel orders in NMS equities are subject to MSSB's $0 commission policy, pursuant to which customers generally do not pay base commissions for order handling and execution of their Self-Directed Channel NMS equities orders (subject to disclosed exceptions as described more fully at https://us.etrade.com/what-we-offer/pricing-and-rates). Because MSSB does not charge commissions on these Self-Directed Channel orders, MSSB seeks to be compensated, among other ways, through the receipt of payment for order flow from equity securities market makers, including Virtu. While the majority of Self-Directed Channel customers were customers of MSSB's affiliate broker-dealer, E*TRADE Securities LLC ("ETS") in Q2 2023 and not MSSB, a portion of Self-Directed Channel customers were customers of MSSB during Q2 2023. The Self-Directed Channel order statistics reflected in the tables above (which also include details on Full-Service Channel orders) include only those Self-Directed Channel orders routed by MSSB. Quarterly order routing statistics for ETS are available at https://us.etrade.com/quarterly-order-routing-report.

Virtu generates revenue from executing or facilitating the execution of MSSB customer orders. In exchange for routing such orders to Virtu, and solely with respect to Self-Directed Channel orders, MSSB receives payments from Virtu in the amounts outlined in the above Public Order Routing Report disclosures (i.e. payment for order flow), calculated at a rate of $0.002 per share for non-directed, NMS equity market and marketable limit order executions priced at $1.00 per share or more and $0.0031 per share for non-directed, NMS equity non-marketable limit order executions priced at $1.00 per share or more. MSSB does not receive payment from Virtu for NMS equity executions on Self-Directed Channel orders priced below $1.00 per share. Apart from certain Self-Directed Channel orders routed to Morgan Stanley & Co., LLC as disclosed above, MSSB only routes Self-Directed Channel NMS equity orders to market makers that pay for customer order flow, and all such market makers are subject to substantially the same rates of payment. For clarity, and as indicated above, MSSB does not receive payment from Virtu with respect to Full-Service Channel order executions.

To take advantage of rules adopted by the U.S. securities exchanges that allow retail orders to be eligible for certain potential benefits, including additional price improvement from retail liquidity programs and higher queue priority from retail attestation programs, and to allow Virtu to access such potential benefits for Self-Directed Channel NMS equity orders, MSSB marks applicable orders as retail orders on an order-by-order basis. MSSB and Virtu, however, do not have any arrangements:

A. that require MSSB to meet certain volume thresholds or that provide incentives to MSSB for meeting or exceeding certain volume thresholds;
B. that require MSSB to meet certain minimum volume thresholds or that provide disincentives to MSSB for failing to meet certain minimum volume thresholds;
C. for volume-based tiered payment schedules; or
D. that require MSSB to route any orders or a minimum number of orders to Virtu.

There is a potential conflict for a market maker such as Virtu both paying for order flow on applicable Self-Directed Channel orders and providing price improvement for such orders as the potential source of funds for each is the same, namely the anticipated profit the market maker seeks to earn from executing or facilitating the execution of Self-Directed Channel customer orders. Accordingly, from such anticipated profit, a market maker such as Virtu can (i) forgo a portion of such anticipated profit to provide price improvement; (ii) forgo a portion of such anticipated profit to pay for order flow; or (iii) retain a larger portion of anticipated profit and not provide (or provide less) price improvement or not provide (or provide less) payment for order flow. A market maker's (such as Virtu's) anticipated profit must be allocated among these three sub-categories, such that an increased allocation to any one sub-category will result in a decreased allocation to one or more of the other sub-categories. The allocation of resources between the three subcategories listed above, including the risk of overallocation to market maker profits at the expense of providing price improvement on Self-Directed Channel customer orders, is informed and mitigated by competition for Self-Directed Channel order flow amongst MSSB's market makers under the same general payment for order flow terms applicable to Virtu. A market maker such as Virtu executing a Full-Service Channel order does not have to allocate any of its anticipated profit in connection with such order to the payment for order flow subcategory (as it would with Self-Directed Channel orders) and is therefore able to allocate its anticipated profit to one or more other sub-categories (that is, to provide more price improvement or retain more anticipated profit or a mixture of the two). These same potential conflicts do not apply to Full-Service Channel customer order executions because MSSB does not receive payment for order flow from Virtu on these orders executed and instead is compensated directly by MSSB's customers as described above.

In addition to revenues that Virtu may collect for executing or facilitating the execution of customer orders (both Full-Service Channel and Self-Directed Channel customer orders) that MSSB routes to Virtu, Virtu also receives remuneration from U.S. securities exchanges to which it routes or directs MSSB customer orders in the form of rebates. These U.S. exchange rebate payments could, in theory, incentivize Virtu to route higher percentages of MSSB customer orders to particular venues over others, subject to Virtu's independent order routing and best execution obligations. MSSB does not share directly in any such rebates Virtu receives for executions of MSSB customer orders, although Virtu could potentially use such rebates to provide price improvement to MSSB customers, order flow payments to MSSB with respect to Self-Directed Channel orders, or both.

Two Sigma Securities, LLC:
Morgan Stanley Smith Barney LLC (“MSSB”) routes NMS equity orders to Two Sigma Securities, LLC (“Two Sigma”) to facilitate liquidity provision and price improvement opportunities for its customers. MSSB operates two primary service channels for its wealth management customers, the Full-Service Channel and the E*TRADE from Morgan Stanley Self Directed Channel (“Self-Directed Channel”). Although the columns in the table above which set out the percentage of the various order types combine order flow from MSSB’s Full-Service Channel and Self-Directed Channel, the payment figures in the table reflect only Self-Directed Channel order executions. The Full-Service Channel does not receive payment for order flow on these orders, whereas the Self-Directed Channel does. MSSB receives and handles non-directed customer orders in NMS equity securities on a held and not held basis through both channels consistent with its duty of best execution, but there are differences in how MSSB is compensated for the services it performs, which, as described in detail below, can impact the price improvement opportunities and trade executions that MSSB customers receive from Two Sigma.

Customers of the Full-Service Channel receive services from MSSB relating to the operation, servicing, and administration of their MSSB brokerage or advised accounts and the generation of orders for such accounts, including the services of a Financial Advisor. Among other things, MSSB receives compensation for customer Full-Service Channel executions from commissions on customers’ brokerage account order executions and fees on their advised accounts. As a result, MSSB does not seek or receive payment for order flow on such orders from Two Sigma. In addition, as more fully described below, Two Sigma may send certain MSSB customer orders to an exchange or other market center for execution, including to market centers from which Two Sigma may receive payment in the form of rebates. Conversely, customers of the Self-Directed Channel generally generate and enter orders themselves for their brokerage accounts based upon their own investment decision making and without the benefit of the services of a Financial Advisor. Self-Directed Channel orders in NMS equity securities are subject to MSSB’s $0 commission policy, pursuant to which customers generally do not pay base commissions for order handling and execution of their Self-Directed Channel NMS equity orders (subject to disclosed exceptions as described more fully at https://us.ettrade.com/what-we-offer/pricing-and-rates). Because MSSB does not charge commissions on these Self-Directed Channel orders, MSSB seeks to be compensated, among other things, through the receipt of payment for order flow from equity securities market makers, including Two Sigma. While the majority of Self-Directed Channel customers were customers of MSSB’s affiliate broker-dealer, E*TRADE Securities LLC (“ETS”) in Q2 2023 and not MSSB, a portion of Self-Directed Channel customers were customers of MSSB during Q2 2023. The Self-Directed Channel order statistics reflected in the tables above (which also include details on Full-Service Channel orders) include only those Self-Directed Channel orders routed by MSSB. Quarterly order routing statistics for ETS are available at https://us.ettrade.com/ruga-quarterly-order-routing-report.

Two Sigma generates revenue from executing or facilitating the execution of MSSB customer orders. In exchange for routing such orders to Two Sigma, and solely with respect to Self-Directed Channel orders, MSSB receives payments from Two Sigma in the amounts outlined in the above Public Order Routing Report disclosures (i.e. payment for order flow), calculated at a rate of $0.002 per share for non-directed, NMS equity market and marketable limit order executions priced at $1.00 per share or more and $0.0031 per share for non-directed, NMS equity nonmarketable limit order executions priced at $1.00 per share or more. MSSB does not receive payment from Two Sigma for NMS equity executions on Self-Directed Channel orders priced below $1.00 per share. Apart from certain Self-Directed Channel orders routed to Morgan Stanley & Co., LLC as disclosed above, MSSB only routes Self-Directed Channel NMS equity orders to market makers that pay for customer order flow, and all such market makers are subject to substantially the same rates of payment. For clarity, and as indicated above, MSSB does not receive payment from Two Sigma with respect to Full-Service Channel order executions.

To take advantage of rules adopted by the U.S. securities exchanges that allow retail orders to be eligible for certain potential benefits, including additional price improvement from retail liquidity programs and higher queue priority from retail attestation programs, and to allow Two Sigma to access such potential benefits for Self-Directed Channel NMS equity orders, MSSB marks applicable orders as retail orders on an order-by-order basis. MSSB and Two Sigma, however, do not have any arrangements:

A. that require MSSB to meet certain volume thresholds or that provide incentives to MSSB for meeting or exceeding certain volume thresholds;
B. that require MSSB to meet certain minimum volume thresholds or that provide disincentives to MSSB for failing to meet certain minimum volume thresholds;
C. for volume-based tiered payment schedules; or
D. that require MSSB to route any orders or a minimum number of orders to Two Sigma.

There is a potential conflict for a market maker such as Two Sigma both paying for order flow on applicable Self-Directed Channel customer orders and providing price improvement for such orders as the potential source of funds for each is the same, namely the anticipated profit the market maker seeks to earn from executing or facilitating the execution of Self-Directed Channel customer orders. Accordingly, from such anticipated profit, a market maker such as Two Sigma can (i) forgo a portion of such anticipated profit to provide price improvement; (ii) forgo a portion of such anticipated profit to pay for order flow; or (iii) retain a larger portion of anticipated profit and not provide (or provide less) price improvement or not provide (or provide less) payment for order flow. A market maker’s (such as Two Sigma’s) anticipated profit must be allocated among these three sub-categories, such that an increased allocation to any one sub-category will result in a decreased allocation to one or more of the other sub-categories. The allocation of resources between the three subcategories listed above, including the risk of overallocation to market maker profits at the expense of providing price improvement on Self-Directed Channel customer orders, is informed and mitigated by competition for Self-Directed Channel order flow amongst MSSB’s market makers under the same general payment for order flow terms applicable to Two Sigma. A market maker such as Two Sigma executing a Full-Service Channel order does not have to allocate any of its anticipated profit in connection with such order to the payment for order flow subcategory (as it would with Self-Directed Channel orders) and is therefore able to allocate its anticipated profit to one or more other sub-categories (that is, to provide more price improvement or retain more anticipated profit or a mixture of the two). These same potential conflicts do not apply to Full-Service Channel customer order executions because MSSB does not receive payment for order flow from Two Sigma on these order executions and instead is compensated directly by MSSB’s customers as described above.

In addition to revenues that Two Sigma may collect for executing or facilitating the execution of customer orders (both Full-Service Channel and Self-Directed Channel customer orders) that MSSB routes to Two Sigma, Two Sigma also receives remuneration from U.S. securities exchanges to which it routes or directs MSSB customer orders in the form of rebates. These U.S. exchange rebate payments could, in theory, incentivize Two Sigma to route higher percentages of MSSB customer orders to particular venues over others, subject to Two Sigma’s independent order routing and best execution obligations. MSSB does not share directly in any such rebates Two Sigma receives for executions of MSSB customer orders, although Two Sigma could potentially use such rebates to provide price improvement to MSSB customers, order flow payments to MSSB with respect to Self-Directed Channel orders, or both.

G1 Execution Services, LLC
Morgan Stanley Smith Barney LLC ("MSSB") routes NMS equity orders to G1X Executions Services, LLC ("G1X") to facilitate liquidity provision and price improvement opportunities for its customers. MSSB operates two primary service channels for its wealth management customers, the Full-Service Channel and the E*TRADE from Morgan Stanley Self-Directed Channel ("Self-Directed Channel"). Although the columns in the table above which set out the percentage of the various order types combine order flow from MSSB's Full-Service Channel and Self-Directed Channel, the payment figures in the table above reflect only Self-Directed Channel order executions. The Full-Service Channel does not receive payment for order flow on these orders, whereas the Self-Directed Channel does. MSSB receives and handles non-directed customer orders in NMS equity securities on a held and not held basis through both channels consistent with its duty of best execution, but there are differences in how MSSB is compensated for the services it performs, which, as described in detail below, can impact the price improvement opportunities and trade executions that MSSB customers receive from G1X.

Customers of the Full-Service Channel receive services from MSSB relating to the operation, servicing, and administration of their MSSB brokerage or advised accounts and the generation of orders for such accounts, including the services of a Financial Advisor. Among other things, MSSB receives compensation for customer Full-Service Channel executions from commissions on customers' brokerage account order executions and fees on their advised accounts. As a result, MSSB does not seek or receive payment for order flow on such orders from G1X. In addition, as more fully described below, G1X may send certain MSSB customer orders to an exchange or other market center for execution, including to market centers from which G1X may receive payment in the form of rebates. Conversely, customers of the Self-Directed Channel generally generate and enter orders themselves for their own account based on their own investment decision making and without the benefit of the services of a Financial Advisor. Self-Directed Channel orders in NMS equities are subject to MSSB's $0 commission policy, pursuant to which customers generally do not pay base commissions for order handling and execution of their Self-Directed Channel NMS equities orders (subject to disclosed exceptions as described more fully at https://us.etrade.com/what-we-offer/pricing-and-rates). Because MSSB does not charge commissions on these Self-Directed Channel orders, MSSB seeks to be compensated, among other ways, through the receipt of payment for order flow from equity securities market makers, including G1X. While the majority of Self-Directed Channel customers were customers of MSSB's affiliate broker-dealer, E*TRADE Securities LLC ("ETS") in Q2 2023 and not MSSB, a portion of Self-Directed Channel customers were customers of MSSB during Q2 2023. The Self-Directed Channel order statistics reflected in the tables above (which also include details on Full-Service Channel orders) include only those Self-Directed Channel orders routed by MSSB. Quarterly order routing statistics for ETS are available at https://us.etrade.com/quarterly-order-routing-report.

G1X generates revenue from executing or facilitating the execution of MSSB customer orders. In exchange for routing such orders to G1X, and solely with respect to Self-Directed Channel orders, MSSB receives payments from G1X in the amounts outlined in the above Public Order Routing Report disclosures (i.e., payment for order flow), calculated at a rate of $0.002 per share for non-directed, NMS equity market and marketable limit order executions priced at $1.00 per share or more and $0.0031 per share for non-directed, NMS equity non-marketable limit order executions priced at $1.00 per share or more. MSSB does not receive payment from G1X for NMS equity executions on Self-Directed Channel orders priced below $1.00 per share. Apart from certain Self-Directed Channel orders routed to Morgan Stanley & Co., LLC as disclosed above, MSSB only routes Self-Directed Channel NMS equity orders to market makers that pay for customer order flow, and all such market makers are subject to substantially the same rates of payment. For clarity, and as indicated above, MSSB does not receive payment from G1X with respect to Full-Service Channel order executions.

To take advantage of rules adopted by the U.S. securities exchanges that allow retail orders to be eligible for certain potential benefits, including additional price improvement from retail liquidity programs and higher queue priority from retail attestation programs, and to allow G1X to access such potential benefits for Self-Directed Channel NMS equity orders, MSSB marks applicable orders as retail orders on an order-by-order basis. MSSB and G1X, however, do not have any arrangements:

A. that require MSSB to meet certain volume thresholds or that provide incentives to MSSB for meeting or exceeding certain volume thresholds;
B. that require MSSB to meet certain minimum volume thresholds or that provide disincentives to MSSB for failing to meet certain minimum volume thresholds;
C. for volume-based tiered payment schedules; or
D. that require MSSB to route any orders or a minimum number of orders to G1X.

There is a potential conflict for a market maker such as G1X both paying for order flow on applicable Self-Directed Channel orders and providing price improvement for such orders as the potential source of funds for each is the same, namely the anticipated profit the market maker sees to earn from executing or facilitating the execution of Self-Directed Channel customer orders. Accordingly, from such anticipated profit, a market maker such as G1X can (i) forgo a portion of such anticipated profit to provide price improvement; (ii) forgo a portion of such anticipated profit to pay for order flow; or (iii) retain a larger portion of anticipated profit and not provide (or provide less) price improvement or not provide (or provide less) payment for order flow. A market maker's (such as G1X's) anticipated profit must be allocated among these three sub-categories, such that an increased allocation to any one sub-category will result in a decreased allocation to one or more of the other sub-categories. The allocation of resources between the three subcategories listed above, including the risk of overallocation to market maker profits at the expense of providing price improvement on Self-Directed Channel customer orders, is informed and mitigated by competition for Self-Directed Channel order flow amongst MSSB's market makers under the same general payment for order flow terms applicable to G1X. A market maker such as G1X executing a Full-Service Channel order does not have to allocate any of its anticipated profit in connection with such order to the payment for order flow subcategory (as it would with Self-Directed Channel orders) and is therefore able to allocate its anticipated profit to one or more other sub-categories (that is, to provide more price improvement or retain more anticipated profit or a mixture of the two). These same potential conflicts do not apply to Full-Service Channel customer order executions because MSSB does not receive payment for order flow from G1X on these order executions and instead is compensated directly by MSSB's customers as described above.

In addition to revenues that G1X may collect for executing or facilitating the execution of customer orders (both Full-Service Channel and Self-Directed Channel customer orders) that MSSB routes to G1X, G1X also receives remuneration from U.S. securities exchanges to which it routes or directs MSSB customer orders in the form of rebates. These U.S. exchange rebate payments could, in theory, incentivize G1X to route higher percentages of MSSB customer orders to particular venues over others, subject to G1X's independent order routing and best execution obligations. MSSB does not share directly in any such rebates G1X receives for executions of MSSB customer orders, although G1X could potentially use such rebates to provide price improvement to MSSB customers, order flow payments to MSSB with respect to Self-Directed Channel orders, or both.

Jane Street Capital:
Morgan Stanley Smith Barney LLC ("MSSB") routes NMS equity orders to Jane Street Capital ("Jane Street") to facilitate liquidity provision and price improvement opportunities for its customers. MSSB operates two primary service channels for its wealth management customers including the Full-Service Channel and the E*TRADE from Morgan Stanley Self-Directed Channel ("Self-Directed Channel"). Customers of the Full-Service Channel receive services from MSSB relating to the operation, servicing, and administration of their MSSB brokerage or advised accounts, including the execution of orders for such accounts, including the services of a Financial Advisor. Among other things, MSSB receives compensation for customer Full-Service Channel orders from commissions on their brokerage account orders and fees on their advised accounts. As a result, MSSB does not seek or receive payment for order flow on such orders. Conversely, customers of the Self-Directed Channel generally generate and enter orders themselves for their brokerage accounts based on their own investment decision making and without the benefit of the services of a Financial Advisor. Self-Directed Channel orders in NMS equities are subject to MSSB's $0 commission policy, pursuant to which customers generally do not pay base commissions for order handling and execution of their Self-Directed Channel NMS equities orders (subject to disclosed exceptions as described more fully at https://www.etrade.com/what-we-offer/pricing-and-rates). Because MSSB does not charge commissions on these Self-Directed Channel orders, MSSB must bear the cost of providing such services, and, as such, the transfer of payment for order flow from equity securities market makers, including Jane Street. During Q2 2023. The majority of Self-Directed Channel customers were customers of MSSB's affiliate broker-dealer, E*TRADE Securities LLC ("ETS") in Q2 2023 and not MSSB, a portion of Self-Directed Channel customers were customers of MSSB during Q2 2023. The tables above reflect Self-Directed Channel orders routed by MSSB only. Quarterly order routing statistics for ETS are available at https://us.etrade.com/quarterly-order-routing-report. MSSB does not route Full-Service Channel NMS equity orders to Jane Street.

Jane Street generates revenue from executing or facilitating the execution of Self-Directed Channel customer orders. In exchange for such routing, and solely with respect to Self-Directed Channel orders, MSSB receives payments from Jane Street in the amounts outlined in the above Public Order Routing Report disclosures, calculated at a rate of $0.002 per share for non-directed, NMS equity market and marketable limit order executions priced at $1.00 per share or more and $0.0031 per share for non-directed, NMS equity non-marketable limit order executions priced at $1.00 per share or more. MSSB does not receive payment from Jane Street for NMS equity executions priced below $1.00 per share. Apart from certain Self-Directed Channel orders routed to Morgan Stanley & Co., LLC as disclosed above, MSSB only routes Self-Directed Channel equity orders to market makers that pay for customer order flow, and all such market makers are subject to substantially the same rates of payment. For clarity, MSSB does not route Full-Service Channel NMS equity orders to Jane Street.

To take advantage of rules adopted by the U.S. securities exchanges that allow retail orders to be eligible for certain potential benefits, including additional price improvement from retail liquidity programs and higher queue priority from retail attestation programs, and to allow Jane Street to access such potential benefits for Self-Directed Channel NMS equity orders, MSSB marks applicable orders as retail orders on an order-by-order basis. MSSB and Jane Street, however, do not have any arrangements:

A. that require MSSB to meet certain volume thresholds or that provide incentives to MSSB for meeting or exceeding certain volume thresholds;
B. that require MSSB to meet certain minimum volume thresholds or that provide disincentives to MSSB for failing to meet certain minimum volume thresholds;
C. for volume-based tiered payment schedules; or
D. that require MSSB to route any orders or a minimum number of orders to Jane Street.

There is a potential conflict for a market maker such as Jane Street both paying for order flow on applicable Self-Directed Channel customer orders and providing price improvement for such orders as the potential source of funds for each is the same, namely the anticipated profit the market maker seeks to earn from executing or facilitating the execution of Self-Directed Channel customer orders. Accordingly, from such anticipated profit, a market maker such as Jane Street can (i) forgo a portion of such anticipated profit to provide price improvement; (ii) forgo a portion of such anticipated profit to pay for order flow; or (iii) retain a larger portion of anticipated profit and not provide (or provide less) price improvement or not provide (or provide less) payment for order flow. A market maker’s (such as Jane Street’s) anticipated profit must be allocated among these three sub-categories, such that an increased allocation to any one sub-category will result in a decreased allocation to one or more of the other sub-categories. The allocation of resources between the three subcategories listed above, including the risk of overallocation to market makers that pay for customer order flow, and all such market makers are subject to substantially the same rates of payment. For clarity, MSSB does not route Full-Service Channel NMS equity orders to UBS.

UBS Securities, LLC:

Morgan Stanley Smith Barney LLC ("MSSB") routes NMS equity orders to UBS Securities, LLC ("UBS") to facilitate liquidity provision and price improvement opportunities for its customers. MSSB operates two primary service channels for its wealth management customers including the Full-Service Channel and the E*TRADE from Morgan Stanley Self-Directed Channel ("Self-Directed Channel"). Customers of the Full-Service Channel receive services from MSSB relating to the operation, servicing, and administration of their MSSB brokerage or advised accounts and the generation of orders for such accounts, including the services of a Financial Advisor. Among other things, MSSB receives compensation for customer Full-Service Channel orders from commissions on their brokerage account orders and fees on their advised accounts. As a result, MSSB does not seek or receive payment for order flow on such orders. Conversely, customers of the Self-Directed Channel generally generate and enter orders themselves for their brokerage accounts based on their own investment decision making and without the benefit of the services of a Financial Advisor. Self-Directed Channel orders in NMS equities are subject to MSSB's $0 commission policy, pursuant to which customers generally do not pay base commissions for order handling and execution of their Self-Directed Channel NMS equities orders (subject to disclosed exceptions as described more fully at https://us.etrade.com/what-we-offer/pricing-and-rates). Because MSSB does not charge commissions on these Self-Directed Channel orders, MSSB seeks to be compensated, among other ways, through the receipt of payment for order flow from equity securities market makers, including Jane Street. During Q2 2023. The majority of Self-Directed Channel customers were customers of MSSB's affiliate broker-dealer, E*TRADE Securities LLC ("ETS") in Q2 2023 and not MSSB, a portion of Self-Directed Channel customers were customers of MSSB during Q2 2023. The tables above reflect Self-Directed Channel orders routed by MSSB only. Quarterly order routing statistics for ETS are available at https://us.etrade.com/quarterly-order-routing-report. MSSB does not route Full-Service Channel NMS equity orders to UBS.

UBS generates revenue from executing or facilitating the execution of Self-Directed Channel customer orders. In exchange for such routing, and solely with respect to Self-Directed Channel orders, MSSB receives payments from UBS in the amounts outlined in the above Public Order Routing Report disclosures, calculated at a rate of $0.002 per share for non-directed, NMS equity market and marketable limit order executions priced at $1.00 per share or more and $0.0031 per share for non-directed, NMS equity non-marketable limit order executions priced at $1.00 per share or more. MSSB routes to Morgan Street & Co., LLC and MSSB's affiliate broker-dealer, E*TRADE Securities LLC ("ETS") in Q2 2023 and not MSSB, a portion of Self-Directed Channel customers were customers of MSSB during Q2 2023. The tables above reflect Self-Directed Channel orders routed by MSSB only. Quarterly order routing statistics for ETS are available at https://us.etrade.com/quarterly-order-routing-report. MSSB does not route Full-Service Channel NMS equity orders to UBS.

To take advantage of rules adopted by the U.S. securities exchanges that allow retail orders to be eligible for certain potential benefits, including additional price improvement from retail liquidity programs and higher queue priority from retail attestation programs, and to allow UBS to access such potential benefits for Self-Directed Channel NMS equity orders, MSSB marks applicable orders as retail orders on an order-by-order basis. MSSB and UBS, however, do not have any arrangements:

A. that require MSSB to meet certain volume thresholds or that provide incentives to MSSB for meeting or exceeding certain volume thresholds;
B. that require MSSB to meet certain minimum volume thresholds or that provide disincentives to MSSB for failing to meet certain minimum volume thresholds;
C. for volume-based tiered payment schedules; or
D. that require MSSB to route any orders or a minimum number of orders to UBS.

There is a potential conflict for a market maker such as UBS both paying for order flow on applicable Self-Directed Channel customer orders and providing price improvement for such orders as the potential source of funds for each is the same, namely the anticipated profit the market maker seeks to earn from executing or facilitating the execution of Self-Directed Channel customer orders. Accordingly, from such anticipated profit, a market maker such as UBS can (i) forgo a portion of such anticipated profit to provide price improvement; (ii) forgo a portion of such anticipated profit to pay for order flow; or (iii) retain a larger portion of anticipated profit and not provide (or provide less) price improvement or not provide (or provide less) payment for order flow. A market maker’s (such as UBS's) anticipated profit must be allocated among these three sub-categories, such that an increased allocation to any one sub-category will result in a decreased allocation to one or more of the other sub-categories. The allocation of resources between the three subcategories listed above, including the risk of overallocation to market makers that pay for customer order flow, and all such market makers are subject to substantially the same rates of payment. For clarity, MSSB does not route Full-Service Channel NMS equity orders to UBS.

Choe EDGX Exchange, Inc.
Morgan Stanley Smith Barney LLC ("MSSB") routes NMS equity orders to ChiQ EDGX Exchange, Inc. through its affiliate Morgan Stanley Co., LLC ("MS&Co"), to facilitate liquidity provision and price improvement opportunities for its customers. MSSB operates two primary service channels for its wealth management customers including the Full-Service Channel and the ETTRADE from Morgan Stanley Self-Directed Channel ("Self-Directed Channel"). Customers of the Full-Service Channel receive services from MS&Co relating to the operation, servicing, and administration of the operation for such accounts, including the services of a Financial Advisor. Among other things, MSSB requires compensation for the Full-Service Channel orders from commissions on their brokerage account orders and fees on their advised accounts. Conversely, customers of the Self-Directed Channel generally generate and enter orders themselves for their brokerage accounts based upon their own investment decision making and without the benefit of the services of a Financial Advisor. Self-Directed Channel orders for NMS equity securities are subject to MS&Co's $0 commission policy, pursuant to which customers generally do not pay base commission for order handling and execution of Self-Directed Channel NMS equities orders (subject to disclosed exceptions). MS&Co does not charge commission on these Self-Directed Channel orders, the Firm seeks to be compensated, among other ways, through payment for order flow from MSSB's equity market makers and, as described in further detail below, from rebates on executions of Self-Directed Channel orders that MSSB routes to certain U.S. securities exchanges directly and indirectly through its affiliate Morgan Stanley & Co., LLC ("MS&Co"), including Self-Directed Channel orders that MSSB routes to EDGX through MS&Co.

While MS&Co determines where to route customer orders based on, and consistent with its best execution obligations, these U.S. exchange rebate payments could, in theory, incentivize MS&Co to route higher percentages of MSSB customer orders to particular venues other than EDGX. As a result, MS&Co may also determine to route any other order flow that MSSB routes to EDGX for execution to EDGX for the purpose of determining the applicable pricing in EDGX's tiered pricing model as described above.

The fees MS&Co pays and rebates MS&Co receives from EDGX through MS&Co for NMS equity executions are determined based on EDGX's tiered volume model. Schedule delineating orders eligible for such rebates and the applicable rates are published publicly by EDGX in the EDGX Fees Schedule, available at http://www.cboe.com/us/equities/marketdata/fees_schedule/edx/ (the "EDGX Fees Schedule"). Please note that EDGX's publicly available fees Schedule URL and applicable rates may change without notice. In general, during Q2 2023, EDGX paid MS&Co rebate rates of $0.0027 per share for Direct Self-Directed Channel executions priced at $1.00 per share or more and $0.0099 for executions priced below $1.00 per share via MS&Co. Executions that removed liquidity from EDGX qualified for tiered pricing and MS&Co was charged a $0.0075 per share fee for executions priced at $1.00 per share or more and a 0.28% fee of the total-notional value on executions priced below $1.00 per share. For EDGX received rebates (of net fees) from EDGX in the amount of $17 in April, $65 in May, and $2,041 in June. For clarity, as described above, MS&Co routes Self-Directed Channel orders to EDGX through MS&Co with specific routing instructions to send to EDGX for routing to EDGX's order routing determinations but MS&Co does not route Full-Service Channel orders to EDGX for execution directly or indirectly through MS&Co other than as described by MS&Co as above.

In addition, MS&Co also participates in EDGX's retail order priority program under which eligible retail orders receive priority ahead of other available interest at a given price level or other enhanced execution benefits. MS&Co reviews customers' activity on a periodic basis to determine program eligibility. In determining whether to route retail customer orders to EDGX through MS&Co will be combined with any other order flow that MSSB routes to EDGX for execution, MS&Co determines the applicable pricing in EDGX's tiered pricing model as described above. It is possible that MS&Co could generate additional profit as a result of the combination of such order flow and the incentives of such tiered pricing program including on behalf of MS&Co, to provide additional disclosures regarding routing orders through MS&Co are provided in the above Public Order Routing Report disclosures for MS&Co.

The Nasdaq Stock Market

Morgan Stanley Smith Barney LLC ("MSSB") routes NMS equity orders to the Nasdaq Stock Market ("NASDAQ") to facilitate liquidity provision and price improvement opportunities for its customers. MSSB operates two primary service channels for its wealth management customers including the Full-Service Channel and the ETTRADE from Morgan Stanley Self-Directed Channel ("Self-Directed Channel"). Customers of the Full-Service Channel receive services from MS&Co relating to the operation, servicing, and administration of the operation for such accounts, including the services of a Financial Advisor. Among other things, MSSB receives compensation for customer Full-Service Channel orders from commissions on their brokerage account orders and fees on their advised accounts. Conversely, customers of the Self-Directed Channel generally generate and enter orders themselves for their brokerage accounts based upon their own investment decision making and without the benefit of the services of a Financial Advisor. Self-Directed Channel orders for NMS equity securities are subject to MS&Co's $0 commission policy, pursuant to which customers generally do not pay base commission for order handling and execution of Self-Directed Channel NMS equities orders (subject to disclosed exceptions described more fully at https://us.etrade.com/ what-we-offer/pricing-and-rates). Because MS&Co does not charge commission on these Self-Directed Channel orders, the Firm seeks to be compensated, among other ways, through payment for order flow from MS&Co's equity market makers and, as described in further detail below, from rebates on executions of Self-Directed Channel orders that MSSB routes to certain U.S. securities exchanges directly and indirectly, including NASDAQ. While MS&Co determines where to route customer orders based on, and consistent with its best execution obligations, these U.S. exchange rebate payments could, in theory, incentivize MS&Co to route higher percentages of MSSB customer orders to particular venues other than NASDAQ. While the majority of Self-Directed Channel customers were customers of MS&Co's affiliate broker-dealer, ETTRADE Securities LLC ("ETS") in Q2 2023, many of EDGX's customer orders were of the Shelly & Gelb LLC type during Q2 2023. The policies above referenced for EDGX's order routing determinations for EDGX's Full-Service Channel orders for EDGX are referenced for EDGX's Full-Service Channel orders for NASDAQ during Q2 2023. Quarterly order routing statistics for NASDAQ are available at https://us.etrade.com/quarterly-order-routing-report. MS&Co does not route Full-Service Channel NMS equity orders to NASDAQ for execution directly or indirectly through MS&Co other than as described by MS&Co as above.

MSSB also participates in EDGX's retail order priority program under which eligible retail orders receive priority ahead of other available interest at a given price level or other enhanced execution benefits. MS&Co reviews customers' activity on a periodic basis to determine program eligibility. In determining whether to route retail customer orders to EDGX through MS&Co will be combined with any other order flow that MSSB routes to EDGX for execution, MS&Co determines the applicable pricing in EDGX's tiered pricing model as described above. It is possible that MS&Co could generate additional profit as a result of the combination of such order flow and the incentives of such tiered pricing program including on behalf of MS&Co, to provide additional disclosures regarding routing orders through MS&Co are provided in the above Public Order Routing Report disclosures for MS&Co.

MSSB also participates in NASDAQ's retail order priority program under which eligible retail orders receive priority ahead of other available interest at a given price level or other enhanced execution benefits. MS&Co reviews customers' activity on a periodic basis to determine program eligibility. In determining whether to route retail customer orders to NASDAQ through MS&Co will be combined with any other order flow that MSSB routes to NASDAQ for execution, MS&Co determines the applicable pricing in NASDAQ's tiered volume model as described above. There is a potential conflict in that such rebates and fees could, in theory, incentivize MS&Co to route a higher percentage of MS&Co customer orders to NASDAQ rather than another venue in order to reach a higher tier. MSBB and NASDAQ, however, do not have any arrangements:

A. that require MSBB to meet certain volume thresholds;
B. that require MSBB to meet certain minimum volume thresholds or that provide disincentives to MSBB for failing to meet certain minimum volume thresholds;
C. for volume-based tiered payment schedules beyond the tiered volume model set forth in the EDGX Fees Schedule as described above; or
D. that require MSBB to route any orders or a minimum number of orders to EDGX.

The fees MS&Co pays and rebates MS&Co receives from NASDAQ for NMS equity executions are determined based on NASDAQ's tiered volume model. Schedule delineating orders eligible for such rebates and the applicable rates are published publicly by NASDAQ in the NASDAQ Fees Schedule, available at http://www.nasdaqtrader.com/trader.aspx?d=tx_pricing. Please note that NASDAQ's publicly available Fees Schedule URL and applicable rates may change without notice. In general, during Q2 2023, NASDAQ paid MS&Co rebate rates of $0.00325 per share for Direct Self-Directed Channel executions priced at $1.00 per share or more and did not pay any per share amount for executions priced below $1.00 per share. Self-Directed Channel executions that removed liquidity from NASDAQ qualified for tiered pricing and MS&Co was charged fees of $0.003 per share for Self-Directed Channel executions priced at $1.00 per share or more and 0.30% of the total notional value of executions priced below $1.00 per share. For Q2 2023, for clarity, as described above, MS&Co does not route Full-Service Channel orders to NASDAQ for execution directly.

MSSB also participates in NASDAQ's retail order priority program under which eligible retail orders receive priority ahead of other available interest at a given price level or other enhanced execution benefits. MS&Co reviews customers' activity on a periodic basis to determine program eligibility. In determining whether to route retail customer orders to NASDAQ through MS&Co will be combined with any other order flow that MSSB routes to NASDAQ for execution, MS&Co determines the applicable pricing in NASDAQ's tiered volume model as described above. There is a potential conflict in that such rebates and fees could, in theory, incentivize MS&Co to route a higher percentage of MS&Co customer orders to NASDAQ rather than another venue in order to reach a higher tier. MSBB and NASDAQ, however, do not have any arrangements:
Members Exchange (MEMX): Morgan Stanley Smith Barney LLC (“MSSB”) routes NMS equity orders to MEMX LLC (“MEMX”) through its affiliate Morgan Stanley & Co., LLC (“MS&Co.”), to facilitate liquidity provision and price improvement opportunities for its customers. MSSB operates two primary service channels for its wealth management customers including the Full-Service Channel and the ETXTRADE from Morgan Stanley Self-Directed Channel (“Self-Directed Channel”). Customers of the Full-Service Channel receive services from MSSB relating to the operation, servicing, and administration of their MSSB brokerage or advised accounts and the generation of orders for such accounts, including the services of a Financial Advisor. Among other things, MSSB receives compensation for customer Full-Service Channel orders from commissions on their brokerage account orders and fees on their advised accounts. Conversely, customers of the Self-Directed Channel generally generate and enter orders themselves for their brokerage accounts based upon their own investment decision making and without the benefit of the services of a Financial Advisor. Self-Directed Channel orders for NMS equity securities are subject to MSSB’s $0 commission policy, pursuant to which customers generally do not pay base commission for order handling and execution of Self-Directed Channel NMS equities orders (subject to disclosed exceptions described more fully at https://us.etrade.com/what-we-offer/pricing-and-rates). Because MSSB does not charge commission on these Self-Directed Channel orders, the Firm seeks to be compensated, among other ways, through payment for order flow from MEMX’s equity market makers and, as described in further detail below, from rebates on executions of Self-Directed Channel orders that MSSB routes to certain U.S. securities exchanges directly and indirectly through its affiliate Morgan Stanley & Co., LLC (“MS&Co.”), including Self-Directed Channel orders that MSSB routes to MEMX through MS&Co. While MSSB determines where to route customer orders based on, and consistent with its best execution obligations, these U.S. exchange rebate payments could, in theory, incentivize MSSB to route higher percentages of MSSB customer orders to particular venues over others. While the majority of Self-Directed Channel customers were customers of MSSB’s affiliate broker-dealer, E*TRADE Securities LLC (“ETS”) in Q2 2023 and not MSSB, a portion of Self-Directed Channel customers were customers of MSSB during Q2 2023. The tables above reflect Self-Directed Channel orders routed by MSSB, only Quarterly order routing statistics for ETS are available at https://us.etrade.com/quarterly-order-routing-report. MSSB does not route Full-Service Channel NMS equity orders to MEMX directly or indirectly through MS&Co., though depending on market conditions, order pricing, and the order handling practices of, and regulatory requirements applicable to the market-makers to which MSSB routes customer orders, some MSSB Full-Service Channel non-directed NMS equity orders may be indirectly routed to, and executed on MEMX, including through MSSB’s affiliate MS&Co., which is a market maker on MEMX.

MSSB either pays a fee or receives a rebate on behalf of MS&Co. for each Self-Directed Channel customer order execution on MEMX, depending on whether the order added to or subtracted from liquidity on the exchange. For clarity, MSSB pays such fee or receives such rebate, as applicable, for executions of Self-Directed Channel orders that MSSB routes to MEMX indirectly though MS&Co may also benefit indirectly from profits realized from exchange rebates to MS&Co for executing MSSB orders MS&Co receives in its capacity as market maker, which MS&Co may also receive from executions on MEMX. As a result of the corporate affiliation between MS&Co and MSSB, MS&Co may share indirectly in any such profits generated by MSSB & Co. The fees and rebates referenced above are subject to volume pricing. To the extent that MEMX meets the execution volume thresholds necessary to qualify for preferred pricing under MEMX’s Fees Schedule in a given month, increased (rather than standard) rebate rates and decreased (rather than standard) fees will apply. Because MEMX offers higher rebates and lower fees based on a tiered volume model, there is a potential conflict in that such rebates and fees could, in theory, incentivize MSSB to route a higher percentage of MSSB customer orders to MEMX through MS&Co rather than another venue in order to reach a higher tier. MS&Co and MEMX, however, do not have any arrangements:

A. that require MSSB to meet certain volume thresholds;
B. that require MSSB to meet certain minimum volume thresholds; or that provide disincentives to MSSB for failing to meet certain minimum volume thresholds;
C. for volume-based tiered payment schedules beyond the tiered volume model set forth in the MEMX Fees Schedule as described above; or
D. that require MSSB to route any orders or a minimum number of orders to MEMX.

The fees MSSB pays and rebates MSSB receives from MEMX through MS&Co for NMS equity executions are determined based on MEMX’s tiered volume model. Schedules delineating orders eligible for such rebates and the applicable rates are published publicly by MEMX in the MEMX Fees Schedule, available at http://info.memetrading.com/fee-schedule/. Please note that MEMX’s publicly available Fees Schedule URL link and applicable rates may change without notice. In general, during Q2 2023, MEMX paid MS&Co standard rebate rates of $0.0031 per share for Self-Directed Channel executions priced at $1.00 per share or more and 0.075% of the total trade notional value for executions priced below $1.00 per share via MS&Co. On executions that removed liquidity from MEMX qualified for tiered pricing, MS&Co was charged a $0.00295 per share fee for executions priced at $1.00 per share or more and a 0.28% fee of the notional value on executions priced below $1.00 per share. For Q2 2023, MSSB received rebates (net of fees) from MEMX in the amount of $20 in April, $44 in May, and $1,957 in June. For clarity, and as indicated above, MSSB routes Self-Directed orders to MEMX through MS&Co with specific routing instructions to send to MEMX pursuant to MEMX’s order routing determinations whereas MSSB does not route Full-Service Channel orders to MEMX for execution directly or indirectly through MS&Co other than as determined by MS&Co., as described above.

MSSB is an affiliated company of Strategic Investments I, Inc., both of which are wholly owned subsidiaries of Morgan Stanley and investor-shareholders of MEMX. Accordingly, MSSB, both directly and indirectly through its parent company Morgan Stanley and/or its affiliates may share in profits realized by MEMX, which could, in theory, incentivize MSSB to route a higher percentage of Self-Directed Channel orders to MEMX for other execution venues. MSSB orders routed to MEMX through MS&Co will be combined with any other order flow that MS&Co routes to MEMX for the purpose of determining the applicable pricing under MEMX’s tiered pricing model described above. It is possible that MS&Co could generate additional profit as a result of the combination of such order flow and the incentives of such tiered pricing program including on behalf of MSSB. Further disclosures regarding routing of orders through MS&Co are provided in the above Public Order Routing Report disclosures for MS&Co.

---

**May 2023**

**Options**

**Summary**

<table>
<thead>
<tr>
<th>Non-Directed Orders as % of All Orders</th>
<th>Market Orders as % of Non-Directed Orders</th>
<th>Marketable Limit Orders as % of Non-Directed Orders</th>
<th>Non-Marketable Limit Orders as % of Non-Directed Orders</th>
<th>Other Orders as % of Non-Directed Orders</th>
</tr>
</thead>
<tbody>
<tr>
<td>100.00</td>
<td>39.62</td>
<td>7.45</td>
<td>35.39</td>
<td>17.54</td>
</tr>
</tbody>
</table>

**Venues**

<table>
<thead>
<tr>
<th>Place of Trade</th>
<th>Non-Directed Order Flow</th>
<th>Market Orders (%)</th>
<th>Marketable Limit Orders (%)</th>
<th>Non-Marketable Limit Orders (%)</th>
<th>Other Orders (%)</th>
<th>Net Payment Received/Reconciled for Market Orders(MS$)</th>
<th>Net Payment Received/Reconciled for Marketable Limit Orders(MS$)</th>
<th>Net Payment Received/Reconciled for Non-Marketable Limit Orders(MS$)</th>
<th>Net Payment Received/Reconciled for Other Orders(MS$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Morgan Stanley &amp; Co., LLC</td>
<td>80.91</td>
<td>81.39</td>
<td>80.79</td>
<td>79.82</td>
<td>82.09</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
</tbody>
</table>

**May 2023**

**Options**

**Summary**

<table>
<thead>
<tr>
<th>Non-Directed Orders as % of All Orders</th>
<th>Market Orders as % of Non-Directed Orders</th>
<th>Marketable Limit Orders as % of Non-Directed Orders</th>
<th>Non-Marketable Limit Orders as % of Non-Directed Orders</th>
<th>Other Orders as % of Non-Directed Orders</th>
</tr>
</thead>
<tbody>
<tr>
<td>100.00</td>
<td>39.62</td>
<td>7.45</td>
<td>35.39</td>
<td>17.54</td>
</tr>
</tbody>
</table>

**Venues**

<table>
<thead>
<tr>
<th>Place of Trade</th>
<th>Non-Directed Order Flow</th>
<th>Market Orders (%)</th>
<th>Marketable Limit Orders (%)</th>
<th>Non-Marketable Limit Orders (%)</th>
<th>Other Orders (%)</th>
<th>Net Payment Received/Reconciled for Market Orders(MS$)</th>
<th>Net Payment Received/Reconciled for Marketable Limit Orders(MS$)</th>
<th>Net Payment Received/Reconciled for Non-Marketable Limit Orders(MS$)</th>
<th>Net Payment Received/Reconciled for Other Orders(MS$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Morgan Stanley &amp; Co., LLC</td>
<td>80.91</td>
<td>81.39</td>
<td>80.79</td>
<td>79.82</td>
<td>82.09</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Venue</td>
<td>Non-Directed Order Flow</td>
<td>Market Orders (%)</td>
<td>Marketable Limit Orders (%)</td>
<td>Other Orders (%)</td>
<td>Net Payment Paid/Received for Market Orders(USD)</td>
<td>Net Payment Paid/Received for Market Orders(cents per hundred shares)</td>
<td>Net Payment Paid/Received for Marketable Limit Orders(USD)</td>
<td>Net Payment Paid/Received for Marketable Limit Orders(cents per hundred shares)</td>
<td>Net Payment Paid/Received for Non-Marketable Limit Orders(USD)</td>
</tr>
<tr>
<td>-------</td>
<td>------------------------</td>
<td>------------------</td>
<td>-----------------------------</td>
<td>-----------------</td>
<td>-----------------------------------------------</td>
<td>----------------------------------------------------------</td>
<td>----------------------------------------------------------------</td>
<td>----------------------------------------------------------------</td>
<td>---------------------------------------------------------</td>
</tr>
<tr>
<td>Citadel Securities, LLC</td>
<td>14.48</td>
<td>14.33</td>
<td>14.63</td>
<td>15.20</td>
<td>13.33</td>
<td>359.52</td>
<td>48.0000</td>
<td>188.64</td>
<td>48.0000</td>
</tr>
<tr>
<td>Wolverine Execution Services, LLC</td>
<td>3.00</td>
<td>3.02</td>
<td>2.94</td>
<td>3.14</td>
<td>2.72</td>
<td>135.84</td>
<td>47.4965</td>
<td>36.96</td>
<td>48.0000</td>
</tr>
<tr>
<td>Global Execution Brokers LP</td>
<td>1.33</td>
<td>1.16</td>
<td>1.42</td>
<td>1.63</td>
<td>1.08</td>
<td>194.40</td>
<td>48.0000</td>
<td>63.36</td>
<td>48.0000</td>
</tr>
<tr>
<td>Dash/IMC Financial Markets</td>
<td>0.24</td>
<td>0.09</td>
<td>0.14</td>
<td>0.21</td>
<td>0.67</td>
<td>140.16</td>
<td>48.0000</td>
<td>138.72</td>
<td>48.0000</td>
</tr>
<tr>
<td>Jane Street Execution Services</td>
<td>0.03</td>
<td>0.00</td>
<td>0.07</td>
<td>0.01</td>
<td>0.11</td>
<td>0.00</td>
<td>0.0000</td>
<td>0.00</td>
<td>0.0000</td>
</tr>
<tr>
<td>Citigroup Global Markets Inc. (IGD Markets)</td>
<td>0.00</td>
<td>0.00</td>
<td>0.01</td>
<td>0.00</td>
<td>0.01</td>
<td>0.00</td>
<td>0.0000</td>
<td>0.00</td>
<td>0.0000</td>
</tr>
</tbody>
</table>

**Material Aspects:**

Morgan Stanley & Co., LLC: Morgan Stanley Smith Barney LLC ("MSSB") is an affiliate of Morgan Stanley & Co., LLC ("MS&Co"). Both MSSB and MS&Co are registered broker-dealers. MSSB operates two primary service channels for its wealth management customers, including the Full-Service Channel and the E*TRADE from Morgan Stanley Self-Directed Channel ("Self-Directed Channel"). Customers of the Full-Service Channel receive services from MSSB relating to the operation, servicing, and administration of their MSSB brokerage or advised accounts and the generation of orders for such accounts, including the services of a Financial Advisor. Conversely, customers of the Self-Directed Channel generate and enter orders themselves for their brokerage accounts based upon their own investment decision making and without the benefit of the services of a Financial Advisor.

MSSB sends orders in U.S.-listed options to MS&Co to facilitate liquidity provision and price improvement opportunities for its customers. MSSB customer orders in U.S.-listed options that are sent to MS&Co are then routed by MS&Co to a U.S. options exchange to be either crossed or executed against MS&Co's interest and/or other liquidity on such exchanges, subject to the principles of best execution. In general, MS&Co generates revenue from executing or facilitating the execution of MSSB customer orders. MS&Co does not receive payment from MS&Co for the options orders it routes to MSSB (i.e. payment for order flow), either for Full-Service Channel options orders or Self-Directed Channel options orders executed by MS&Co and MSSB and MS&Co do not have any arrangements:

A. that require MS&Co to meet certain volume thresholds or that provide incentives to MSSB for meeting or exceeding certain volume thresholds;
B. that require MSSB to meet certain minimum volume thresholds or that provide disincentives to MS&Co for failing to meet certain minimum volume thresholds;
C. for volume-based tiered payment schedules; or
D. that require MS&Co to route any orders or a minimum number of orders to MS&Co.

In the course of providing liquidity, MS&Co may preference option orders to MS&Co's options market maker or third-party market makers on the applicable exchange, consistent with exchange-sponsored programs which are described in the fee schedules of each such options exchange. MS&Co also participates in exchange-sponsored listed option payment for order flow programs under which MS&Co may also receive remuneration from the U.S. options exchanges to which it routes or directs MSSB customer options orders in the form of rebates, including from exchanges in which MS&Co's parent company Morgan Stanley or another affiliated entity may have a financial interest. These U.S. options exchange rebate payments could, in theory, incentivize MS&Co to route higher percentages of MS&Co customer orders to particular venues over others, subject to MS&Co's independent order routing and best execution obligations.

MS&Co receives rebates and pays fees for the routing of customer orders in exchange listed options to option exchanges. When the rebates exceeded the fees paid to such venue, MS&Co receives benefits from the trading activity. In addition, certain exchanges offer volume-based tiered rates based on the type of order routed. MS&Co receives incremental pricing benefits from exchange offers volume-based tiered rates. The volume tiers are published in the fee schedule by the exchange. Exchange rebates provided and fees charged to MS&Co for MS&Co customer executions by the U.S. options exchanges are not passed through to MSSB or its customers. However, MS&Co is an affiliated company of MS&Co, which is a market maker on various U.S. options exchanges and MS&Co may realize market-making profits from MS&Co orders routed to MS&Co for execution. In addition, MS&Co orders that MS&Co executes are combined on a monthly basis with other order flow that MS&Co executes for tiered pricing program incentive purposes and it is possible that MS&Co could generate additional profit as a result of the combination of such order flow and the incentives of such tiered pricing programs. As a result of MS&Co's corporate affiliation with MS&Co, MSSB may share indirectly in any such profits (whether from market-making, from pricing programs, or otherwise) generated by MS&Co.

Citadel Securities, LLC:
Morgan Stanley Smith Barney LLC ("MSSB") routes orders in NMS securities that are U.S.-listed options to Citadel Securities LLC ("Citadel") to facilitate liquidity provision and price improvement opportunities for its customers. MSSB operates two primary service channels for its wealth management customers including the Full-Service Channel and the E*TRADE from Morgan Stanley Self-Directed Channel ("Self-Directed Channel"). Although the columns in the table above which set out the percentage of the various order types combine order flow from MSSB's Full-Service Channel and Self-Directed Channel, the payment figures in the table above reflect only Self-Directed Channel order executions. The Full-Service Channel does not receive payment for order flow on these orders, whereas the Self-Directed Channel does. MSSB receives and handles non-directed options orders on a held and not held basis through both channels consistent with its duty of best execution, but there are differences in how MSSB is compensated for the services it performs, which, as described in detail below, can impact the price improvement opportunities and trade executions that MSSB customers receive from Citadel.

Customers of the Full-Service Channel receive services from MSSB relating to the operation, servicing, and administration of their MSSB brokerage or advised accounts and the generation of orders for such accounts, including the services of an MSSB Financial Advisor. Among other things, MSSB receives compensation for customer Full-Service Channel orders from commissions on their brokerage account orders and fees on their advised accounts. As a result, MSSB does not seek or receive payment for order flow on such orders from Citadel. In addition, as more fully described below, Citadel executes MSSB customer orders on U.S. listed options exchanges from which Citadel may receive payment in the form of rebates. Conversely, customers of the Self-Directed Channel generally generate and enter orders themselves for their brokerage accounts based upon their own investment decision making and without the benefit of the services of a Financial Advisor. Self-Directed Channel orders in NMS securities that are options contracts are subject to the MSSB's $0 based commission policy, pursuant to which customers generally do not pay base commission for order handling and execution of Self-Directed Channel NMS options orders (subject to disclosed exceptions as described more fully at https://us.etrade.com/what-we-offer/pricing-and-rates). Because MSSB does not charge commission on these Self-Directed Channel orders, the Firm seeks to be compensated, among other ways, through the execution of orders from the options market makers that provide liquidity and guarantee executions on the U.S. options exchanges, including Citadel. While the majority of Self-Directed Channel customers are customers of MSSB's affiliate broker-dealer, E*TRADE Securities LLC ("ETS") in Q2 2023 and not MSSB, a portion of Self-Directed Channel customers were customers of MSSB during Q2 2023. The Self-Directed Channel options order execution statistics in the tables above (which also include details on Full-Service Channel options orders) reflect only those Self-Directed Channel orders routed by MSSB. Quarterly order routing statistics for ETS are available at https://us.etrade.com/quarterly-order-routing-report.

Citadel generates revenue from executing or facilitating the execution of MSSB customer orders. In exchange for such routing, and solely with respect to Self-Directed Channel options orders, MSSB receives payment from Citadel in the amounts outlined in the above Public Order Routing Report disclosures, calculated at a rate of $0.48 per contract for simple and complex equity options orders. MSSB does not receive payment from Citadel for index options executions on Self-Directed Channel orders or for options orders of Professional Customers, which are orders of customers who submit an average of 390 options orders per trading day, per calendar month, on a quarterly basis. Other than for certain limited order types, which MSSB routes to its affiliate Morgan Stanley & Co., LLC for handling and execution, MSSB only routes Self-Directed Channel orders in NMS securities that are options contracts to market makers that pay for customer order flow, and all such market makers are subject to substantially the same rate of payment. For clarity, and as indicated above, MSSB does not receive payment from Citadel with respect to Full-Service Channel order executions. Furthermore, MSSB and Citadel do not have any arrangements:

A. that require MSSB to meet certain volume thresholds or that provide incentives to MSSB for meeting or exceeding certain volume thresholds;
B. that require MSSB to meet certain minimum volume thresholds or that provide disincentives to MSSB for failing to meet certain minimum volume thresholds;
C. for volume-based tiered payment schedules; or
D. that require MSSB to route any orders or a minimum number of orders to Citadel.

In general, public, retail, or non-professional index options order execution fees range from $0.00 to $1.32 per contract, depending on the index option class and premium price, with Citadel paying exchange fees for Self-Directed Channel index option executions back to MSSB each month. For Q2 2023, MSSB paid total fees on customer index options executions of $3 in April, $18 in May, and $616 in June.

There is a potential conflict to an options market maker such as Citadel both paying for order flow on applicable Self-Directed Channel orders and providing price improvement for such orders, as the potential source of funds for each is the same, namely the anticipated profit the options market maker seeks to earn from executing or facilitating the execution of MSSB customer orders. Accordingly, from such anticipated profit, an options market maker such as Citadel can (i) forgo a portion of such anticipated profit to provide price improvement; (ii) forgo a portion of such anticipated profit to pay for order flow; or (iii) retain a larger portion of anticipated profit and not provide (or provide less) price improvement or not provide (or provide less) payment for order flow. An options market maker's (such as Citadel's) anticipated profit must be allocated among these three sub-categories, such that an increased allocation to any one sub-category will result in a decreased allocation to one or more of the other sub-categories. The allocation of resources between the three subcategories listed above, including the risk of overall allocation to market maker profits at the expense of providing price improvement on Self-Directed Channel customer orders, is informed and mitigated by competition for Self-Directed Channel order flow amongst MSSB's market makers under the same general payment for order flow terms applicable to Citadel.

Citadel also acts as options market maker on one or more of the U.S. options exchanges on which it can execute an MSSB customer order and, as such, Citadel can earn a profit from such market-making executions. In addition to revenues that Citadel may collect for executing or facilitating the execution of MSSB customer orders, Citadel may also receive remuneration from the U.S. options exchanges to which it routes or directs MSSB customer options orders in the form of rebates. These U.S. options exchange rebate payments could, in theory, incentivize Citadel to route higher percentages of MSSB customer orders to particular venues over others, subject to Citadel's independent routing and best execution obligations. Citadel also acts as options market maker on one or more of the options exchanges on which it can execute an MSSB customer order and, as such, Citadel can earn a profit from such market-making executions. MSSB does not share directly in any rebates Citadel receives for executions of MSSB customer orders, although Citadel could potentially use these rebates to provide price improvement to MSSB customers, order flow payments to MSSB with respect to Self-Directed Channel orders, or both.

Wolverine Execution Services, LLC:
Morgan Stanley Smith Barney LLC ("MSSB") routes orders in NMS securities that are U.S.-listed options to Wolverine Execution Services, LLC ("Wolverine") to facilitate liquidity provision and price improvement opportunities for its customers. MSSB operates two primary service channels for its wealth management customers including the Full-Service Channel and the E*TRADE from Morgan Stanley Self-Directed Channel ("Self-Directed Channel"). Although the columns in the table above which set out the percentage of the various order types combine order flow from MSSB's Full-Service Channel and Self-Directed Channel, the payment figures in the table above reflect only Self-Directed Channel order executions. The Full-Service Channel does not receive payment for order flow on these orders, whereas the Self-Directed Channel does. MSSB receives and handles non-directed orders on a held and not held basis through both channels consistent with its duty of best execution, but there are differences in how MSSB is compensated for the services it performs, which, as described in detail below, can impact the price improvement opportunities and trade execution results that MSSB customers receive from Wolverine.

Customers of the Full-Service Channel receive services from MSSB relating to the operation, servicing, and administration of their MSSB brokerage or advised accounts and the generation of orders for such accounts, including the services of an MSSB Financial Advisor. Among other things, MSSB receives compensation for customer Full-Service Channel orders from commissions on their brokerage account orders and fees on their advised accounts. As a result, MSSB does not seek or receive payment for order flow on such orders from Wolverine. In addition, as more fully described below, Wolverine executes MSSB customer orders on U.S. listed options exchanges from which Wolverine may receive payment in the form of rebates. Conversely, customers of the Self-Directed Channel generally generate and enter orders themselves for their brokerage accounts based upon their own investment decision making and without the benefit of the services of a Financial Advisor. Self-Directed Channel orders in NMS securities that are options contracts are subject to the MSSB’s 50 based commission policy, pursuant to which customers generally do not pay base commission for order handling and execution of Self-Directed Channel NMS options orders (subject to disclosed exceptions as described more fully at https://us.etrade.com/what-we-offer/pricing-and-rates). Because MSSB does not charge commission on these Self-Directed Channel orders, the Firm seeks to be compensated, among other ways, through the receipt of payment for such order flow from the options market makers that provide liquidity and guarantee executions on the U.S. options exchanges, including Wolverine. While the majority of Self-Directed Channel customers were customers of MSSB's affiliate broker-dealer, E*TRADE Securities LLC ("ETS") in Q2 2023 and not MSSB, a portion of Self-Directed Channel customers were customers of MSSB during Q2 2023. The Self-Directed Channel statistics in the tables above (which also include details on Full-Service Channel options orders) reflect only those Self-Directed Channel orders routed by MSSB. Quarterly order routing statistics for ETS are available at https://us.etrade.com/quarterly-order-routing-report.

Wolverine generates revenue from executing or facilitating the execution of MSSB customer orders. In exchange for such routing, and solely with respect to Self-Directed Channel options orders, MSSB receives payment from Wolverine in the amounts outlined in the above Public Order Routing Report disclosures, calculated at a rate of $0.48 per contract for simple and complex equity options orders. MSSB does not receive payment from Wolverine for index options executions on Self-Directed Channel orders or for options orders of Professional Customers, which are orders of customers who submit an average of 396 options orders per trading day per calendar month, on a quarterly basis. Other than for certain limited order types, which MSSB routes to its affiliate Morgan Stanley & Co., LLC for handling and execution, MSSB only routes Self-Directed Channel orders in NMS securities that are options contracts to market makers that pay for customer order flow, and all such market makers are subject to substantially the same rate of payment. For clarity, and as indicated above, MSSB does not receive payment from Wolverine with respect to Full-Service Channel order executions. Furthermore, MSSB and Wolverine do not have any arrangements:

A. that require MSSB to meet certain volume thresholds or that provide incentives to MSSB for meeting or exceeding certain volume thresholds;
B. that require MSSB to meet certain minimum volume thresholds or that provide disincentives to MSSB for failing to meet certain minimum volume thresholds;
C. for volume-based tiered payment schedule; or
D. that require MSSB to route any orders or a minimum number of orders to Wolverine.

In general, public, retail, or non-professional index options order execution fees range from $0.00 to $1.32 per contract, depending on the index option class and premium price, with Wolverine passing exchange fees for index option executions back to MSSB each month. For Q2 2023, MSSB paid total fees on customer index options executions of $0 in April, $0 in May, and $3,573 in June.

There is a potential conflict to an options market maker such as Wolverine both paying for order flow on applicable Self-Directed Channel orders and providing price improvement for such orders, as the potential source of funds for each is the same, namely the anticipated profits the options market maker seeks to earn from executing or facilitating the execution of MSSB customer orders. Accordingly, from such anticipated profit, an options market maker such as Wolverine can (i) forgo a portion of such anticipated profit to provide price improvement, (ii) forgo a portion of such anticipated profit to pay for order flow; or (iii) retain a larger portion of anticipated profit and not provide (or provide less) price improvement or not provide (or provide less) payment for order flow. An options market maker’s (such as Wolverine’s) anticipated profit must be allocated among these three sub-categories, such that an increased allocation to any one sub-category will result in a decreased allocation to one or more of the other sub-categories. The allocation of resources between the three subcategories listed above, including the risk of overallocation to market maker profits at the expense of providing price improvement on Self-Directed Channel customer orders, is informed and mitigated by competition for Self-Directed Channel order flow amongst MSSB’s market makers under the same general payment for order flow terms applicable to Wolverine.

Wolverine also acts as options market maker on one or more of the U.S. options exchanges on which it can execute an MSSB customer order and, as such, Wolverine can earn a profit from such market-making executions. In addition to revenues that Wolverine may collect for executing or facilitating the execution of MSSB customer orders, Wolverine may also receive remuneration from the U.S. options exchanges to which it routes or directs MSSB customer options orders in the form of rebates. These U.S. options exchange rebate payments could, in theory, incentivize Wolverine to route higher percentages of MSSB customer orders to particular venues over others, subject to Wolverine’s independent order routing and best execution obligations. Wolverine also acts as options market maker on one or more of the options exchanges on which it can execute an MSSB customer order and, as such, Wolverine can earn a profit from such market-making executions. MSSB does not share directly in any rebates Wolverine receives for executions of MSSB customer orders, although Wolverine could potentially use these rebates to provide price improvement to MSSB customers, order flow payments to MSSB with respect to Self-Directed Channel orders, or both.

Global Execution Brokers LP:
Morgan Stanley Smith Barney LLC ("MSSB") routes customer orders in NSM securities that are options contracts to Global Execution Brokers, LLC ("G1X") to facilitate liquidity provision and price improvement opportunities for its customers. MSSB operates two primary service channels for their wealth management customers including the Full-Service Channel and the E*TRADE from Morgan Stanley Self-Directed Channel ("Self-Directed Channel"). Customers of the Full-Service Channel receive services from MSSB relating to the operation, servicing, and administration of their margin accounts and the services of a Financial Advisor. Conversely, customers of the Self-Directed Channel generally generate and enter orders themselves for their brokerage accounts based upon their own investment decision making and without the benefit of the services of a Financial Advisor. Self-Directed Channel orders in NSM securities that are options contracts are subject to the MSSB 0.50 commission policy, pursuant to which customers generally (subject to described exclusions as described more fully at https://us.etrade.com/what-we-offer/pricing-and-rates) do not pay base commission for order handling and execution of Self-Directed Channel NSM options orders. Because MSSB does not charge commission on these Self-Directed Channel orders, the Firm seeks to be a complementary provider of liquidity and generate executions on the U.S. options exchange (i.e., the underlying). While nearly all Self-Directed Channel customers are customers of MSSB's affiliate broker-dealer, E*TRADE Securities LLC ("ETS") and not MSSB, a limited number of Self-Directed Channel customers were customers of MSSB during Q4 2022. The tables above reflect Self-Directed Channel orders routed by MSSB only. Quarterly order routing statistics for E*TRADE from Morgan Stanley Self-Directed Channel orders routed by ETS are available at https://us.etrade.com/quarterly-order-routing-report. MSSB does not route Full-Service Channel options orders to G1X.

G1X generates revenue from executing or facilitating the execution of MSSB customer orders in exchange for such routing and solely with respect to Self-Directed Channel orders. In exchange for such routing and solely with respect to Self-Directed Channel orders, MSSB receives payment from G1X (based on the consideration G1X receives from the underlying exchange (i.e. payment for order flow)) in the amounts outlined in the above Public Order Routing Report disclosures, calculated at a rate of $0.48 per contract for simple and complex equity options orders. MSSB does not receive payment from G1X for index options exchange orders for orders of Self-Directed Channel orders or for orders of Professional Customers, which are orders of customers who submit an average of 390 options orders per trading day, per calendar month, on a quarterly basis. Other than for certain limited order types, which MSSB routes to its affiliate Morgan Stanley & Co., LLC for handling and execution, MSSB only routes Self-Directed Channel orders in NSM securities that are options contracts to market makers that pay for customer order flow, and all such market makers are subject to substantially the same rate of payment. For clarity, MSSB does not route Full-Service Channel options orders to G1X. Furthermore, MSSB and G1X do not have any arrangements.

A. that require MSSB to meet certain volume thresholds or that provide incentives to MSSB for meeting or exceeding certain volume thresholds;
B. that require MSSB to meet certain minimum volume thresholds or that provide disincentives to MSSB for failing to meet certain minimum volume thresholds;
C. for volume-based tiered payment schedules;
D. that require MSSB to route orders or a minimum number of orders to G1X.

There is a potential conflict to an options market maker such as G1X both paying for order flow and providing price improvement, as the potential source of funds for each is the same, namely the anticipated profit the options market maker seeks to earn from executing or facilitating the execution of self-directed orders. Accordingly, under the Commission’s rules, if the Commission determines that the forgoing arrangements materially affect the execution of orders or the provision of services in ways that could be reasonably expected to result in a material conflict of interest, the Commission could impose one or more of the following sanctions against G1X or MSSB (or both):

1. require G1X or MSSB to provide separate price quotes for any market services provided to MSSB or to G1X (or both), or to keep separate books and records for any market services provided to MSSB or to G1X (or both);
2. require G1X or MSSB to provide compensation to the other party for the services provided to the other party (e.g., share the payments received by one party with the other party);
3. restrict G1X or MSSB’s ability to execute self-directed orders or to provide other services to MSSB or to G1X, or to provide other market services to any other customer;
4. direct G1X or MSSB to cease providing the services provided to the other party (or to both parties), or to cease providing the services provided to any other customer;
5. prohibit G1X or MSSB from entering into any other arrangements that result in a material conflict of interest.

Dash/IMC Financial Markets:

Morgan Stanley Smith Barney LLC ("MSSB") routes U.S.-listed options orders to Channel Financial Markets, LLC ("Dash") to facilitate liquidity provision and price improvement opportunities for its customers. MSSB operates two primary service channels for its wealth management customers including the Full-Service Channel and the E*TRADE from Morgan Stanley Self-Directed Channel ("Self-Directed Channel") customers. The self-directed orders, with which it has arrangements as described below (i.e. payment for order flow) in the amounts outlined in the above Public Order Routing Report disclosures, calculated at a rate of $0.48 per contract for simple and complex equity options orders, account for all orders, the generation of orders for such accounts, including the services of a Financial Advisor. Conversely, customers of the Self-Directed Channel generally generate and enter orders themselves for their MSSB accounts based upon their own investment decision making and without the benefit of the services of a Financial Advisor. Self-Directed Channel orders in NSM securities that are options contracts are subject to the MSSB’s 0.50-based commission policy, pursuant to which customers generally do not pay base commission for order handling and execution of Self-Directed Channel NSM options orders. Because MSSB does not charge commission on these Self-Directed Channel orders, the Firm seeks to be a complementary provider of liquidity and generate executions on the U.S. options exchange (i.e., the underlying). While nearly all Self-Directed Channel customers are customers of MSSB’s affiliate broker-dealer, E*TRADE Securities LLC ("ETS") and not MSSB, a limited number of Self-Directed Channel customers were customers of MSSB during Q4 2022. The tables above reflect Self-Directed Channel orders routed by MSSB only. Quarterly order routing statistics for E*TRADE from Morgan Stanley Self-Directed Channel orders routed by ETS are available at https://us.etrade.com/quarterly-order-routing-report. MSSB does not route Full-Service Channel options orders to G1X.

Dash generates revenue from executing or facilitating the execution of MSSB customer orders. In exchange for such routing and solely with respect to Self-Directed Channel orders, MSSB receives payment from Dash (based upon the consideration Dash receives from the underlying exchange (i.e., payment for order flow)) in the amounts outlined in the above Public Order Routing Report disclosures, calculated at a rate of $0.48 per contract for simple and complex equity options orders. MSSB does not receive payment from Dash for index options exchange orders or for orders of Professional Customers, which are orders of customers who submit an average of 390 options orders per trading day, per calendar month, on a quarterly basis. Other than for certain limited order types, which MSSB routes to its affiliate Morgan Stanley & Co., LLC for handling and execution, MSSB only routes Self-Directed Channel orders in NSM securities that are options contracts to market makers that pay for customer order flow, and all such market makers are subject to substantially the same rate of payment. For clarity, MSSB does not route Full-Service Channel options orders to G1X. Furthermore, MSSB and Dash do not have any arrangements.

A. that require MSSB to meet certain volume thresholds or that provide incentives to MSSB for meeting or exceeding certain volume thresholds;
B. that require MSSB to meet certain minimum volume thresholds or that provide disincentives to MSSB for failing to meet certain minimum volume thresholds;
C. for volume-based tiered payment schedules;
D. that require MSSB to route orders or a minimum number of orders to Dash.

In general, public, retail, or non-professional index options order execution fees range from $0.00 to $1.32 per contract, depending on the index option class and premium price, with Dash passing exchange fees for index options executions back to MSSB each month. For Q2 2023, MSSB paid total fees on customer index options executions of $18 in April, $0 in May, and $1,127 in June. In connection with Dash’s handling of MSSB retail equity order options and with respect to Self-Directed Channel orders, Dash has arrangements with multiple, unaffiliated liquidity providers, including IMC Financial Markets, designed to facilitate liquidity provision and price improvement opportunities. To pursue these arrangements, Dash routes MSSB Self-Directed Channel customer orders to exchanges and may prefer the liquidity providers on such applicable exchange, consistent with exchange-sponsored programs which are described in the fee schedules of each such exchange. The liquidity providers provide Dash with payment in connection with Dash’s routing of MSSB Self-Directed Channel customer orders, including through reciprocal order flow arrangements between Dash and such liquidity provider and/or payment per contract to Dash in return for Self-Directed Channel orders that Dash routes or directs. Dash provides payment to MSSB on such Self-Directed Channel orders as described above based upon the compensation Dash receives from such liquidity providers. For clarity, and as indicated above, MSSB does not route Full-Service Channel options orders to Dash. Furthermore, MSSB and Dash do not have any arrangements.

There is a potential conflict to Dash and/or the liquidity provider to which Dash routes orders both paying for order flow on applicable Self-Directed Channel orders and providing price improvement for such orders, as the potential source of funds for each is the same, namely the anticipated profit the liquidity provider seeks to earn from the execution or facilitation of the execution of orders. Accordingly, under the Commission’s rules, if the Commission determines that the forgoing arrangements materially affect the execution of orders or the provision of services in ways that could be reasonably expected to result in a material conflict of interest, the Commission could impose one or more of the following sanctions against Dash or the liquidity provider (or both):

1. require Dash and/or the liquidity provider to provide separate price quotes for any market services provided to each other or to provide compensation for such market services provided to each other or to provide other services to each other (e.g., share the payments received by Dash with the liquidity provider);
2. restrict Dash or the liquidity provider from providing market services to each other or to providing other services to each other (e.g., prohibit Dash and the liquidity provider from entering into any other arrangements that result in a material conflict of interest).

Dash also acts as options market maker on one or more of the U.S. options exchanges on which it can execute MSSB customer orders and, as such, Dash can earn a profit from such market-making executions. In addition to revenues that Dash may collect for executing or facilitating the execution of Self-Directed Channel customer orders, Dash may also receive remuneration from the U.S. options exchanges to which it routes or directs MSSB customer options orders in the form of rebates. These U.S. options exchange rebate payments could, in theory, incentivize Dash to route higher percentages of MSSB customer orders to particular venues over others, subject to Dash’s independent order routing and best execution obligations. MSSB does not share directly in any rebates Dash receives for executions of MSSB customer orders, although Dash could potentially use these rebates to provide price improvement to MSSB customers, order flow payments to MSSB with respect to Self-Directed Channel options orders, or both.
Jane Street Execution Services: Morgan Stanley Smith Barney LLC ("MSBB") routes customer orders in NMS securities that are options contracts to Jane Street Execution Services, LLC ("Jane Street") to facilitate liquidity provision and price improvement opportunities for its customers. MSBB operates two primary service channels for its wealth management customers including the Full-Service Channel and the E*TRADE from Morgan Stanley Self-Directed Channel ("Self-Directed Channel"). Customers of the Full-Service Channel receive services from MSBB relating to the operation, servicing, and administration of their MSBB brokerage or advised accounts and the generation of orders for such accounts, including the services of a Financial Advisor. Among other things, MSBB receives compensation for customer Full-Service Channel orders from commissions on their brokerage account orders and fees on their advised accounts. As a result, MSBB does not seek or receive payment for order flow on such orders. Conversely, customers of the Self-Directed Channel generally generate and enter orders themselves for their brokerage accounts based upon their own investment decision making and without the benefit of the services of a Financial Advisor. MSBB does not route Self-Directed Channel customer options orders to Jane Street and the tables above reflect Full-Service Channel order executions only. For clarity, MSBB does not receive payment from Jane Street for Full-Service Channel option order executions and MSBB does not route Self-Directed Channel options orders to Jane Street. Additionally, MSSB and Jane do not have any arrangements:

A. that require MSSB to meet certain volume thresholds or that provide incentives to MSSB for meeting or exceeding certain volume thresholds;
B. that require MSSB to meet certain minimum volume thresholds or that provide disincentives to MSSB for failing to meet certain minimum volume thresholds;
C. for volume-based tiered payment schedules; or
D. that require MSSB to route any orders or a minimum number of orders to Jane Street.

Jane Street may receive remuneration from the U.S. options exchanges to which it routes or directs MSBB customer options orders in the form of rebates. These U.S. options exchange rebate payments could, in theory, incentivize Jane Street to route higher percentages of MSBB customer orders to particular venues over others, subject to Jane Street's independent order routing and best execution obligation. Exchange rebates provided to Jane Street for MSBB customer order executions by the U.S. options exchanges are not passed through to MSBB or its customers although Jane Street’s receipt of such rebates could potentially be used to provide price improvement to MSBB customers.

Citigroup Global Markets Inc. (CIG Markets):
Morgan Stanley Smith Barney LLC ("MSBB") routes customer orders in NMS securities that are options contracts to Citigroup Global Markets Inc. ("Citigroup") to facilitate liquidity provision and price improvement opportunities for its customers. MSBB operates two primary service channels for its wealth management customers including the Full-Service Channel and the E*TRADE from Morgan Stanley Self-Directed Channel ("Self-Directed Channel"). Customers of the Full-Service Channel receive services from MSBB relating to the operation, servicing, and administration of their MSBB brokerage or advised accounts and the generation of orders for such accounts, including the services of a Financial Advisor. Among other things, MSBB receives compensation for customer Full-Service Channel orders from commissions on their brokerage account orders and fees on their advised accounts. As a result, MSBB does not seek or receive payment for order flow on such orders. Conversely, customers of the Self-Directed Channel generally generate and enter orders themselves for their brokerage accounts based upon their own investment decision making and without the benefit of the services of a Financial Advisor. MSBB does not route Self-Directed Channel customer options orders to Citigroup and the tables above reflect Full-Service Channel order executions only. For clarity, MSBB does not receive payment from Citigroup for Full-Service Channel option order executions and MSBB does not route Self-Directed Channel options orders to Citigroup. Additionally, MSBB and Citigroup do not have any arrangements:

A. that require MSSB to meet certain volume thresholds or that provide incentives to MSSB for meeting or exceeding certain volume thresholds;
B. that require MSSB to meet certain minimum volume thresholds or that provide disincentives to MSSB for failing to meet certain minimum volume thresholds;
C. for volume-based tiered payment schedules; or
D. that require MSSB to route any orders or a minimum number of orders to Citigroup.

Citigroup may receive remuneration from the U.S. options exchanges to which it routes or directs MSBB customer options orders in the form of rebates. These U.S. options exchange rebate payments could, in theory, incentivize Citigroup to route higher percentages of MSBB customer orders to particular venues over others, subject to Citigroup's independent order routing and best execution obligation. Exchange rebates provided to Citigroup for MSBB customer order executions by the U.S. options exchanges are not passed through to MSBB or its customers although Citigroup’s receipt of such rebates could potentially be used to provide price improvement to MSBB customers.

June 2023

S&P 500 Stocks

Summary

<table>
<thead>
<tr>
<th>Non-Directed Orders as % of All Orders</th>
<th>Market Orders as % of Non-Directed Orders</th>
<th>Marketable Limit Orders as % of Non-Directed Orders</th>
<th>Non-Marketable Limit Orders as % of Non-Directed Orders</th>
<th>Other Orders as % of Non-Directed Orders</th>
</tr>
</thead>
<tbody>
<tr>
<td>99.99</td>
<td>92.48</td>
<td>0.67</td>
<td>4.91</td>
<td>1.93</td>
</tr>
</tbody>
</table>

Venues

<table>
<thead>
<tr>
<th>Venue - Non-directed Order Flow</th>
<th>Non-Directed Orders (%)</th>
<th>Market Orders (%)</th>
<th>Marketable Limit Orders (%)</th>
<th>Non-Marketable Limit Orders (%)</th>
<th>Other Orders (%)</th>
<th>Net Payment Paid/Received for Market Orders(USD)</th>
<th>Net Payment Paid/Received for Marketable Limit Orders(cents per hundred shares)</th>
<th>Net Payment Paid/Received for Non-Marketable Limit Orders(USD)</th>
<th>Net Payment Paid/Received for Non-Marketable Limit Orders(cents per hundred shares)</th>
<th>Net Payment Paid/Received for Other Orders(USD)</th>
<th>Net Payment Paid/Received for Other Orders(cents per hundred shares)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Morgan Stanley &amp; Co., LLC</td>
<td>74.62</td>
<td>76.87</td>
<td>43.62</td>
<td>44.30</td>
<td>54.91</td>
<td>0.13</td>
<td>0.0000</td>
<td>-111.10</td>
<td>-0.1540</td>
<td>24,333.12</td>
<td>25.0105</td>
</tr>
<tr>
<td>CITADEL SECURITIES LLC</td>
<td>7.38</td>
<td>6.93</td>
<td>18.52</td>
<td>10.35</td>
<td>17.60</td>
<td>3,368.77</td>
<td>20.0000</td>
<td>474.78</td>
<td>20.0000</td>
<td>747.10</td>
<td>29.8866</td>
</tr>
<tr>
<td>Virtu Americas, LLC</td>
<td>6.25</td>
<td>5.64</td>
<td>14.54</td>
<td>10.74</td>
<td>11.50</td>
<td>2,556.65</td>
<td>2.8033</td>
<td>252.12</td>
<td>8.8595</td>
<td>955.97</td>
<td>14.8403</td>
</tr>
</tbody>
</table>
Material Aspects:

Morgan Stanley Smith Barney LLC ("MSSB") is an affiliate of Morgan Stanley & Co., LLC ("MS&Co."). Both MSSB and MS&Co are registered broker-dealers. MSSB operates two primary service channels for its wealth management customers, including the Full-Service Channel and the E*TRADE from Morgan Stanley Self-Directed Channel ("Self-Directed Channel"). Customers of the Full-Service Channel receive services from MSSB relating to the operation, servicing, and administration of their MSSB brokerage or advised accounts and the generation of orders for such accounts, including the services of a Financial Advisor. Among other things, MSSB receives compensation for customer Full-Service Channel orders from commissions on their brokerage account orders and fees on their advised accounts. As a result, MSSB does not seek or receive payment for order flow on such orders, apart from the U.S. securities exchange rebates described in further detail below. Conversely, customers of the Self-Directed Channel generally generate and enter orders themselves for their brokerage accounts based upon their own investment decisions and without the benefit of the services of a Financial Advisor. Self-Directed Channel orders in NMS equities are subject to MSSB’s ID Commission policy, pursuant to which customers generally do not pay base commissions for order handling and execution of their Self-Directed Channel NMS equities orders (subject to disclosed exceptions as described more fully at https://us.etrade.com/what-we-offer/pricing-and-rates). While the majority of Self-Directed Channel customers were customers of MS&Co’s affiliate broker-dealer, E*TRADE Securities LLC ("ETS") in Q2 2023 and not MSSB, a portion of Self-Directed Channel customers were customers of MSSB during Q2 2023. Quarterly order routing statistics for ETS are available at https://us.etrade.com/l/quarterly-order-routing-report. Although the columns in the table above which set out the percentage of the various order types combine order flow from MSSB’s Full-Service Channel and Self-Directed Channel, the payment figures in the table above reflect only Full-Service Channel order executions. Neither the Full-Service Channel nor the Self-Directed Channel generally receive payment for order flow on these orders (other than as described below).

Solely with respect to Full-Service Channel orders, MSSB routes NMS equity orders to MSSB to facilitate liquidity provision and price improvement opportunities for its customers. Except for a limited number of directed Full-Service Channel equity orders which MS&Co. receives from MSSB and routes back to customers with customer instructions, all Full-Service Channel equity orders are routed by MSSB to MS&Co. for execution. MS&Co executes MSSB Full-Service Channel customer equity orders on an agency, principal or riskless principal basis and may receive remuneration for such executions. In connection with certain of these executions, MS&Co may internalize customer order flow to allow the customer to benefit from various sources of liquidity and to offer customer order opportunities for price improvement. Such internalization may enable MS&Co to generate a trading profit and/or commissions or fees on the transaction. In addition, MS&Co routes orders to U.S. securities exchanges that offer cash credits for orders that provide liquidity to their books and charge explicit fees for orders that extract liquidity from their books. MS&Co receives remuneration in the form of rebates from U.S. securities exchanges to which it routes or directs MSSB customer orders. These U.S. exchange rebate payments could, in theory, incentivize MS&Co to route higher percentages of MSSB customer orders to particular venues over others, subject to MS&Co’s independent order routing and best execution obligations. MS&Co may also receive incremental pricing benefits from U.S. securities exchanges and/or electronic communication networks if certain volume thresholds are met. The net of U.S. securities exchange fees paid by, and rebates provided to, MS&Co for MSSB Full-Service Channel customer orders is passed through to MSSB. As such, these rebate payments could theoretically incentivize MS&Co to route a higher percentage of customer orders to MS&Co subject to MSSB’s independent order routing and best execution obligations. Additionally, affiliates of MSSB maintain ownership interests in certain market centers that stand to receive as a result of any profits generated from the execution of orders.

Apart from a limited number of Self-Directed Channel directed equity orders, which MS&Co receives from MSSB or its affiliate broker-dealer E*TRADE Securities, LLC with customer instructions to route to directly to certain U.S. securities exchanges and a limited number of non-directed Self-Directed Channel equity orders that MSSB routes to Cboe EDGX Exchange, Inc. and the Members Exchange for execution through MS&Co, MSSB does not route Self-Directed Channel orders to MS&Co for execution directly. Self-Directed Channel equity orders that MSSB routes to the U.S. securities exchanges through MS&Co will be combined with any other order flow that MSSB routes to the exchange for the purpose of determining the applicable pricing and rebates under exchange tiered pricing models. MS&Co either pays a fee or receives a rebate for each Self-Directed Channel customer order execution on those exchanges, depending on whether the order added to or subtracted from liquidity on the exchange, which are passed through to MSSB at the rates and amounts reflected in the applicable relationship disclosures and tables in this report. To the extent that MS&Co meets the execution volume thresholds required to qualify for preferred pricing under an exchange tiered pricing model in a given month, increased (rather than standard) rebate rates and decreased (rather than standard) fees will apply. Because exchanges may offer higher rebates and lower fees based on a tiered volume model, there is a potential conflict in that such rebates and fees could, in theory, incentivize MS&Co to route a higher percentage of Self-Directed Channel customer orders to a U.S. securities exchange to help MS&Co reach higher volume pricing tiers.

CITADEL SECURITIES LLC:

<table>
<thead>
<tr>
<th>Venue - Non-directed Order Flow</th>
<th>Non-Directed Orders (%)</th>
<th>Market Orders (%)</th>
<th>Marketable Limit Orders (%)</th>
<th>Non-Marketable Limit Orders (%)</th>
<th>Other Orders (%)</th>
<th>Net Payment Paid/Received for Market Orders(USD)</th>
<th>Net Payment Paid/Received for Marketable Limit Orders(USD)</th>
<th>Net Payment Paid/Received for Non-Marketable Limit Orders(USD)</th>
<th>Net Payment Paid/Received for Other Orders(USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Two Sigma Securities, LLC</td>
<td>5.20</td>
<td>5.04</td>
<td>5.65</td>
<td>8.42</td>
<td>4.34</td>
<td>137.29</td>
<td>18.2583</td>
<td>11.11</td>
<td>8.6547</td>
</tr>
<tr>
<td>G1 Execution Services, LLC</td>
<td>5.20</td>
<td>4.40</td>
<td>10.23</td>
<td>18.70</td>
<td>7.17</td>
<td>1,031.84</td>
<td>18.2626</td>
<td>253.54</td>
<td>18.9349</td>
</tr>
<tr>
<td>Jane Street Capital</td>
<td>1.10</td>
<td>0.89</td>
<td>7.21</td>
<td>2.99</td>
<td>4.24</td>
<td>1,581.07</td>
<td>20.0209</td>
<td>120.96</td>
<td>19.8918</td>
</tr>
<tr>
<td>Cboe EDGX Exchange, Inc</td>
<td>0.09</td>
<td>0.00</td>
<td>0.01</td>
<td>1.72</td>
<td>0.05</td>
<td>0.00</td>
<td>0.00</td>
<td>0.90</td>
<td>5.5556</td>
</tr>
<tr>
<td>The Nasdaq Stock Market</td>
<td>0.07</td>
<td>0.00</td>
<td>0.01</td>
<td>1.46</td>
<td>0.04</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Members Exchange (MEMX)</td>
<td>0.06</td>
<td>0.00</td>
<td>0.04</td>
<td>1.23</td>
<td>0.06</td>
<td>0.00</td>
<td>0.00</td>
<td>2.00</td>
<td>15.2788</td>
</tr>
<tr>
<td>UBS Securities, LLC</td>
<td>0.02</td>
<td>0.02</td>
<td>0.18</td>
<td>0.11</td>
<td>0.09</td>
<td>57.15</td>
<td>20.0000</td>
<td>44.45</td>
<td>20.0000</td>
</tr>
</tbody>
</table>
Morgan Stanley Smith Barney LLC ("MSSB") routes NMS equity orders to Citadel Securities LLC ("Citadel") to facilitate liquidity provision and price improvement opportunities for its customers. MSSB operates two primary service channels for its wealth management customers, the Full-Service Channel and the E*TRADE from Morgan Stanley Self-Directed Channel ("Self-Directed Channel"). Although the columns in the table above which set out the percentage of the various order types combine order flow from MSSB's Full-Service Channel and Self-Directed Channel, the payment figures in the table above reflect only Self-Directed Channel order executions. The Full-Service Channel does not receive payment for order flow on these orders, whereas the Self-Directed Channel does. MSSB receives and handles non-directed customer orders in NMS equity securities on a held and not held basis through both channels consistent with its duty of best execution, but there are differences in how MSSB is compensated for the services it performs, which, as described in detail below, can impact the price improvement opportunities and trade executions that MSSB customers receive from Citadel.

Customers of the Full-Service Channel receive services from MSSB relating to the operation, servicing, and administration of their MSSB brokerage or advised accounts and the generation of orders for such accounts, including the services of a Financial Advisor. Among other things, MSSB receives compensation for customer Full-Service Channel executions from commissions on customers' brokerage account order executions and fees on their advised accounts. As a result, MSSB does not seek or receive payment for order flow on such orders from Citadel. In addition, as more fully described below, Citadel may send certain MSSB customer orders to an exchange or other market center for execution, including to market centers from which Citadel may receive payment in the form of rebates. Conversely, customers of the Self-Directed Channel generally generate and enter orders themselves for their brokerage accounts based upon their own investment decision making and without the benefit of the services of a Financial Advisor. Self-Directed Channel orders in NMS equities are subject to MSSB's $9 commission policy, pursuant to which customers generally do not pay base commissions for order handling and execution of their Self-Directed Channel NMS equities orders (subject to disclosed exceptions as described more fully at https://us.etrade.com/what-we-offer/pricing-and-rates). Because MSSB does not charge commissions on these Self-Directed Channel orders, MSSB seeks to be compensated, among other ways, through the receipt of payment for order flow from equity securities market makers, including Citadel. While the majority of Self-Directed Channel customers were customers of MSSB's affiliate broker-dealer, E*TRADE Securities LLC ("ETS") in Q2 2023 and not MSSB, a portion of Self-Directed Channel customers were customers of MSBB during Q2 2023. The Self-Directed Channel order statistics reflected in the tables above (which also include details on Full-Service Channel orders) include only those Self-Directed Channel orders routed by MSSB. Quarterly order routing statistics for ETS are available at https://us.etrade.com/quarterly-order-routing-report.

Citadel generates revenue from executing or facilitating the execution of MSSB customer orders. In exchange for routing such orders to Citadel, and solely with respect to Self-Directed Channel orders, MSSB receives payments from Citadel in the amounts outlined in the above Public Order Routing Report disclosures (i.e. payment for order flow), calculated at a rate of $0.002 per share for non-directed, NMS equity market and marketable limit order executions priced at $1.00 per share or more and $0.0031 per share for non-directed, NMS equity non-marketable limit order executions priced at $1.00 per share or more. MSSB does not receive payment from Citadel for NMS equity executions on Self-Directed Channel orders priced below $1.00 per share. Apart from certain Self-Directed Channel orders routed to Morgan Stanley & Co., LLC as disclosed above, MSSB only routes Self-Directed Channel NMS equity orders to market makers that pay for customer order flow, and all such market makers are subject to substantially the same rates of payment. For clarity, and as indicated above, MSSB does not receive payment from Citadel with respect to Full-SERVICE Channel order executions.

To take advantage of rules adopted by the U.S. securities exchanges that allow retail orders to be eligible for certain potential benefits, including additional price improvement from retail liquidity programs and higher queue priority from retail attestation programs, and to allow Citadel to access such potential benefits for Self-Directed Channel NMS equity orders, MSSB marks applicable orders as retail orders on an order-by-order basis. MSSB and Citadel, however, do not have any arrangements:

A. that require MSSB to meet certain volume thresholds or that provide incentives to MSSB for meeting or exceeding certain volume thresholds;
B. that require MSSB to meet certain minimum volume thresholds or that provide disincentives to MSSB for failing to meet certain minimum volume thresholds;
C. for volume-based tiered payment schedules; or
D. that require MSSB to route any orders or a minimum number of orders to Citadel.

There is a potential conflict for a market maker such as Citadel both paying for order flow on applicable Self-Directed Channel orders and providing price improvement for such orders as the potential source of funds for each is the same, namely the anticipated profit the market maker seeks to earn from executing or facilitating the execution of Self-Directed Channel customer orders. Accordingly, from such anticipated profit, a market maker such as Citadel can (i) forgo a portion of such anticipated profit to provide price improvement; (ii) forgo a portion of such anticipated profit to pay for order flow; or (iii) retain a larger portion of anticipated profit and not provide (or provide less) price improvement or not provide (or provide less) payment for order flow. A market maker's (such as Citadel's) anticipated profit must be allocated among these three sub-categories, such that an increased allocation to any one sub-category will result in a decreased allocation to one or more of the other sub-categories. The allocation of resources between the three subcategories listed above, including the risk of overallocation to market maker profits at the expense of providing price improvement on Self-Directed Channel customer orders, is informed and mitigated by competition for Self-Directed Channel order flow amongst MSSB's market makers under the same general payment for order flow terms applicable to Citadel. A market maker such as Citadel executing a Full-Service Channel order does not have to allocate any of its anticipated profit in connection with such order to the payment for order flow subcategory (as it would with Self-Directed Channel orders) and is therefore able to allocate its anticipated profit to one or more other sub-categories (that is, to provide more price improvement or retain more anticipated profit or a mixture of the two). These same potential conflicts do not apply to Full-Service Channel customer order executions because MSSB does not receive payment for order flow from Citadel on these order executions and instead is compensated directly by MSSB's customers as described above.

In addition to revenues that Citadel may collect for executing or facilitating the execution of customer orders (both Full-Service Channel and Self-Directed Channel customer orders) that MSSB routes to Citadel, Citadel also receives remuneration from U.S. securities exchanges to which it routes or directs MSSB customer orders in the form of rebates. These U.S. exchange rebate payments could, in theory incentivize Citadel to route higher percentages of MSSB customer orders to particular venues over others, subject to Citadel's independent order routing and best execution obligations. MSSB does not share directly in any such rebates Citadel receives for executions of MSSB customer orders, although Citadel could potentially use such rebates to provide price improvement to MSSB customers, order flow payments to MSSB with respect to Self-Directed Channel orders, or both.

Virtu Americas, LLC:
Two orders, or from one profit

Morgan Stanley Smith Barney LLC ("MSSB") routes NMS equity orders to Virtu Americas, LLC ("Virtu") to facilitate liquidity provision and price improvement opportunities for its customers. MSSB operates two primary service channels for its wealth management customers, the Full-Service Channel and the E*TRADE from Morgan Stanley Self-Directed Channel ("Self-Directed Channel"). Although the columns in the table above which set out the percentage of the various order types combine order flow from MSSB's Full-Service Channel and Self-Directed Channel, the payment figures in the table above reflect only Self-Directed Channel order executions. The Full-Service Channel does not receive payment for order flow on these orders, whereas the Self-Directed Channel does. MSSB receives and handles non-directed customer orders in NMS equity securities on a held and not held basis through both channels consistent with its duty of best execution, but there are differences in how MSSB is compensated for the services it performs, which, as described in detail below, can impact the price improvement opportunities and trade executions that MSSB customers receive from Virtu.

Customers of the Full-Service Channel receive services from MSSB relating to the operation, servicing, and administration of their MSSB brokerage or advised accounts and the generation of orders for such accounts, including the services of a Financial Advisor. Among other things, MSSB receives compensation for customer Full-Service Channel executions from commissions on customers' brokerage account order executions and fees on their advised accounts. As a result, MSSB does not seek or receive payment for order flow on such orders from Virtu. In addition, as more fully described below, Virtu may send certain MSSB customer orders to an exchange or other market center for execution, including to market centers from which Virtu may receive payment in the form of rebates. Conversely, customers of the Self-Directed Channel generally generate and enter orders themselves for their brokerage accounts based upon their own investment decision making and without the benefit of the services of a Financial Advisor. Self-Directed Channel orders in NMS equities are subject to MSSB's 90% commission policy, pursuant to which customers generally do not pay base commissions for order handling and execution of their Self-Directed Channel NMS equities orders (subject to disclosed exceptions as described more fully at https://us.etade.com/what-we-offer/pricing-and-rates). Because MSSB does not charge commissions on these Self-Directed Channel orders, MSSB seeks to be compensated, among other ways, through the receipt of payment for order flow from equity securities market makers, including Virtu. While the majority of Self-Directed Channel customers were customers of MSSB's affiliate broker-dealer, E*TRADE Securities LLC ("ETS") in Q2 2023 and not MSSB, a portion of Self-Directed Channel customers were customers of MSSB during Q2 2023. The Self-Directed Channel order statistics reflected in the tables above (which also include details on Full-Service Channel orders) include only those Self-Directed Channel orders routed by MSSB. Quarterly order routing statistics for ETS are available at https://us.etade.com/quarterly-order-routing-report.

Virtu generates revenue from executing or facilitating the execution of MSSB customer orders. In exchange for routing such orders to Virtu, and solely with respect to Self-Directed Channel orders, MSSB receives payments from Virtu in the amounts outlined in the above Public Order Routing Report disclosures (i.e. payment for order flow), calculated at a rate of $0.002 per share for non-directed, NMS equity market and marketable limit order executions priced at $1.00 per share or more and $0.0031 per share for non-directed, NMS equity non-marketable limit order executions priced at $1.00 per share or more. MSSB does not receive payment from Virtu for NMS equity executions on Self-Directed Channel orders priced below $1.00 per share. Apart from certain Self-Directed Channel orders routed to Morgan Stanley & Co., LLC as disclosed above, MSSB only routes Self-Directed Channel NMS equity orders to market makers that pay for customer order flow, and all such market makers are subject to substantially the same rates of payment. For clarity, and as indicated above, MSSB does not receive payment from Virtu with respect to Full-Service Channel order executions.

To take advantage of rules adopted by the U.S. securities exchanges that allow retail orders to be eligible for certain potential benefits, including additional price improvement from retail liquidity programs and higher queue priority from retail attestation programs, and to allow Virtu to access such potential benefits for Self-Directed Channel NMS equity orders, MSSB marks applicable orders as retail orders on an order-by-order basis. MSSB and Virtu, however, do not have any arrangements:

A. that require MSSB to meet certain volume thresholds or that provide incentives to MSSB for meeting or exceeding certain volume thresholds;
B. that require MSSB to meet certain minimum volume thresholds or that provide disincentives to MSSB for failing to meet certain minimum volume thresholds;
C. for volume-based tiered payment schedules; or
D. that require MSSB to route any orders or a minimum number of orders to Virtu.

There is a potential conflict for a market maker such as Virtu both paying for order flow on applicable Self-Directed Channel orders and providing price improvement for such orders as the potential source of funds for each is the same, namely the anticipated profit the market maker seeks to earn from executing or facilitating the execution of Self-Directed Channel customer orders. Accordingly, from such anticipated profit, a market maker such as Virtu can (i) forgo a portion of such anticipated profit to provide price improvement; (ii) forgo a portion of such anticipated profit to pay for order flow; or (iii) retain a larger portion of anticipated profit and not provide (or provide less) price improvement or not provide (or provide less) payment for order flow. A market maker's (such as Virtu's) anticipated profit must be allocated among these three sub-categories, such that an increased allocation to any one sub-category will result in a decreased allocation to one or more of the other sub-categories. The allocation of resources between the three subcategories listed above, including the risk of overallocation to market maker profits at the expense of providing price improvement on Self-Directed Channel customer orders, is informed and mitigated by competition for Self-Directed Channel order flow amongst MSSB's market makers under the same general payment for order flow terms applicable to Virtu. A market maker such as Virtu executing a Full-Service Channel order does not have to allocate any of its anticipated profit in connection with such order to the payment for order flow subcategory (as it would with Self-Directed Channel orders) and is therefore able to allocate its anticipated profit to one or more other sub-categories (that is, to provide more price improvement or retain more anticipated profit or a mixture of the two). These same potential conflicts do not apply to Full-Service Channel customer order executions because MSSB does not receive payment for order flow from Virtu on these order executions and instead is compensated directly by MSSB’s customers as described above.

In addition to revenues that Virtu may collect for executing or facilitating the execution of customer orders (both Full-Service Channel and Self-Directed Channel customer orders) that MSSB routes to Virtu, Virtu also receives remuneration from U.S. securities exchanges to which it routes or directs MSSB customer orders in the form of rebates. These U.S. exchange rebate payments could, in theory, incentivize Virtu to route higher percentages of MSSB customer orders to particular venues over others, subject to Virtu's independent order routing and best execution obligations. MSSB does not share directly in any such rebates Virtu receives for executions of MSSB customer orders, although Virtu could potentially use such rebates to provide price improvement to MSSB customers, order flow payments to MSSB with respect to Self-Directed Channel orders, or both.

Two Sigma Securities, LLC,
Morgan Stanley Smith Barney LLC (“MSSB”) routes NMS equity orders to Two Sigma Securities, LLC (“Two Sigma”) to facilitate liquidity provision and price improvement opportunities for its customers. MSSB operates two primary service channels for its wealth management customers, the Full-Service Channel and the ET*TRADE from Morgan Stanley Self-Directed Channel (“Self-Directed Channel”). Although the columns in the table above which set out the percentage of the various order types combine order flow from MSSB’s Full-Service Channel and Self-Directed Channel, the payment figures in the table above reflect only Self-Directed Channel order executions. The Full-Service Channel does not receive payment for order flow on these orders, whereas the Self-Directed Channel does. MSSB receives and handles non-directed customer orders in NMS equity securities on a held and not held basis through both channels consistent with its duty of best execution, but there are differences in how MSSB is compensated for the services it performs, which, as described in detail below, can impact the price improvement opportunities and trade executions that MSSB customers receive from Two Sigma.

Customers of the Full-Service Channel receive services from MSSB relating to the operation, servicing, and administration of their MSSB brokerage or advised accounts and the generation of orders for such accounts, including the services of a Financial Advisor. Among other things, MSSB receives compensation for customer Full-Service Channel executions from commissions on customers’ brokerage account order executions and fees on their advised accounts. As a result, MSSB does not seek or receive payment for order flow on such orders from Two Sigma. In addition, as more fully described below, Two Sigma may send certain MSSB customer orders to an exchange or other market center for execution, including to market centers from which Two Sigma may receive payment in the form of rebates. Conversely, customers of the Self-Directed Channel generally generate and enter orders themselves for their brokerage accounts based upon their own investment decision making and without the benefit of the services of a Financial Advisor. Self-Directed Channel orders in NMS equity securities are subject to MSSB’s $0 commission policy, pursuant to which customers generally do not pay base commissions for order handling and execution of their Self-Directed Channel NMS equity orders (subject to disclosed exceptions as described more fully at https://us.etrade.com/what-we-offer/pricing-and-rates). Because MSSB does not charge commissions on these Self-Directed Channel orders, MSSB seeks to be compensated, among other ways, through the receipt of payment for order flow from equity securities market makers, including Two Sigma. While the majority of Self-Directed Channel customers were customers of MSSB’s affiliate broker-dealer, ET*TRADE Securities LLC (“ETS”) in Q2 2023 and not MSSB, a portion of Self-Directed Channel customers were customers of MSSB during Q2 2023. The Self-Directed Channel order statistics reflected in the tables above (which also include details on Full-Service Channel orders) include only those Self-Directed Channel orders routed by MSSB. Quarterly order routing statistics for ETS are available at https://us.etrade.com/quarterly-order-routing-report.

Two Sigma generates revenue from executing or facilitating the execution of MSSB customer orders. In exchange for routing such orders to Two Sigma, and solely with respect to Self-Directed Channel orders, MSSB receives payments from Two Sigma in the amounts outlined in the above Public Order Routing Report disclosures (i.e. payment for order flow), calculated at a rate of $0.002 per share for non-directed, NMS equity market and marketable limit order executions priced at $1.00 per share or more and $0.0031 per share for non-directed, NMS equity nonmarketable limit order executions priced at $1.00 per share or more. MSSB does not receive payment from Two Sigma for NMS equity executions on Self-Directed Channel orders priced below $1.00 per share. Apart from certain Self-Directed Channel orders routed to Morgan Stanley & Co., LLC as disclosed above, MSSB only routes Self-Directed Channel NMS equity orders to market makers that pay for customer order flow, and all such market makers are subject to substantially the same rates of payment. For clarity, and as indicated above, MSSB does not receive payment from Two Sigma with respect to Full-Service Channel order executions.

To take advantage of rules adopted by the U.S. securities exchanges that allow retail orders to be eligible for certain potential benefits, including additional price improvement from retail liquidity programs and higher queue priority from retail attestation programs, and to allow Two Sigma to access such potential benefits for Self-Directed Channel NMS equity orders, MSSB marks applicable orders as retail orders on an order-by-order basis. MSSB and Two Sigma, however, do not have any arrangements:

A. that require MSSB to meet certain volume thresholds or that provide incentives to MSSB for meeting or exceeding certain volume thresholds;
B. that require MSSB to meet certain minimum volume thresholds or that provide disincentives to MSSB for failing to meet certain minimum volume thresholds;
C. for volume-based tiered payment schedules; or
D. that require MSSB to route any orders or a minimum number of orders to Two Sigma.

There is a potential conflict for a market maker such as Two Sigma both paying for order flow on applicable Simple Channel executions and providing price improvement for such orders as the potential source of funds for each is the same, namely the anticipated profit the market maker seeks to earn from executing or facilitating the execution of Self-Directed Channel customer orders. Accordingly, from such anticipated profit, a market maker such as Two Sigma can (i) forgo a portion of such anticipated profit to provide price improvement; (ii) forgo a portion of such anticipated profit to pay for order flow; or (iii) retain a larger portion of anticipated profit and not provide (or provide less) price improvement or not provide (or provide less) payment for order flow. A market maker’s (such as Two Sigma’s) anticipated profit must be allocated among these three sub-categories, such that an increased allocation to any one sub-category will result in a decreased allocation to one or more of the other sub-categories. The allocation of resources between the three sub-categories listed above, including the risk of overallocation to market maker profits at the expense of providing price improvement on Self-Directed Channel executions, is informed and mitigated by competition for Self-Directed Channel order flow amongst MSSB’s market makers under the same general payment for order flow terms applicable to Two Sigma. A market maker such as Two Sigma executing a Full-Service Channel order does not have to allocate any of its anticipated profit in connection with such order to the payment for order flow subcategory (as it would with Self-Directed Channel orders) and is therefore able to allocate its anticipated profit to one or more other sub-categories (that is, to provide more price improvement or retain more anticipated profit or a mixture of the two). These same potential conflicts do not apply to Full-Service Channel customer order executions because MSSB does not receive payment for order flow from Two Sigma on these executions. In addition, these order flow terms and instead is compensated directly by MSSB’s customers as described above.

In addition to revenues that Two Sigma may collect for executing or facilitating the execution of customer orders (both Full-Service Channel and Self-Directed Channel customer orders) that MSSB routes to Two Sigma, Two Sigma also receives remuneration from U.S. securities exchanges to which it routes or directs MSSB customer orders in the form of rebates. These U.S. exchange rebate payments could, in theory, incentivize Two Sigma to route higher percentages of MSSB customer orders to particular venues over others, subject to Two Sigma’s independent order routing and best execution obligations. MSSB does not share directly in any such rebates Two Sigma receives for executions of MSSB customer orders, although Two Sigma could potentially use such rebates to provide price improvement to MSSB customers, order flow payments to MSSB with respect to Self-Directed Channel orders, or both.

G1 Execution Services, LLC
Morgan Stanley Smith Barney LLC (“MSSB”) routes NMS equity orders to G1X Executions Services, LLC (“G1X”) to facilitate liquidity provision and price improvement opportunities for its customers. MSSB operates two primary service channels for its wealth management customers, the Full-Service Channel and the E*TRADE from Morgan Stanley Self-Directed Channel (“Self-Directed Channel”). Although the columns in the table above which set out the percentage of the various order types combine order flow from MSSB’s Full-Service Channel and Self-Directed Channel, the payment figures in the table above reflect only Self-Directed Channel order executions. The Full-Service Channel does not receive payment for order flow on these orders, whereas the Self-Directed Channel does. MSSB receives and handles non-directed customer orders in NMS equity securities on a held and not held basis through both channels consistent with its duty of best execution, but there are differences in how MSSB is compensated for the services it performs, which, as described in detail below, can impact the price improvement opportunities and trade executions that MSSB customers receive from G1X.

Customers of the Full-Service Channel receive services from MSSB relating to the operation, servicing, and administration of their MSSB brokerage or advised accounts and the generation of orders for such accounts, including the services of a Financial Advisor. Among other things, MSSB receives compensation for customer Full-Service Channel executions from commissions on customers’ brokerage account order executions and fees on their advised accounts. As a result, MSSB does not seek or receive payment for order flow on such orders from G1X. In addition, as more fully described below, G1X may send certain MSSB customer orders to an exchange or other market center for execution, including to market centers from which G1X may receive payment in the form of rebates. Conversely, customers of the Self-Directed Channel generally generate and enter orders themselves for their own investment decision making and without the benefit of the services of a Financial Advisor. Self-Directed Channel orders in NMS securities are subject to MSSB’s $0 commission policy, pursuant to which customers generally do not pay base commissions for order handling and execution of their Self-Directed Channel NMS equity orders (subject to disclosed exceptions as described more fully at https://us.etrade.com/what-we-offer/pricing-and-rates). Because MSSB does not charge commissions on these Self-Directed Channel orders, MSSB seeks to be compensated, among other ways, through the receipt of payment for order flow from equity securities market makers, including G1X. While the majority of Self-Directed Channel customers were customers of MSSB’s affiliate broker-dealer, E*TRADE Securities LLC (“ETS”) in Q2 2023 and not MSSB, a portion of Self-Directed Channel customers were customers of MSSB during Q2 2023. The Self-Directed Channel order statistics reflected in the tables above (which also include details on Full-Service Channel orders) include only those Self-Directed Channel orders routed by MSSB.

G1X generates revenue from executing or facilitating the execution of MSSB customer orders. In exchange for routing such orders to G1X, and solely with respect to Self-Directed Channel orders, MSSB receives payments from G1X in the amounts outlined in the above Public Order Routing Report disclosures (i.e. payment for order flow), calculated at a rate of $0.002 per share for non-directed, NMS equity market and marketable limit order executions priced at $1.00 per share or more and $0.0031 per share for non-directed, NMS equity non-marketable limit order executions priced at $1.00 per share or more. MSSB does not receive payment from G1X for NMS equity executions on Self-Directed Channel orders priced below $1.00 per share. Apart from certain Self-Directed Channel orders routed to Morgan Stanley & Co., LLC as disclosed above, MSSB only routes Self-Directed Channel NMS equity orders to market makers that pay for customer order flow, and all such market makers are subject to substantially the same rates of payment. For clarity, and as indicated above, MSSB does not receive payment from G1X with respect to Full-Service Channel order executions.

To take advantage of rules adopted by the U.S. securities exchanges that allow retail orders to be eligible for certain potential benefits, including additional price improvement from retail liquidity programs and higher queue priority from retail attestation programs, and to allow G1X to access such potential benefits for Self-Directed Channel NMS equity orders, MSSB marks applicable orders as retail orders on an order-by-order basis. MSSB and G1X, however, do not have any arrangements:

A. that require MSSB to meet certain volume thresholds or that provide incentives to MSSB for meeting or exceeding certain volume thresholds;
B. that require MSSB to meet certain minimum volume thresholds or that provide disincentives to MSSB for failing to meet certain minimum volume thresholds;
C. for volume-based tiered payment schedules; or
D. that require MSSB to route any orders or a minimum number of orders to G1X.

There is a potential conflict for a market maker such as G1X both paying for order flow on applicable Self-Directed Channel orders and providing price improvement for such orders as the potential source of funds for each is the same, namely the anticipated profit the market maker seeks to earn from executing or facilitating the execution of Self-Directed Channel customer orders. Accordingly, from such anticipated profit, a market maker such as G1X can (i) forgo a portion of such anticipated profit to provide price improvement; (ii) forgo a portion of such anticipated profit to pay for order flow; or (iii) retain a larger portion of anticipated profit and not provide (or provide less) price improvement or not provide (or provide less) payment for order flow. A market maker’s (such as G1X’s) anticipated profit must be allocated among these three sub-categories, such that an increased allocation to any one sub-category will result in a decreased allocation to one or more of the other sub-categories. The allocation of resources between the three subcategories listed above, including the risk of overallocation to market maker profits at the expense of providing price improvement on Self-Directed Channel customer orders, is informed and mitigated by competition for Self-Directed Channel order flow amongst MSSB’s market makers under the same general payment for order flow terms applicable to G1X. A market maker such as G1X executing a Full-Service Channel order does not have to allocate any of its anticipated profit in connection with such order to the payment for order flow subcategory (as it would with Self-Directed Channel orders) and is therefore able to allocate its anticipated profit to one or more other sub-categories (that is, to provide more price improvement or retain more anticipated profit or a mixture of the two). These same potential conflicts do not apply to Full-Service Channel customer order executions because MSSB does not receive payment for order flow from G1X on these order executions and instead is compensated directly by MSSB’s customers as described above.

In addition to revenues that G1X may collect for executing or facilitating the execution of customer orders (both Full-Service Channel and Self-Directed Channel customer orders) that MSSB routes to G1X, G1X also receives remuneration from U.S. securities exchanges to which it routes or directs MSSB customer orders in the form of rebates. These U.S. exchange rebate payments could, in theory, incentivize G1X to route higher percentages of MSSB customer orders to particular venues over others, subject to G1X’s independent order routing and best execution obligations. MSSB does not share directly in any such rebates G1X receives for executions of MSSB customer orders, although G1X could potentially use such rebates to provide price improvement to MSSB customers, order flow payments to MSSB with respect to Self-Directed Channel orders, or both.

Jane Street Capital:
Morgan Stanley Smith Barney LLC (“MSSB”) routes NMS equity orders to Jane Street Capital (“Jane Street”) to facilitate liquidity provision and price improvement opportunities for its customers. MSSB operates two primary service channels for its wealth management customers including the Full Service Channel and the E*TRADE from Morgan Stanley Self-Directed Channel (“Self-Directed Channel”). Customers of the Full Service Channel receive services from MSSB relating to the operation, servicing, and administration of their MSSB brokerage or advisor accounts and the generation of orders for such accounts, including the services of a Financial Advisor. Among other things, MSSB receives compensation from customers for commissions on their brokerage account orders and fees on their adviced accounts. As a result, MSSB does not seek or receive payment for order flow on such orders. Conversely, customers of the Self-Directed Channel generally generate and enter orders themselves based upon their own investment decision making and without the benefit of the services of a Financial Advisor. Self-Directed Channel orders in NMS equity markets are subject to MSSB’s $0 commission policy, pursuant to which customers generally do not pay base commissions for order handling and execution of their Self-Directed Channel NMS equities orders (subject to the described moratorium on such orders on these Self-Directed Channel orders. MSSB seeks to be compensated, among other ways, through the receipt of payment for order flow from equity securities market makers, including Jane Street. While the majority of Self-Directed Channel customers were customers of MSSB’s affiliate broker-dealer, E*TRADE Securities LLC (“ETS”) in Q2 2023 and not MSSB, a portion of Self-Directed Channel customers were customers of MSSB during Q2 2023. The tables above reflect Self-Directed Channel orders routed by MSSB only. Quarterly order routing statistics for ETS are available at https://us.etrade.com/quarterly-order-routing-report. MSSB does not route Full Service Channel NMS equity orders to Jane Street.

Jane Street generates revenue from executing or facilitating the execution of Self-Directed Channel customer orders. In exchange for such trading, and solely with respect to Self-Directed Channel orders, MSSB receives payments from Jane Street in the amounts outlined in the above Public Order Routing Report disclosures, calculated at a rate of $0.002 per share for non-directed, NMS equity market and marketable limit order executions priced at $1.00 per share or more and $0.0031 per share for non-directed, NMS equity non-marketable limit order executions priced at $1.00 per share or more. MSSB does not receive payment from Jane Street for NMS equity executions priced below $1.00 per share. Apart from certain Self-Directed Channel orders routed to Morgan Stanley & Co., LLC as disclosed above, MSSB only routes Self-Directed Channel equity orders that pay for customer order flow to Jane Street.

To take advantage of rules adopted by the U.S. securities exchanges that allow retail orders to be eligible for certain potential benefits, including additional price improvement from retail liquidity programs and higher queue priority from retail attribution programs, and to allow Jane Street to access such potential benefits for Self-Directed Channel customer orders, MSSB marks applicable orders as retail orders on an order-by-order basis. MSSB and Jane Street, however, do not have any arrangements: that require MSSB to meet certain volume thresholds or that provide incentives to MSSB for meeting or exceeding certain volume thresholds; that require MSSB to meet certain minimum volume thresholds that provide incentives to MSSB for failing to meet certain minimum thresholds; that require a volume-based tiered payment schedule; or that require MSSB to route any orders or a minimum number of orders to Jane Street.

There is a potential conflict for a market maker such as Jane Street both paying for order flow on applicable Self-Directed Channel orders and providing price improvement for such orders as the potential source of funds for each is the same, namely the anticipated profit the market maker seeks to earn from executing or facilitating the execution of Self-Directed Channel customer orders. Accordingly, from such anticipated profit, a market maker such as Jane Street can (i) forgo a portion of such anticipated profit to provide price improvement; (ii) forgo a portion of such anticipated profit to pay for order flow; or (iii) retain a larger portion of anticipated profit and not provide (or provide less) price improvement or not provide (or provide less) payment for order flow. A market maker’s (such as Jane Street’s) anticipated profit must be allocated among these three sub-categories, such that an increased allocation to any one sub-category will result in a decreased allocation to one or more of the other sub-categories. The allocation of resources between the three subcategories listed above, including the risk of overallocation to market maker profits at the expense of providing price improvement on order flow for Jane Street’s market maker customers, is informed and mitigated by competition for order flow amongst MSSB’s market makers under the same general payment for order flow terms applicable to Jane Street.

In addition to revenues that Jane Street may collect for executing or facilitating the execution of Self-Directed Channel customer orders that MSSB routes to Jane Street, Jane Street also receives remuneration from U.S. securities exchanges to which it routes or directs MSSB customer orders in the form of rebates. These U.S. exchange rebate payments could, in theory, incentivize Jane Street to route more high percentage order volumes to MSSB’s market makers to particular venues over others, subject to Jane Street’s independent order routing and best execution obligations. Execution rebates provide additional value to Jane Street for MSSB customer execution orders that are not passed through to MSSB or its customers, although Jane Street could potentially use these rebates to provide price improvement to MSSB customers, order flow payments to MSSB with respect Self-Directed Channel orders, or both.

Cboe EDGX Exchange, Inc.

Morgan Stanley Smith Barney LLC (“MSSB”) routes NMS equity orders to Cboe EDGX Exchange, Inc. through its affiliate Morgan Stanley & Co., LLC (“MS&Co”), to facilitate liquidity provision and price improvement opportunities for its customers. MSSB operates two primary service channels for its wealth management customers including the Full Service Channel (“Self-Directed Channel”). Customers of the Full Service Channel receive services from MSSB relating to the operation, servicing, and administration of their MSSB brokerage or advised accounts and the generation of orders for such accounts, including the services of a Financial Advisor. Among other things, MSSB receives compensation for customer Full Service Channel orders from commissions on their brokerage account orders and fees on their adviced accounts. Conversely, customers of the Self-Directed Channel generally generate and enter orders themselves for their brokerage accounts based upon their own investment decision making and without the benefit of the services of a Financial Advisor. Self-Directed Channel orders in NMS equity markets are subject to MSSB’s $0 commission policy, pursuant to which customers generally do not pay base commission for order handling and execution of the Self-Directed Channel NMS equities orders (subject to the described exceptions described more fully below, from rebates on executions of Self-Directed Channel orders that MSSB routes to certain U.S. securities exchanges directly and indirectly through its affiliate Morgan Stanley & Co., LLC (“MS&Co”), including Self-Directed Channel orders that MSSB routes to EDGX through MS&Co. While MS&Co determines where to route customer orders based on, and consistent with its best execution obligations, these U.S. exchange rebate payments could, in theory, incentivize MSSB to route higher percentages of customer orders to particular venues over others. While the majority of Self-Directed Channel customers were customers of MS&Co’s affiliate broker-dealer, E*TRADE Securities LLC (“ETS”) in Q2 2023 and not MSSB, a portion of Self-Directed Channel customers were customers of MSSB during Q2 2023. The tables above reflect Self-Directed Channel orders routed by MSSB only. Quarterly order routing statistics for ETS are available at https://us.etrade.com/quarterly-order-routing-report. MSSB does not route Full Service Channel NMS equity orders to EDGX directly or indirectly through MS&Co, rather depending on market conditions, order pricing, and the order handling practices of, and regulatory requirements applicable to the market maker orders to which MSSB routes customer orders, MSSB’s Full Service Channel non-directed NMS orders may be indirectly routed to, and executed on EDGX, through MS&Co’s affiliate MS&Co, which is market maker on EDGX.

MS&Co either pays a fee or receives a rebate on behalf of MSSB for each Self-Directed Channel customer order execution on EDGX, depending on whether the order added to or subtracted from liquidity on the exchange. For clarity, MSSB pays such fee or receives such rebate, as applicable, on executions of Self-Directed Channel orders that MSSB routes to EDGX indirectly through MS&Co and may also benefit indirectly from rebates realized from exchange rebates to MS&Co for executing MSSB orders MS&Co receives in its capacity as market maker, which MS&Co may receive from executions on EDGX. As a result of the correlative affiliate relationship between MS&Co and MSSB, MS&Co may share indirectly in any such profits generated by MS&Co. The fees and rebates referenced above are subject to volume pricing. To the extent that MS&Co meets the execution volume thresholds necessary to qualify for preferred pricing under EDGX’s Fees Schedule in a given month, increased (rather than standard) rebate rates and decreased (rather than standard) fees will apply. Because EDGX offers higher rebates and lower fees based on a tiered volume pricing model, there is a potential conflict in that such rebates and fees could, in theory, incentivize MS&Co to route a higher percentage of MSSB customer orders to EDGX through MS&Co rather than another venue in order to reach a higher tier: MS&Co and EDGX, however, do not have any arrangements:

a. that require MSB to meet certain volume thresholds;

b. that require MSB to meet certain minimum volume thresholds; or that provide incentives to MSB for failing to meet certain minimum thresholds;

c. for volume-based tiered payment schedules beyond the tiered volume model set forth in the EDGX Fees Schedule as described above;

d. that require MSB to route any orders or a minimum number of orders to EDGX.

The fees MSSB pays and rebates MS&Co receive on executions through EDGX for MSSB’s equity orders are determined based on EDGX’s tiered volume model. Schedules delineating orders eligible for such rebates and the applicable rates are published publicly by EDGX in the EDGX Fees Schedule, available at http://www.cboe.com/us/equities/membership/fee_schedule/edgx/. Please note that EDGX’s publicly available Fees Schedule URL link and applicable rates may change without notice. In general, during Q2 2023, EDGX paid MSSB rebate rates of $0.0027 per share for Self-Directed Channel orders priced at $1.00 per share or more and $0.001 per share for executions priced at $1.00 per share or more and a 2.8% fee of the total notional value on executions priced below $1.00 per share. For Q2 2023, MS&Co received rebates (net of fees) from EDGX in the amount of $11 in April, $85 in May, and $2,041 in June. For clarity, and as indicated above, MSSB routes Self-Directed Channel orders to EDGX through MS&Co with specific routing instructions to send to EDGX pursuant to MSSB’s order routing determinations whereas EDGX does not route Full Service Channel orders to EDGX for execution directly or indirectly through MS&Co other than as determined by MS&Co as described above.

MS&Co also participates in EDGX’s retail order priority program under which eligible retail orders receive priority ahead of other available interests at a given price level or other enhanced execution benefits. MS&Co reviews customers’ activity on a periodic basis to determine program eligibility and reserves the right to choose whether to participate in the EDGX retail order priority program. MS&Co routes orders routed through EDGX to MS&Co will be combined with any other order flow that MS&Co routes to the EDGX for the purpose of determining the applicable pricing under MS&Co’s tiered pricing model described above. It is possible that MS&Co could generate additional profit as a result of the combination of such order flow and the incentives of such tiered pricing program including on behalf of MSSB. Further disclosures regarding routing of orders through MS&Co are provided in the above Public Order Routing Report disclosures for MS&Co.

The Nasdaq Stock Market:
Morgan Stanley Smith Barney LLC ("MSSB") routes NMS equity orders to the Nasdaq Stock Market ("NASDAQ") to facilitate liquidity provision and price improvement opportunities for its customers. MSSB operates two primary service channels for its wealth management customers including the Full-Service Channel and the E*TRADE from Morgan Stanley Smith-Scotland Channel ("Self-Directed Channel"). Customers of the Full-Service Channel receive services from MSSB relating to the operation, servicing, and administration of their MSSB brokerage or advised accounts and the generation of orders for such accounts, including the services of a Financial Advisor. Among other things, MSSB receives compensation for customer MSSB Full-Service Channel orders from their brokerage account orders and fees on their advised accounts. According to a corporate affiliation between MSSCo and MSSB, it may share indirectly in any such profits generated by MSSCo. The fees and rebates referenced above are subject to volume pricing. To the extent that MSSB meets the execution of the order, the Full-Service Channel orders that MSSB routes to NASDAQ may be shared with other order flows on NASDAQ based on NASDAQ's tiered pricing model described above. It is possible that MSSCo could generate additional profit as a result of the combination of such order flow and the incentives of such tiered pricing program. Further disclosures regarding routing of orders through MSSCo, including to NASDAQ, are provided in the material aspect disclosure for MSSCo.

Members Exchange (MEMX) Morgan Stanley Smith Barney LLC ("MSSB") routes NMS equity orders to MEMX LLC ("MEMX") through its affiliate Morgan Stanley & Co. LLC ("MSSCo"), to facilitate liquidity provision and price improvement opportunities for its customers. MSSB operates two primary service channels for its wealth management customers including the Full-Service Channel and the E*TRADE from Morgan Stanley Smith-Scotland Channel ("Self-Directed Channel"). Customers of the Full-Service Channel receive services from MSSB relating to the operation, servicing, and administration of their MSSB brokerage or advised accounts and the generation of orders for such accounts, including the services of a Financial Advisor. Among other things, MSSB receives compensation for customer MSSB Full-Service Channel orders from their brokerage account orders and fees on their advised accounts. According to a corporate affiliation between MSSCo and MSSB, it may share indirectly in any such profits generated by MSSCo. The fees and rebates referenced above are subject to volume pricing. To the extent that MSSB meets the execution of the order, the Full-Service Channel orders that MSSB routes to NASDAQ may be shared with other order flows on NASDAQ based on NASDAQ's tiered pricing model described above. It is possible that MSSCo could generate additional profit as a result of the combination of such order flow and the incentives of such tiered pricing program. Further disclosures regarding routing of orders through MSSCo, including to NASDAQ, are provided in the material aspect disclosure for MSSCo.

MSSCo either pays a fee or receives a rebate on behalf of MSSB for each Self-Directed Channel customer order execution on MEMX, depending on whether the order added to or subtracted from liquidity on the exchange. For clarity, MSSCo pays such fee or receives such rebate, as applicable, for executions of Self-Directed Channel orders that MSSB routes directly through MEMX or MSSCo itself, but MSSB may also enter such orders into its client's account for rebates or fees to be paid to other parties, including but not limited to rebates or fees paid to Execution Services. As a result of the corporate affiliation between MSSCo and MSSB, it may share indirectly in any such profits generated by MSSCo. The fees and rebates referenced above are subject to volume pricing. To the extent that MSSB meets the execution of the order, the Full-Service Channel orders that MSSB routes to NASDAQ may be shared with other order flows on NASDAQ based on NASDAQ's tiered pricing model described above. It is possible that MSSCo could generate additional profit as a result of the combination of such order flow and the incentives of such tiered pricing program. Further disclosures regarding routing of orders through MSSCo, including to NASDAQ, are provided in the material aspect disclosure for MSSCo.

Further, MSSB or MSSCo itself, but MSSB may also enter such orders into its client's account for rebates or fees to be paid to other parties, including but not limited to rebates or fees paid to Execution Services. As a result of the corporate affiliation between MSSCo and MSSB, it may share indirectly in any such profits generated by MSSCo. The fees and rebates referenced above are subject to volume pricing. To the extent that MSSB meets the execution of the order, the Full-Service Channel orders that MSSB routes to NASDAQ may be shared with other order flows on NASDAQ based on NASDAQ's tiered pricing model described above. It is possible that MSSCo could generate additional profit as a result of the combination of such order flow and the incentives of such tiered pricing program. Further disclosures regarding routing of orders through MSSCo, including to NASDAQ, are provided in the material aspect disclosure for MSSCo.

Further, MSSB or MSSCo itself, but MSSB may also enter such orders into its client's account for rebates or fees to be paid to other parties, including but not limited to rebates or fees paid to Execution Services. As a result of the corporate affiliation between MSSCo and MSSB, it may share indirectly in any such profits generated by MSSCo. The fees and rebates referenced above are subject to volume pricing. To the extent that MSSB meets the execution of the order, the Full-Service Channel orders that MSSB routes to NASDAQ may be shared with other order flows on NASDAQ based on NASDAQ's tiered pricing model described above. It is possible that MSSCo could generate additional profit as a result of the combination of such order flow and the incentives of such tiered pricing program. Further disclosures regarding routing of orders through MSSCo, including to NASDAQ, are provided in the material aspect disclosure for MSSCo.
UBS Securities LLC: Morgan Stanley Smith Barney LLC ("MSSB") routes NMS equity orders to UBS Securities, LLC ("UBS") to facilitate liquidity provision and price improvement opportunities for its customers. MSSB operates two primary service channels for its wealth management customers including the Full-Service Channel and the E*TRADE from Morgan Stanley Self-Directed Channel ("Self-Directed Channel"). Customers of the Full-Service Channel receive services from MSSB relating to the operation, servicing, and administration of their MSSB brokerage or advised accounts and the generation of orders for such accounts, including the services of a Financial Advisor. Among other things, MSSB receives compensation for customer Full-Service Channel orders from commissions on their brokerage account orders and fees on their advised accounts. As a result, MSSB does not seek or receive payment for order flow on such orders. Conversely, customers of the Self-Directed Channel generally generate and enter orders themselves for their brokerage accounts based upon their own investment decision making and without the benefit of the services of a Financial Advisor. Self-Directed Channel orders in NMS equities are subject to MSSB’s $0 commission policy, pursuant to which customers generally do not pay base commissions for order handling and execution of their Self-Directed Channel NMS equities orders (subject to disclosed exceptions as described more fully at https://us.etrade.com/what-we-offer/pricing-and-rates. Because MSSB does not charge commissions on these Self-Directed Channel orders, MSSB seeks to be compensated, among other ways, through the receipt of payment for order flow from equity securities market makers, including UBS. While the majority of Self-Directed Channel customer orders were customers of MSSB’s affiliate broker-dealer, E*TRADE Securities LLC ("ETS") in Q2 2023 and not MSSB, a portion of Self-Directed Channel customers were customers of MSSB during Q2 2023. The tables above reflect Self-Directed Channel orders routed by MSSB only. Quarterly order routing statistics for ETS are available at https://us.etrade.com/i/quarterly-order-routing-report. MSSB does not route Full-Service Channel NMS equity orders to UBS.

UBS generates revenue from executing or facilitating the execution of Self-Directed Channel customer orders. In exchange for such routing, and solely with respect to Self-Directed Channel orders, MSSB receives payments from UBS in the amounts outlined in the above Public Order Routing Report disclosures, calculated at a rate of $0.002 per share for non-directed, NMS equity market and marketable limit order executions priced at $1.00 per share or more and $0.0031 per share for non-directed, NMS equity non-marketable limit order executions priced at $1.00 per share or more. Apart from certain Self-Directed Channel orders routed to Morgan Stanley & Co., LLC as disclosed above, MSSB does not receive payment from UBS for NMS equity executions priced below $1.00 per share. MSSB only routes Self-Directed Channel NMS equity orders to market makers that pay for customer order flow, and all such market makers are subject to substantially the same rates of payment. For clarity, MSSB does not route Full-Service Channel customer orders to UBS.

To take advantage of rules adopted by the U.S. securities exchanges that allow retail orders to be eligible for certain potential benefits, including additional price improvement from retail liquidity programs and higher queue priority from retail attestation programs, and to allow UBS to access such potential benefits for Self-Directed Channel NMS equity orders, MSSB marks applicable orders as retail orders on an order-by-order basis. MSSB and UBS, however, do not have any arrangements:

A. that require MSSB to meet certain volume thresholds or that provide incentives to MSSB for meeting or exceeding certain volume thresholds;  
B. that require MSSB to meet certain minimum volume thresholds or that provide disincentives to MSSB for failing to meet certain minimum volume thresholds;  
C. for market-based tiered payment schedules; or  
D. that require MSSB to route any orders or a minimum number of orders to UBS.

There is a potential conflict for a market maker such as UBS both paying for order flow on applicable Self-Directed Channel orders and providing price improvement for such orders as the potential source of funds for each is the same, namely the anticipated profit the market maker seeks to earn from executing or facilitating the execution of the Self-Directed Channel customer orders. Accordingly, from such anticipated profit, a market maker such as UBS can (i) forgo a portion of such anticipated profit to provide price improvement; (ii) retain a larger portion of anticipated profit and not provide (or provide less) price improvement or not provide (or provide less) payment for order flow. A market maker’s (such as UBS’s) anticipated profit must be allocated among these three sub-categories, such that an increased allocation to any one sub-category will result in a decreased allocation to one or more of the other sub-categories. The allocation of resources between the three sub-categories listed above, including the risk of overallocation to market maker profits at the expense of providing price improvement on Self-Directed Channel customer orders, is informed and mitigated by competition for order flow amongst MSSB’s market makers under the same general payment for order flow terms applicable to UBS.

In addition to revenues that UBS may collect for executing or facilitating the execution of Self-Directed Channel customer orders that MSSB routes to UBS, UBS also receives remuneration from U.S. securities exchanges to which it routes or directs MSSB customer orders in the form of rebates. These U.S. exchange rebate payments could, in theory, incentize UBS to route higher percentages of MSSB customer orders to particular venues over others, subject to UBS’s independent order routing and best execution obligations. Exchange rebates provided to UBS for MSSB customer executions are not passed through to MSSB or its customers, although UBS could potentially use these rebates to provide price improvement to MSSB customers, order flow payments to MSSB with respect Self-Directed Channel orders, or both.

---

June 2023

Non-S&P 500 Stocks

Summary

<table>
<thead>
<tr>
<th>Non-Directed Orders as % of All Orders</th>
<th>Market Orders as % of Non-Directed Orders</th>
<th>Marketable Limit Orders as % of Non-Directed Orders</th>
<th>Non-Marketable Limit Orders as % of Non-Directed Orders</th>
<th>Other Orders as % of Non-Directed Orders</th>
</tr>
</thead>
<tbody>
<tr>
<td>99.94</td>
<td>78.06</td>
<td>2.08</td>
<td>16.43</td>
<td>3.22</td>
</tr>
</tbody>
</table>

Venues

<table>
<thead>
<tr>
<th>Venue - Non-directed Order Flow</th>
<th>Non-Directed Orders (%)</th>
<th>Market Orders (%)</th>
<th>Marketable Limit Orders (%)</th>
<th>Non-Marketable Limit Orders (%)</th>
<th>Other Orders (%)</th>
<th>Net Payment Paid/Received for Market Orders(USD)</th>
<th>Net Payment Paid/Received for Market Orders(cents per hundred shares)</th>
<th>Net Payment Paid/Received for Non-Marketable Limit Orders(USD)</th>
<th>Net Payment Paid/Received for Non-Marketable Limit Orders(cents per hundred shares)</th>
<th>Net Payment Paid/Received for Other Orders(USD)</th>
<th>Net Payment Paid/Received for Other Orders(cents per hundred shares)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Morgan Stanley &amp; Co., LLC</td>
<td>68.53</td>
<td>73.01</td>
<td>27.15</td>
<td>56.59</td>
<td>48.42</td>
<td>145.50</td>
<td>0.0051</td>
<td>-4,508.44</td>
<td>0.8232</td>
<td>107,207.28</td>
<td>-12,787.01</td>
</tr>
<tr>
<td>CITADEL SECURITIES, LLC</td>
<td>9.29</td>
<td>8.51</td>
<td>25.52</td>
<td>8.74</td>
<td>20.55</td>
<td>24,659.20</td>
<td>17,3481</td>
<td>5,539.93</td>
<td>5,1354</td>
<td>5,253.77</td>
<td>10,9224</td>
</tr>
<tr>
<td>Virtu Americas, LLC</td>
<td>7.87</td>
<td>7.12</td>
<td>20.08</td>
<td>8.74</td>
<td>13.80</td>
<td>20,321.47</td>
<td>6,4148</td>
<td>6,337.93</td>
<td>5,1732</td>
<td>4,948.86</td>
<td>10,2843</td>
</tr>
</tbody>
</table>
Material Aspects:

Morgan Stanley Smith Barney LLC ("MSSB") is an affiliate of Morgan Stanley & Co., LLC ("MS&Co"). Both MSSB and MS&Co are registered broker-dealers. MSSB operates two primary service channels for its wealth management customers, including the Full-Service Channel and the E*TRADE from Morgan Stanley Self-Directed Channel ("Self-Directed Channel"). Customers of the Full-Service Channel receive services from MSSB relating to the operation, servicing, and administration of their MSSB brokerage or advised accounts and the generation of orders for such accounts, including the services of a Financial Advisor. Among other things, MSSB receives compensation for customer Full-Service Channel orders from commissions on their brokerage account orders and fees on their advised accounts. As a result, MSSB does not seek or receive payment for order flow on such orders, apart from the U.S. securities exchange rebates described in further detail below. Conversely, customers of the Self-Directed Channel generally generate and enter orders themselves for their brokerage accounts based upon their own investment decision making and without the benefit of the services of a Financial Advisor. MSSB’s order flow to NMS equities is subject to MSSB’s SRO commission policy, pursuant to which customers generally do not pay base commissions for order handling and execution of their Self-Directed Channel orders.

Youthful with respect to Full-Service Channel orders, MSSB routes NMS equity orders to MSSB to facilitate liquidity provision and price improvement opportunities for its customers. Except for a limited number of directed Full-Service Channel equity orders which MS&Co receives from MSSB and routes out with customer instructions, all Full-Service Channel equity orders are routed by MSSB to MS&Co for execution. MS&Co executes MSSB Full-Service Channel customer equity orders on an agency, principal or riskless principal basis and may receive compensation for such executions. In connection with certain of these executions, MS&Co may internalize customer order flow to allow the customer to benefit from various sources of liquidity and to offer customer order opportunities for price improvement. Such internalization may enable MS&Co to generate a trading profit and/or commissions or fees on the transaction. In addition, MS&Co routes orders to U.S. securities exchanges that offer cash credits for orders that provide liquidity to their books and charge explicit fees for orders that extract liquidity from their books. MS&Co receives remuneration in the form of rebates from U.S. securities exchanges to which it routes or directs MSSB customer orders. These U.S. exchange rebate payments could, in theory, incentivize MS&Co to route higher percentages of MSSB customer orders to particular venues over others, subject to MS&Co’s independent order routing and best execution obligations. MS&Co may also receive incremental pricing benefits from U.S. securities exchanges and/or electronic communication networks if certain volume thresholds are met. The net of U.S. securities exchange fees paid by, and rebates provided to, MS&Co for MSSB Full-Service Channel customer executions are passed through to MSSB. As such, these rebate payments could theoretically incentivize MS&Co to route a higher percentage of customer orders to MS&Co subject to MS&Co’s independent order routing and best execution obligations. Additionally, affiliates of MSSB maintain ownership interests in certain market centers that stand to appreciate as a result of any profits generated from the execution of orders.

Apart from a limited number of Self-Directed Channel directed equity orders, which MS&Co receives from MSSB or its affiliate broker-dealer E*TRADE Securities, LLC with customer instructions to route directly to certain U.S. securities exchanges and a limited number of non-directed Self-Directed Channel equity orders that MSSB routes to E*TRADE Exchange, Inc. and the Members Exchange for execution through MS&Co, MSSB does not route Self-Directed Channel orders to MS&Co for execution directly. Self-Directed Channel equity orders that MSSB routes to the U.S. securities exchanges through MS&Co will be combined with any other order flow that MSSB routes to the exchanges for the purpose of determining the applicable pricing and rebates under exchange tiered pricing models. MS&Co either pays a fee or receives a rebate for each Self-Directed Channel customer order execution on those exchanges, depending on whether the order added to or subtracted from liquidity on the exchange, which are passed through to MSSB at the rates and amounts reflected in the applicable relationship disclosures and tables in this report. To the extent that MS&Co meets the execution volume thresholds necessary in a given month, increased (rather than standard) rebate rates and decreased (rather than standard) fees will apply. Because exchanges may offer higher rebates and lower fees based on a tiered volume model, there is a potential conflict in that such rebates and fees could, in theory, incentivize MS&Co to route a higher percentage of Self-Directed Channel customer orders to a U.S. securities exchange to help MS&Co reach higher volume pricing tiers.

CITADEL SECURITIES LLC:
Morgan Stanley Smith Barney LLC ("MSSB") routes NMS equity orders to Citadel Securities LLC ("Citadel") to facilitate liquidity provision and price improvement opportunities for its customers. MSSB operates two primary service channels for its wealth management customers, the Full-Service Channel and the E*TRADE from Morgan Stanley Self-Directed Channel ("Self-Directed Channel"). Although the columns in the table above which set out the percentage of the various order types combine order flow from MSSB's Full-Service Channel and Self-Directed Channel, the payment figures in the table above reflect only Self-Directed Channel order executions. The Full-Service Channel does not receive payment for order flow on these orders, whereas the Self-Directed Channel does. MSSB receives and handles non-directed customer orders in NMS equity securities on a held and not held basis through both channels consistent with its duty of best execution, but there are differences in how MSSB is compensated for the services it performs, which, as described in detail below, can impact the price improvement opportunities and trade executions that MSSB customers receive from Citadel.

Customers of the Full-Service Channel receive services from MSSB relating to the operation, servicing, and administration of their MSSB brokerage or advised accounts and the generation of orders for such accounts, including the services of a Financial Advisor. Among other things, MSSB receives compensation for customer Full-Service Channel executions from commissions on customers' brokerage account order executions and fees on their advised accounts. As a result, MSSB does not seek or receive payment for order flow on such orders from Citadel. In addition, as more fully described below, Citadel may send certain MSSB customer orders to an exchange or other market center for execution, including to market centers from which Citadel may receive payment in the form of rebates. Conversely, customers of the Self-Directed Channel generally generate and enter orders themselves for their brokerage accounts based upon their own investment decision making and without the benefit of the services of a Financial Advisor. Self-Directed Channel orders in NMS equities are subject to MSSB's $9 commission policy, pursuant to which customers generally do not pay base commissions for order handling and execution of their Self-Directed Channel NMS equities orders (subject to disclosed exceptions as described more fully at https://us.etrade.com/what-we-offer/pricing-and-rates). Because MSSB does not charge commissions on these Self-Directed Channel orders, MSSB seeks to be compensated, among other ways, through the receipt of payment for order flow from equity securities market makers, including Citadel. While the majority of Self-Directed Channel customers were customers of MSSB's affiliate broker-dealer, E*TRADE Securities LLC ("ETS") in Q2 2023 and not MSSB, a portion of Self-Directed Channel customers were customers of MSSB during Q2 2023. The Self-Directed Channel order statistics reflected in the tables above (which also include details on Full-Service Channel orders) include only those Self-Directed Channel orders routed by MSSB. Quarterly order routing statistics for ETS are available at https://us.etrade.com/quarterly-order-routing-report.

Citadel generates revenue from executing or facilitating the execution of MSSB customer orders. In exchange for routing such orders to Citadel, and solely with respect to Self-Directed Channel orders, MSSB receives payments from Citadel in the amounts outlined in the above Public Order Routing Report disclosures (i.e. payment for order flow), calculated at a rate of $0.002 per share for non-directed, NMS equity market and marketable limit order executions priced at $1.00 per share or more and $0.0031 per share for non-directed, NMS equity non-marketable limit order executions priced at $1.00 per share or more. MSSB does not receive payment from Citadel for NMS equity executions on Self-Directed Channel orders priced below $1.00 per share. Apart from certain Self-Directed Channel orders routed to Morgan Stanley & Co., LLC as disclosed above, MSSB only routes Self-Directed Channel NMS equity orders to market makers that pay for customer order flow, and all such market makers are subject to substantially the same rates of payment. For clarity, and as indicated above, MSSB does not receive payment from Citadel with respect to Full-Service Channel order executions.

To take advantage of rules adopted by the U.S. securities exchanges that allow retail orders to be eligible for certain potential benefits, including additional price improvement from retail liquidity programs and higher queue priority from retail attestation programs, and to allow Citadel to access such potential benefits for Self-Directed Channel NMS equity orders, MSSB marks applicable orders as retail orders on an order-by-order basis. MSSB and Citadel, however, do not have any arrangements:

A. that require MSSB to meet certain volume thresholds or that provide incentives to MSSB for meeting or exceeding certain volume thresholds;
B. that require MSSB to meet certain minimum volume thresholds or that provide disincentives to MSSB for failing to meet certain minimum volume thresholds;
C. for volume-based tiered payment schedules; or
D. that require MSSB to route any orders or a minimum number of orders to Citadel.

There is a potential conflict for a market maker such as Citadel both paying for order flow on applicable Self-Directed Channel orders and providing price improvement for such orders as the potential source of funds for each is the same, namely the anticipated profit the market maker seeks to earn from executing or facilitating the execution of Self-Directed Channel customer orders. Accordingly, from such anticipated profit, a market maker such as Citadel can (i) forgo a portion of such anticipated profit to provide price improvement; (ii) forgo a portion of such anticipated profit to pay for order flow; or (iii) retain a larger portion of anticipated profit and not provide (or provide less) price improvement or not provide (or provide less) payment for order flow. A market maker's (such as Citadel's) anticipated profit must be allocated among these three sub-categories, such that an increased allocation to any one sub-category will result in a decreased allocation to one or more of the other sub-categories. The allocation of resources between the three subcategories listed above, including the risk of overallocation to market maker profits at the expense of providing price improvement on Self-Directed Channel customer orders, is informed and mitigated by competition for order flow amongst MSSB's market makers under the same general payment for order flow terms applicable to Citadel. A market maker such as Citadel executing a Full-Service Channel order does not have to allocate any of its anticipated profit in connection with such order to the payment for order flow subcategory (as it would with Self-Directed Channel orders) and is therefore able to allocate its anticipated profit to one or more other sub-categories (that is, to provide more price improvement or retain more anticipated profit or a mixture of the two). These same potential conflicts do not apply to Full-Service Channel customer order executions because MSSB does not receive payment for order flow from Citadel on these order executions and instead is compensated directly by MSSB's customers as described above.

In addition to revenues that Citadel may collect for executing or facilitating the execution of customer orders (both Full-Service Channel and Self-Directed Channel customer orders) that MSSB routes to Citadel, Citadel also receives remuneration from U.S. securities exchanges to which it routes or directs MSSB customer orders in the form of rebates. These U.S. exchange rebate payments could, in theory incentivize Citadel to route higher percentages of MSSB customer orders to particular venues over others, subject to Citadel's independent order routing and best execution obligations. MSSB does not share directly in any such rebates Citadel receives for executions of MSSB customer orders, although Citadel could potentially use such rebates to provide price improvement to MSSB customers, order flow payments to MSSB with respect to Self-Directed Channel orders, or both.

Virtu Americas, LLC:
Morgan Stanley Smith Barney LLC (“MSSB”) routes NMS equity orders to Virtu Americas, LLC (“Virtu”) to facilitate liquidity provision and price improvement opportunities for its customers. MSSB operates two primary service channels for its wealth management customers, the Full-Service Channel and the E*TRADE from Morgan Stanley Self-Directed Channel (“Self-Directed Channel”). Although the columns in the table above which set out the percentage of the various order types combine order flow from MSSB’s Full-Service Channel and Self-Directed Channel, the payment figures in the table above reflect only Self-Directed Channel order executions. The Full-Service Channel does not receive payment for order flow on these orders, whereas the Self-Directed Channel does. MSSB receives and handles non-directed customer orders in NMS equity securities on a held and not held basis through both channels consistent with its duty of best execution, but there are differences in how MSSB is compensated for the services it performs, which, as described in detail below, can impact the price improvement opportunities and trade executions that MSSB customers receive from Virtu.

Customers of the Full-Service Channel receive services from MSSB relating to the operation, servicing, and administration of their MSSB brokerage or advised accounts and the generation of orders for such accounts, including the services of a Financial Advisor. Among other things, MSSB receives compensation for customer Full-Service Channel executions from commissions on customers’ brokerage account order executions and fees on their advised accounts. As a result, MSSB does not seek or receive payment for order flow on such orders from Virtu. In addition, as more fully described below, Virtu may send certain MSSB customer orders to an exchange or other market center for execution, including to market centers from which Virtu may receive payment in the form of rebates. Conversely, customers of the Self-Directed Channel generally enter and execute orders themselves for their brokerage accounts based upon their own investment decision making and without the benefit of the services of a Financial Advisor. Self-Directed Channel orders in NMS equities are subject to MSSB’s $0 commission policy, pursuant to which customers generally do not pay base commissions for order handling and execution of their Self-Directed Channel NMS equities orders (subject to disclosed exceptions as described more fully at https://us.etrade.com/what-we-offer/pricing-and-rates). Because MSSB does not charge commissions on these Self-Directed Channel orders, MSSB seeks to be compensated, among other ways, through the receipt of payment for order flow from equity securities market makers, including Virtu. While the majority of Self-Directed Channel customers were customers of MSSB’s affiliate broker-dealer, E*TRADE Securities LLC (“ETS”) in Q2 2023 and not MSSB, a portion of Self-Directed Channel customers were customers of MSSB during Q2 2023. The Self-Directed Channel order statistics reflected in the tables above (which also include details on Full-Service Channel orders) include only those Self-Directed Channel orders routed by MSSB. Quarterly order routing statistics for ETS are available at https://us.etrade.com/quarterly-order-routing-report.

Virtu generates revenue from executing or facilitating the execution of MSSB customer orders. In exchange for routing such orders to Virtu, and solely with respect to Self-Directed Channel orders, MSSB receives payments from Virtu in the amounts outlined in the above Public Order Routing Report disclosures (i.e. payment for order flow), calculated at a rate of $0.002 per share for non-directed, NMS equity market and marketable limit order executions priced at $1.00 per share or more and $0.0031 per share for non-directed, NMS equity non-marketable limit order executions priced at $1.00 per share or more. MSSB does not receive payment from Virtu for NMS equity executions on Self-Directed Channel orders priced below $1.00 per share. Apart from certain Self-Directed Channel orders routed to Morgan Stanley & Co., LLC as disclosed above, MSSB only routes Self-Directed Channel NMS equity orders to market makers that pay for customer order flow, and all such market makers are subject to substantially the same rates of payment. For clarity, and as indicated above, MSSB does not receive payment from Virtu with respect to Full-Service Channel order executions.

To take advantage of rules adopted by the U.S. securities exchanges that allow retail orders to be eligible for certain potential benefits, including additional price improvement from retail liquidity programs and higher queue priority from retail attestation programs, and to allow Virtu to access such potential benefits for Self-Directed Channel NMS equity orders, MSSB marks applicable orders as retail orders on an order-by-order basis. MSSB and Virtu, however, do not have any arrangements:

A. that require MSSB to meet certain volume thresholds or that provide incentives to MSSB for meeting or exceeding certain volume thresholds;
B. that require MSSB to meet certain minimum volume thresholds or that provide disincentives to MSSB for failing to meet certain minimum volume thresholds;
C. for volume-based tiered payment schedules; or
D. that require MSSB to route any orders or a minimum number of orders to Virtu.

There is a potential conflict for a market maker such as Virtu both paying for order flow on applicable Self-Directed Channel orders and providing price improvement for such orders as the potential source of funds for each is the same, namely the anticipated profit the market maker seeks to earn from executing or facilitating the execution of Self-Directed Channel customer orders. Accordingly, from such anticipated profit, a market maker such as Virtu can (i) forgo a portion of such anticipated profit to provide price improvement; (ii) forgo a portion of such anticipated profit to pay for order flow; or (iii) retain a larger portion of anticipated profit and not provide (or provide less) price improvement or not provide (or provide less) payment for order flow. A market maker’s (such as Virtu’s) anticipated profit must be allocated among these three sub-categories, such that an increased allocation to any one sub-category will result in a decreased allocation to one or more of the other sub-categories. The allocation of resources between the three sub-categories listed above, including the risk of overallocation to market maker profits at the expense of providing price improvement on Self-Directed Channel customer orders, is informed and mitigated by competition for Self-Directed Channel order flow amongst MSSB’s market makers under the same general payment for order flow terms applicable to Virtu. A market maker such as Virtu executing a Full-Service Channel order does not have to allocate any of its anticipated profit in connection with such order to the payment for order flow subcategory (as it would with Self-Directed Channel orders) and is therefore able to allocate its anticipated profit to one or more other sub-categories (that is, to provide more price improvement or retain more anticipated profit or a mixture of the two). These same potential conflicts do not apply to Full-Service Channel customer order executions because MSSB does not receive payment for order flow from Virtu on these order executions and instead is compensated directly by MSSB’s customers as described above.

In addition to rewards that Virtu may collect for executing or facilitating the execution of customer orders (both Full-Service Channel and Self-Directed Channel customer orders) that MSSB routes to Virtu, Virtu also receives remuneration from U.S. securities exchanges to which it routes or directs MSSB customer orders in the form of rebates. These U.S. exchange rebate payments could, in theory, incentivize Virtu to route higher percentages of MSSB customer orders to particular venues over others, subject to Virtu’s independent order routing and best execution obligations. MSSB does not share directly in any such rebates Virtu receives for executions of MSSB customer orders, although Virtu could potentially use such rebates to provide price improvement to MSSB customers, order flow payments to MSSB with respect to Self-Directed Channel orders, or both.

G1 Execution Services, LLC
Morgan Stanley Smith Barney LLC ("MSSB") routes NMS equity orders to G1 Executions Services, LLC ("G1X") to facilitate liquidity provision and price improvement opportunities for its customers. MSSB operates two primary service channels for its wealth management customers, the Full-Service Channel and the ETFRADE from Morgan Stanley Self-Directed Channel ("Self-Directed Channel"). Although the columns in the table above which set out the percentage of the various order types combine order flow from MSSB's Full-Service Channel and Self-Directed Channel, the payment figures in the table above reflect only Self-Directed Channel order executions. The Full-Service Channel does not receive payment for order flow on these orders, whereas the Self-Directed Channel does. MSSB receives and handles non-directed customer orders in NMS equity securities on a held and not held basis through both channels consistent with its duty of best execution, but there are differences in how MSSB is compensated for the services it performs, which, as described in detail below, can impact the price improvement opportunities and trade executions that MSSB customers receive from G1X.

Customers of the Full-Service Channel receive services from MSSB relating to the operation, servicing, and management of their MSSB brokerage or advised accounts and the generation of orders for such accounts, including the services of a Financial Advisor. Among other things, MSSB receives compensation for customer Full-Service Channel executions from commissions on customers' brokerage account order executions and fees on their advised accounts. As a result, MSSB does not seek or receive payment for order flow on such orders from G1X. In addition, as more fully described below, G1X may send certain MSSB customer orders to an exchange or other market center for execution, including to market centers from which G1X may receive payment in the form of rebates. Conversely, customers of the Self-Directed Channel generally generate and enter orders themselves for their own investment decision making and without the benefit of the services of a Financial Advisor. Self-Directed Channel orders in NMS equities are subject to MSSB’s $0 commission policy, pursuant to which customers generally do not pay base commissions for order handling and execution of their Self-Directed Channel NMS equities orders (subject to disclosed exceptions as described more fully at https://us.etrade.com/what-we-offer/pricing-and-rates). Because MSSB does not charge commissions on these Self-Directed Channel orders, MSSB seeks to be compensated, among other ways, through the receipt of payment for order flow from equity securities market makers, including G1X. While the majority of Self-Directed Channel customers were customers of MSSB’s affiliate broker-dealer, ETTRADE Securities LLC ("ETS") in Q2 2023 and not MSSB, a portion of Self-Directed Channel customers were customers of MSSB during Q2 2023. The Self-Directed Channel order statistics reflected in the tables above (which also include details on Full-Service Channel orders) include only those Self-Directed Channel orders routed by MSSB. Quarterly order routing statistics for ETS are available at https://us.etrade.com/q/quarterly-order-routing-report.

G1X generates revenue from executing or facilitating the execution of MSSB customer orders. In exchange for routing such orders to G1X, and solely with respect to Self-Directed Channel orders, MSSB receives payments from G1X in the amounts outlined in the above Public Order Routing Report disclosures (i.e., payment for order flow), calculated at a rate of $0.002 per share for non-directed, NMS equity market and marketable limit order executions priced at $1.00 per share or more and $0.0031 per share for non-directed, NMS equity non-marketable limit order executions priced at $1.00 per share or more. MSSB does not receive payment from G1X for NMS equity executions on Self-Directed Channel orders priced below $1.00 per share. Apart from certain Self-Directed Channel orders routed to Morgan Stanley & Co., LLC as disclosed above, MSSB only routes Self-Directed Channel NMS equity orders to market makers that pay for customer order flow, and all such market makers are subject to substantially the same rates of payment. For clarity, and as indicated above, MSSB does not receive payment from G1X with respect to Full-Service Channel order executions.

To take advantage of rules adopted by the U.S. securities exchanges that allow retail orders to be eligible for certain potential benefits, including additional price improvement from retail liquidity programs and higher queue priority from retail attestation programs, and to allow G1X to access such potential benefits for Self-Directed Channel NMS equity orders, MSSB marks applicable orders as retail orders on an order-by-order basis. MSSB and G1X, however, do not have any arrangements:

A. that require MSSB to meet certain volume thresholds or that provide incentives to MSSB for meeting or exceeding certain volume thresholds;
B. that require MSSB to meet certain minimum volume thresholds or that provide disincentives to MSSB for failing to meet certain minimum volume thresholds;
C. for volume-based tiered payment schedules; or
D. that require MSSB to route any orders or a minimum number of orders to G1X.

There is a potential conflict for a market maker such as G1X both paying for order flow on applicable Self-Directed Channel orders and providing price improvement for such orders as the potential source of funds for each is the same, namely the anticipated profit the market maker seeks to earn from executing or facilitating the execution of Self-Directed Channel customer orders. Accordingly, from such anticipated profit, a market maker such as G1X can: (i) forgo a portion of such anticipated profit to provide price improvement; (ii) forgo a portion of such anticipated profit to pay for order flow; or (iii) retain a larger portion of anticipated profit and not provide or provide less price improvement or not provide (or provide less) payment for order flow. A market maker's (such as G1X's) anticipated profit must be allocated among these three sub-categories, such that an increased allocation to any one sub-category will result in a decreased allocation to one or more of the other sub-categories. The allocation of resources between the three subcategories is determined by the market maker profits at the expense of providing price improvement on Self-Directed Channel customer orders, is informed and mitigated by competition for the order flow amongst MSSB's market makers under the same general payment for order flow terms applicable to G1X. A market maker such as G1X executing a Full-Service Channel order does not have to allocate any of its anticipated profit in connection with such order to the payment for order flow subcategory (as it would with Self-Directed Channel orders) and is therefore able to allocate its anticipated profit to one or more other sub-categories (that is, to provide more price improvement or retain more anticipated profit or a mixture of the two). These same potential conflicts do not apply to Full-Service Channel customer order executions because MSSB does not receive payment for order flow from G1X on these order executions and instead is compensated directly by MSSB's customers as described above.

In addition to revenues that G1X may collect for executing or facilitating the execution of customer orders (both Full-Service Channel and Self-Directed Channel customer orders) that MSSB routes to G1X, G1X also receives remuneration from U.S. securities exchanges to which it routes or directs MSSB customer orders in the form of rebates. These U.S. exchange rebate payments could, in theory, incentivize G1X to route higher percentages of MSSB customer orders to particular venues over others, subject to G1X’s independent order routing and best execution obligations. MSSB does not share directly in any such rebates G1X receives for executions of MSSB customer orders, although G1X could potentially use such rebates to provide price improvement to MSSB customers, order flow payments to MSSB with respect to Self-Directed Channel orders, or both.

Two Sigma Securities, LLC,
Morgan Stanley Smith Barney LLC ("MSSB") routes NMS equity orders to Two Sigma Securities, LLC ("Two Sigma") to facilitate liquidity provision and price improvement opportunities for its customers. MSSB operates two primary service channels for its wealth management customers, the Full-Service Channel and the E*TRADE from Morgan Stanley Self Directed Channel ("Self-Directed Channel"). Although the columns in the table above which set out the percentage of the various order types combine order flow from MSSB's Full-Service Channel and Self-Directed Channel, the payment figures in the table reflect only Self-Directed Channel order executions. The Full-Service Channel does not receive payment for order flow on these orders, whereas the Self-Directed Channel does. MSSB receives and handles non-directed customer orders in NMS equity securities on a held and not held basis through both channels consistent with its duty of best execution, but there are differences in how MSSB is compensated for the services it performs, which, as described in detail below, can impact the price improvement opportunities and trade executions that MSSB customers receive from Two Sigma.

Customers of the Full-Service Channel receive services from MSSB relating to the operation, servicing, and administration of their MSSB brokerage or advised accounts and the generation of orders for such accounts, including the services of a Financial Advisor. Among other things, MSSB receives compensation for customer Full-Service Channel executions from commissions on customers' brokerage account order executions and fees on their advised accounts. As a result, MSSB does not seek or receive payment for order flow on such orders from Two Sigma. In addition, as more fully described below, Two Sigma may send certain MSSB customer orders to an exchange or other market center for execution, including to market centers from which Two Sigma may receive payment in the form of rebates. Conversely, customers of the Self-Directed Channel generally generate and enter orders themselves for their brokerage accounts based upon their own investment decision making and without the benefit of the services of a Financial Advisor. Self-Directed Channel orders in NMS securities are subject to MSSB's $0 commission policy, pursuant to which customers generally do not pay base commissions for order handling and execution of their Self-Directed Channel NMS securities orders (subject to disclosed exceptions as described more fully at https://us.etrade.com/what-we-offer/pricing-and-rates). Because MSSB does not charge commissions on these Self-Directed Channel orders, MSSB seeks to be compensated, among other ways, through the receipt of payment for order flow from equity securities market makers, including Two Sigma. While the majority of Self-Directed Channel customers were customers of MSSB's affiliate broker-dealer, E*TRADE Securities LLC ("ETS") in Q2 2023 and not MSSB, a portion of Self-Directed Channel customers were customers of MSSB during Q2 2023. The Self-Directed Channel order statistics reflected in the tables above (which also include details on Full-Service Channel orders) include only those Self-Directed Channel orders routed by MSSB. Quarterly order routing statistics for ETS are available at https://us.etrade.com/quarterly-order-routing-report.

Two Sigma generates revenue from executing or facilitating the execution of MSSB customer orders. In exchange for routing such orders to Two Sigma, and solely with respect to Self-Directed Channel orders, MSSB receives payments from Two Sigma in the amounts outlined in the above Public Order Routing Report disclosures (i.e. payment for order flow), calculated at a rate of $0.002 per share for non-directed, NMS equity market and marketable limit order executions priced at $1.00 per share or more and $0.0031 per share for non-directed, NMS equity nonmarketable limit order executions priced at $1.00 per share or more. MSSB does not receive payment from Two Sigma for NMS equity executions on Self-Directed Channel orders priced below $1.00 per share. Apart from certain Self-Directed Channel orders routed to Morgan Stanley & Co., LLC as disclosed above, MSSB only routes Self-Directed Channel NMS equity orders to market makers that pay for customer order flow, and all such market makers are subject to substantially the same rates of payment. For clarity, and as indicated above, MSSB does not receive payment from Two Sigma with respect to Full-Service Channel order executions.

To take advantage of rules adopted by the U.S. securities exchanges that allow retail orders to be eligible for certain potential benefits, including additional price improvement from retail liquidity programs and higher queue priority from retail attestation programs, and to allow Two Sigma to access such potential benefits for Self-Directed Channel NMS equity orders, MSSB marks applicable orders as retail orders on an order-by-order basis. MSSB and Two Sigma, however, do not have any arrangements:

A. that require MSSB to meet certain volume thresholds or that provide incentives to MSSB for meeting or exceeding certain volume thresholds;
B. that require MSSB to meet certain minimum volume thresholds or that provide disincentives to MSSB for failing to meet certain minimum volume thresholds;
C. for volume-based tiered payment schedules; or
D. that require MSSB to route any orders or a minimum number of orders to Two Sigma.

There is a potential conflict for a market maker such as Two Sigma both paying for order flow on applicable Self-Directed Channel orders and providing price improvement for such orders as the potential source of funds for each is the same, namely the anticipated profit the market maker seeks to earn from executing or facilitating the execution of Self-Directed Channel customer orders. Accordingly, from such anticipated profit, a market maker such as Two Sigma can (i) forgo a portion of such anticipated profit to provide price improvement; (ii) forgo a portion of such anticipated profit to pay for order flow; or (iii) retain a larger portion of anticipated profit and not provide (or provide less) price improvement or not provide (or provide less) payment for order flow. A market maker's (such as Two Sigma's) anticipated profit must be allocated among these three sub-categories, such that an increased allocation to any one sub-category will result in a decreased allocation to one or more of the other sub-categories. The allocation of resources between the three subcategories listed above, including the risk of overallocation to market maker profits at the expense of providing price improvement on Self-Directed Channel orders, is informed and mitigated by competition for Self-Directed Channel order flow amongst MSSB's market makers under the same general payment for order flow terms applicable to Two Sigma. A market maker such as Two Sigma executing a Full-Service Channel order does not have to allocate any of its anticipated profit in connection with such order to the payment for order flow subcategory (as it would with Self-Directed Channel orders) and is therefore able to allocate its anticipated profit to one or more other sub-categories (that is, to provide more price improvement or retain more anticipated profit or a mixture of the two). These same potential conflicts do not apply to Full-Service Channel customer order executions because MSSB does not receive payment for order flow from Two Sigma on these order executions and instead is compensated directly by MSSB's customers as described above.

In addition to revenues that Two Sigma may collect for executing or facilitating the execution of customer orders (both Full-Service Channel and Self-Directed Channel customer orders) that MSSB routes to Two Sigma, Two Sigma also receives remuneration from U.S. securities exchanges to which it routes or directs MSSB customer orders in the form of rebates. These U.S. exchange rebate payments could, in theory, incentize Two Sigma to route higher percentages of MSSB customer orders to particular venues over others, subject to Two Sigma's independent order routing and best execution obligations. MSSB does not share directly in any such rebates Two Sigma receives for executions of MSSB customer orders, although Two Sigma could potentially use such rebates to provide price improvement to MSSB customers, order flow payments to MSSB with respect to Self-Directed Channel orders, or both.

Jane Street Capital:
Morgan Stanley Smith Barney LLC ("MSSB") routes NMS equity orders to Jane Street Capital ("Jane Street") to facilitate liquidity provision and price improvement opportunities for its customers. MSSB operates two primary service channels for its wealth management customers including the Full-Service Channel and the E*TRADE from Morgan Stanley Self-Directed Channel ("Self-Directed Channel"). Customers of the Full-Service Channel receive services from MSSB relating to the operation, servicing, and administration of their MSSB brokerage or advised accounts along with the generation of orders for such accounts, including the services of a Financial Advisor. Among other things, MSSB gives compensation to its customers for the services of its Full-Service Channel clients from commissions on their broker-dealer account orders and fees on their advised accounts. As a result, MSSB does not seek or receive payment for order flow on such orders. Conversely, customers of the Self-Directed Channel generally generate and enter orders themselves based upon their own investment decision making and without the benefit of the services of a Financial Advisor. Self-Directed Channel orders in NMS equity markets are subject to MSSB’s 0% commission policy, pursuant to which customers generally do not pay base commissions for order handling and execution of their Self-Directed Channel NMS equities orders (subject to disclosed descriptions more fully described at https://us.etrade.com/what-we-offer/pricing-and-rates). Because MSSB does not charge commission on these Self-Directed Channel orders, MSSB seeks to be compensated, among other ways, through the receipt of payment of order flow from equity securities market makers, including Jane Street. While the majority of Self-Directed Channel customers were customers of MSSB’s affiliate broker-dealer, E*TRADE Securities LLC ("ETS") in Q2 2023 and not MSSB, a portion of Self-Directed Channel customers were customers of MSSB during Q2 2023.

The tables above reflect Self-Directed Channel orders routed by MSSB only. Quarterly order routing statistics for ETS are available at https://us.etrade.com/quarterly-order-routing-report. MSSB does not route Full-Service Channel NMS equity orders to Jane Street.

Jane Street generates revenue from executing or facilitating the execution of Self-Directed Channel customer orders. In exchange for such routing, and solely with respect to Self-Directed Channel orders, MSSB receives payments from Jane Street in the amounts outlined in the above Public Order Routing Report disclosures, calculated at a rate of $0.002 per share for non-directed, NMS equity market and marketable limit orders executed at $1.00 per share or more and $0.0031 per share for non-directed, NMS equity non-marketable limit execution orders executed at $1.00 per share or more. MSSB does not receive payment from Jane Street for NMS equity executions below $1.00 per share. Apart from certain Self-Directed Channel orders routed to Morgan Stanley & Co., LLC as disclosed above, MSSB only routes Self-Directed Channel NMS equity orders to Jane Street that are subject to disclosed descriptions more fully described at https://us.etrade.com/what-we-offer/pricing-and-rates.

To take advantage of rules adopted by the U.S. securities exchanges that allow retail orders to be eligible for certain potential benefits, including additional price improvement from retail liquidity programs and higher queue priority from retail attrition programs, and to allow Jane Street to access such potential benefits for Self-Directed Channel customer orders, MSSB marks applicable order flow as retail orders on an order-by-order basis. Jane Street, however, does not have any arrangements:

- D. that require MSSB to route any orders or a minimum number of orders to Jane Street.

There is a potential conflict for a maker such as Jane Street both paying for order flow on applicable Self-Directed Channel orders and providing price improvement for such orders as the potential source of funds for each is the same, namely the anticipated profit the maker seeks to earn from executing or facilitating the execution of Self-Directed Channel customer orders. Accordingly, from such anticipated profit, a market maker such as Jane Street can (i) forgo a portion of such anticipated profit to provide price improvement; (ii) forgo a portion of such anticipated profit to pay for order flow; or (iii) retain a larger portion of anticipated profit and not provide (or provide less) price improvement or not provide (or provide less) payment for order flow. A market maker’s (such as Jane Street’s) anticipated profit must be allocated among these three sub-categories, such that an increased allocation to any one sub-category will result in a decreased allocation to one or more of the other sub-categories. The allocation of resources between the three subcategories listed above, including the risk of overallocation to market maker profits, at the expense of providing price improvement on order flow, is informed and mitigated by competition for order flow amongst MSSB’s market makers under the same general payment for order flow terms applicable to Jane Street.

In addition to revenues that Jane Street may collect for executing or facilitating the execution of Self-Directed Channel customer orders that MSSB routes to Jane Street, Jane Street also receives remuneration from U.S. securities exchanges to which it routes or directs MSSB customer orders in the form of rebates. These U.S. exchange rebate payments could, in theory, incentivize Jane Street to route higher percentages of MSSB customer orders to particular venues over others, subject to Jane Street’s independent order routing and best execution obligations. Exchange rebates paid to Jane Street for MSSB customer executions are not passed through to MSSB or its customers, although Jane Street could potentially use these rebates to provide price improvement to MSSB customers, order flow payments to MSSB with respect Self-Directed Channel orders, or both.

Cboe EDGX Exchange, Inc.

Morgan Stanley Smith Barney LLC ("MSSB") routes NMS equity orders to Cboe EDGX Exchange, Inc. through its affiliated Morgan Stanley & Co., LLC ("MS&Co."). Cboe EDGX Exchange, Inc. ("EDGX") receiving payments from its customers including the E*TRADE from Morgan Stanley Full-Service Channel. Customers of the Full-Service Channel receive services from MSSB relating to the operation, servicing, and administration of their MSSB brokerage or advised accounts and the generation of orders for such accounts, including the services of a Financial Advisor. Among other things, MSSB compensates for customer Full-Service Channel orders from commissions on their broker-dealer account orders and fees on their advised accounts. Conversely, customers of the Self-Directed Channel generally generate and enter orders themselves for their brokerage accounts based upon their own investment decision making and without the benefit of the services of a Financial Advisor. Self-Directed Channel orders in NMS equities markets are subject to disclosed descriptions more fully described at https://us.etrade.com/what-we-offer/pricing-and-rates. Because MSSB does not charge commission on these Self-Directed Channel orders, the Firm seeks to be compensated, among other ways, through payment for order flow from MSSB’s equity market making activity. MSSB compensates EDGX in further detail below, from rebates on executions of Self-Directed Channel orders that MSSB routes to certain U.S. securities exchanges directly and indirectly through its affiliate Morgan Stanley & Co., LLC ("MS&Co."), including Self-Directed Channel orders that MSSB routes to EDGX through MS&Co. While EDGX determines where to route customer orders based on, and consistent with its best execution obligations, these U.S. exchange rebate payments could, in theory, incentivize MSSB to route higher percentages of customer orders to particular venues over others. While the majority of Self-Directed Channel customers were customers of MS&Co’s affiliate broker-dealer, E*TRADE Securities LLC ("ETS") in Q2 2023 and not MSSB, a portion of Self-Directed Channel customers were customers of MSSB during Q2 2023.

The tables above reflect Self-Directed Channel orders routed by MS&Co. only. Quarterly order routing studies for ETS are available at https://us.etrade.com/quarterly-order-routing-report. MS&Co. does not route Full-Service Channel NMS equity orders to EDGX directly or indirectly through MS&Co., depending on market conditions, order pricing, and the order handling practices of, and regulatory requirements applicable to the market orders to which MS&Co. routes customer orders, MS&Co. Full-Service Channel non-directed NMS equity orders may be indirectly routed to, and executed on EDGX, including through MS&Co’s affiliate MS&Co., which is market maker on EDGX.

MS&Co. either pays a fee or receives a rebate on behalf of MSSB for each Self-Directed Channel customer order execution on EDGX, depending on whether the order added to or subtracted from liquidity on the exchange. For clarity, MSSB pays such fee or receives such rebate, as applicable, on executions of Self-Directed Channel orders that MSSB routes to EDGX directly through MS&Co. and may also benefit indirectly from profits realized from exchange rebates to MS&Co. for executing MSSB orders MS&Co. receives in its capacity as market maker, which MSSB may also receive from executions of EDGX. As a result of the corporate affiliation between MS&Co. and MS&Co., MS&Co. may share indirectly in any such profits generated by MS&Co. The fees and rebates referenced above are subject to volume pricing. To the extent that MS&Co. meets the exchange volume thresholds necessary to qualify for preferred pricing under EDGX’s Fees Schedule in a given month, increased (rather than standard) rebate rates and decreased (rather than standard) fees will apply. Because EDGX offers higher rebates and lower fees based on a tiered volume model, there is a potential conflict in that such rebates and fees could, in theory, incentivize MS&Co. to route a higher percentage of MS&Co. customer orders to EDGX through MS&Co. rather than another venue in order to reach a higher tier: MS&Co. and EDGX, however, do not have any arrangements:

- A. that require MSSB to meet certain volume thresholds;
- B. that require MSSB to meet certain minimum volume thresholds or that provide disincentives to MSSB for failing to meet certain minimum thresholds;
- C. for volume-based tiered payment schedules beyond the tiered volume model set forth in the EDGX Fees Schedule as described above; or
- D. that require MSSB to route any orders or a minimum number of orders to EDGX.

The fees MS&Co. pays and rebates pays MS&Co. through EDGX for MSSB’s equity order executions are determined based on EDGX’s tiered volume schedule. Schedules delineating orders eligible for such rebates and the applicable rates are published publicly by EDGX in the EDGX Fees Schedule, available at http://www.cboe.com/us/equities/membership/fee_schedule/edgx/. Please note that EDGX’s publicly available Fees Schedule URL link and applicable rates may change without notice. In general, during Q2 2023, EDGX paid MS&Co. rebate rates of $0.0027 per share for Self-Directed Channel orders priced at $1.00 per share or more and $0.0025 per share for executions priced at $1.00 per share or more and a 0.28% fee of the total notional value on executions priced below $1.00 per share. For Q2 2023, MS&Co. received rebates (net of fees) from EDGX in the amount of $11 in April, $85 in May and $2,041 in June. For clarity, as indicated above, MS&Co. routes Self-Directed Channel orders to EDGX through MS&Co. with specific routing instructions to send to EDGX pursuant to MS&Co’s order routing determinations whereas MS&Co. does not route Full-Service Channel orders to EDGX for execution directly or indirectly through MS&Co. other than as described by MS&Co.

MS&Co. also participates in EDGX’s retail order priority program under which eligible retail orders receive priority ahead of other available interest at a given price level or other enhanced execution benefits. MS&Co. receives customers’ activity on a periodic basis to determine program eligibility and reserves the right to choose whether to participate in the EDGX retail order priority program. MS&Co. routes orders to EDGX through MS&Co. will be combined with any other order flow that MS&Co. routes to EDGX for the purpose of determining the applicable pricing under EDGX’s tiered pricing model described above. It is possible that MS&Co. could generate additional profit as a result of the combination of such order flow and the incentives of such tiered pricing program including on behalf of MS&Co. Further disclosures regarding routing of orders through MS&Co. are provided in the above Public Order Routing Report disclosures for MS&Co.

The Nasdaq Stock Market.
Morgan Stanley Smith Barney LLC ("MSSB") routes NMS equity orders to the Nasdaq Stock Market ("NASDAQ") to facilitate liquidity provision and price improvement opportunities for its customers. MSSB operates two primary service channels for its wealth management customers including the Full-Service Channel and the E-TRADe from Morgan Stanley Self-Directed Channel ("Self-Directed Channel"). Customers of the Full-Service Channel receive services from MSSB relating to the operation, servicing, and administration of their MSSB brokerage or advised accounts. Customers of the Full-Service Channel receive compensation for each time they participate in the services of their brokerage accounts orders and fees on their advised accounts. Conversely, customers of the Self-Directed Channel generally enter orders themselves for their brokerage accounts based upon their own investment decision making and without the benefit of services of a Financial Advisor. Self-Directed Channel orders for NMS equity securities are subject to MSSB's $0 commission policy, pursuant to which customers generally do not pay base commission for order handling and execution of Direct-Cancelled Market Orders ("D-COM"), and other work-in-progress, time payments for order flow from MS&Co's equity market makers and, as described in further detail below, from rebates on executions of Self-Directed Channel orders that MSSB routes to certain U.S. securities exchanges directly and indirectly, including NASDAQ. While MSSB determines where to route customer orders based on, and consistent with its best execution obligations, these U.S. exchange rebate payments could, in theory, incentivize MSSB to route a higher percentage of its customer orders to exchanges that pay rebates and rebates referenced above are subject to volume pricing. To the extent that MSSB route executions of Self-Directed Channel orders that MSSB routes to NASDAQ’s Fees Schedule in a given month, increased (rather than standard) rebate rates and decreased (rather than standard) fees will apply. Because NASDAQ offers higher rebates and lower fees based on a tiered volume model, there is a potential conflict in that such rebates and fees could, in theory, incentivize MSSB to route a higher percentage of its customer orders to NASDAQ rather than another venue in order to reach a higher tier. MSSB and NASDAQ, however, do not have any arrangements:

- that require MSSB to meet certain volume thresholds;
- that require MSSB to meet certain minimum volume thresholds or that provide discordinates to MS&Co for failing to meet certain minimum volume thresholds;
- for volume-based tiered payment schedules beyond the tiered volume model set forth in the NASDAQ Fees Schedule as described above;
- or that require MSSB to route any orders or a minimum number of orders to NASDAQ.

The fees MSSB pays and rebates MS&Co receives for executions based on NASDAQ's tiered volume equations are determined based on NASDAQ's tiered volume schedule. Schedules delineating orders eligible for such rebates and the applicable rates are published publicly by NASDAQ in the NASDAQ Fees Schedule, available at http://www.nasdaqtrader.com/trader.aspx?id=tx_pricing. Please note that NASDAQ’s publicly available Fees Schedule URL and applicable rates may change without notice. In general, during Q2 2023, NASDAQ paid MS&Co standard rebate rates of $0.00295 per share for Self-Directed Channel executions priced at $1.00 per share or more and not pay any per share amount for executions priced below $1.00 per share. Self-Directed Channel executions that removed liquidity from NASDAQ qualified for tier pricing and was charged fees of $0.003 per share for NASDAQ's EQX rebates for executions as described above. MSSB could generate additional profits as a result of the combination of such order flow and the incentives of such tiered pricing program. Further disclosures regarding routing of orders through MS&Co, including to NASDAQ, are provided in the material asset disclosure for MEXX.

Members Exchange (MEMX)

Morgan Stanley Smith Barney LLC ("MSSB") routes NMS equity orders to MEMX LLC ("MEMX") through its affiliate Morgan Stanley & Co. LLC ("MS&Co."), to facilitate liquidity provision and price improvement opportunities for its customers. MSSB operates two primary service channels for its wealth management customers including the Full-Service Channel and the E-TRADe from Morgan Stanley Self-Directed Channel ("Self-Directed Channel"). Customers of the Full-Service Channel receive services from MSSB relating to the operation, servicing, and administration of their MSSB brokerage or advised accounts and the generation of orders for such accounts, including the services of a Financial Advisor. Among other things, MSSB receives compensation for customer Full-Service Channel orders from commissions on their brokerage account orders and fees on their advised accounts. Customers of the Full-Service Channel generally enter orders themselves for their brokerage accounts based upon their own investment decision making and without the benefit of the services of a Financial Advisor. Self-Directed Channel orders for NMS equity securities are subject to MEMX’s $0 commission policy, pursuant to which customers generally do not pay base commission for order handling and execution of Self-Directed Channel NMS equity orders (subject to disclosed exceptions described more fully at https://us.etrade.com/about-us/fees-and-commissions). MSSB does not charge commission on these Self-Directed Channel orders, the Firm seeks to be compensated, among other things, through pay-in for order flow from MS&Co’s equity market makers and, as described in further detail below, from rebates on executions of Self-Directed Channel orders that MSSB routes to certain U.S. securities exchanges directly and indirectly, including NASDAQ. Because MSSB does not charge commission on these Self-Directed Channel orders, the Firm seeks to be compensated, among other things, through pay-in for order flow from MS&Co’s equity market makers and, as described in further detail below, from rebates on executions of Self-Directed Channel orders that MSSB routes to certain U.S. securities exchanges directly and indirectly, including NASDAQ. MSSB’s strategy for providing rebates and rebates referenced above are subject to volume pricing. To the extent that MSSB route executions of Self-Directed Channel orders that MSSB routes to NASDAQ’s Fees Schedule in a given month, increased (rather than standard) rebate rates and decreased (rather than standard) fees will apply. Because NASDAQ offers higher rebates and lower fees based on a tiered volume model, there is a potential conflict in that such rebates and fees could, in theory, incentivize MSSB to route a higher percentage of its customer orders to NASDAQ rather than another venue in order to reach a higher tier. MSSB and NASDAQ, however, do not have any arrangements:

- that require MSSB to meet certain volume thresholds;
- that require MSSB to meet certain minimum volume thresholds or that provide discordinates to MS&Co for failing to meet certain minimum volume thresholds;
- for volume-based tiered payment schedules beyond the tiered volume model set forth in the MEMX Fees Schedule as described above;
- or that require MSSB to route any orders or a minimum number of orders to MEMX.

The fees MSSB pays and rebates MS&Co receives for executions based on MEMX’s tiered volume equations are determined based on MEMX’s tiered volume schedule. Schedules delineating orders eligible for such rebates and the applicable rates are published publicly by MEMX in the MEMX Fees Schedule, available at http://memxtrading.com/fee-schedule. Please note that MEMX's published execution fee schedule link and applicable rates may change without notice. In general, during Q2 2023, MEMX paid MS&Co standard rebate rates of $0.0031 per share for Self-Directed Channel executions priced at $1.00 per share or more and did not pay any per share amount for executions priced below $1.00 per share. Self-Directed Channel executions that removed liquidity from MEMX qualified for tier pricing and was charged fees of $0.003 per share for MEMX's EQX rebates for executions as described above. MS&Co could generate additional profits as a result of the combination of such order flow and the incentives of such tiered pricing program. Further disclosures regarding routing of orders through MS&Co, including to MEMX, are provided in the material asset disclosure for MEMX.

MS&Co either pays a fee or receives a rebate for each Self-Directed Channel customer order execution on NASDAQ, depending on whether the order added to or subtracted from liquidity on the exchange. For clarity, MS&Co pays such fee or receives such rebate, as applicable, for executions of Self-Directed Channel orders that MSSB routes directly though MS&Co also may also pay rebates and rebates referenced above for executions of Direct-Cancelled Market Orders ("D-COM"), and other work-in-progress, time payments for order flow from MS&Co's equity market makers and, as described in further detail below, from rebates on executions of Self-Directed Channel orders that MSSB routes to certain U.S. securities exchanges directly and indirectly, including NASDAQ. While MS&Co determines where to route customer orders based on, and consistent with its best execution obligations, these U.S. exchange rebate payments could, in theory, incentivize MS&Co to route a higher percentage of its customer orders to exchanges that pay rebates and rebates referenced above are subject to volume pricing. To the extent that MS&Co route executions of Self-Directed Channel orders that MS&Co routes to NASDAQ’s Fees Schedule in a given month, increased (rather than standard) rebate rates and decreased (rather than standard) fees will apply. Because NASDAQ offers higher rebates and lower fees based on a tiered volume model, there is a potential conflict in that such rebates and fees could, in theory, incentivize MS&Co to route a higher percentage of its customer orders to NASDAQ rather than another venue in order to reach a higher tier. MS&Co and NASDAQ, however, do not have any arrangements:

- that require MS&Co to meet certain volume thresholds;
- that require MS&Co to meet certain minimum volume thresholds or that provide discordinates to MS&Co for failing to meet certain minimum volume thresholds;
- for volume-based tiered payment schedules beyond the tiered volume model set forth in the NASDAQ Fees Schedule as described above;
- or that require MS&Co to route any orders or a minimum number of orders to NASDAQ.

The fees MS&Co pays and rebates MSSB receives for executions based on NASDAQ's tiered volume equations are determined based on NASDAQ's tiered volume schedule. Schedules delineating orders eligible for such rebates and the applicable rates are published publicly by NASDAQ in the NASDAQ Fees Schedule, available at http://www.nasdaqtrader.com/trader.aspx?id=tx_pricing. Please note that NASDAQ’s publicly available Fees Schedule URL and applicable rates may change without notice. In general, during Q2 2023, NASDAQ paid MS&Co standard rebate rates of $0.00295 per share for Self-Directed Channel executions priced at $1.00 per share or more and did not pay any per share amount for executions priced below $1.00 per share. Self-Directed Channel executions that removed liquidity from NASDAQ qualified for tier pricing and was charged fees of $0.003 per share for NASDAQ's EQX rebates for executions as described above. MS&Co could generate additional profits as a result of the combination of such order flow and the incentives of such tiered pricing program. Further disclosures regarding routing of orders through MS&Co, including to NASDAQ, are provided in the material asset disclosure for MS&Co.
UBS Securities, LLC:
Morgan Stanley Smith Barney LLC ("MSSB") routes NMS equity orders to UBS Securities, LLC ("UBS") to facilitate liquidity provision and price improvement opportunities for its customers. MSSB operates two primary service channels for its wealth management customers including the Full-Service Channel and the E*TRADE from Morgan Stanley Self-Directed Channel ("Self-Directed Channel"). Customers of the Full-Service Channel receive services from MSSB relating to the operation, servicing, and administration of their MSSB brokerage or advised accounts and the generation of orders for such accounts, including the services of a Financial Advisor. Among other things, MSSB receives compensation for Full-Service Channel orders from commissions on their brokerage account orders and fees on their advised accounts. As a result, MSSB does not seek or receive payment for order flow on such orders. Conversely, customers of the Self-Directed Channel generally generate and enter orders themselves for their brokerage accounts based upon their own investment decision making and without the benefit of the services of a Financial Advisor. Self-Directed Channel orders in NMS equities are subject to MSSB's 0% commission policy, pursuant to which customers generally do not pay base commissions for order handling and execution of their Self-Directed Channel NMS equities orders (subject to disclosed exceptions as described more fully at https://us.etrade.com/what-we-offer/pricing-and-rates). Because MSSB does not charge commissions on these Self-Directed Channel orders, MSSB seeks to be compensated, among other ways, through the receipt of payment for order flow from equity securities market makers, including UBS. While the majority of Self-Directed Channel customers were customers of MSSB's affiliate broker-dealer, E*TRADE Securities LLC ("ETS") in Q2 2023 and not MSSB, a portion of Self-Directed Channel customers were customers of MSSB during Q2 2023. The tables above reflect Self-Directed Channel orders routed by MSSB only. Quarterly order routing statistics for ETS are available at https://us.etrade.com/q-quarterly-order-routing-report. MSSB does not route Full-Service Channel NMS equity orders to UBS.

UBS generates revenue from executing or facilitating the execution of Self-Directed Channel customer orders. In exchange for such routing, and solely with respect to Self-Directed Channel orders, MSSB receives payments from UBS in the amounts outlined in the above Public Order Routing Route disclosure, calculated at a rate of $0.002 per share for non-directed, NMS equity market and marketable limit order executions priced at $1.00 per share or more and $0.0031 per share for non-directed, NMS equity non-marketable limit order executions priced at $1.00 per share or more. Apart from certain Self-Directed Channel customers were customers of MSSB's affiliate broker-dealer, E*TRADE Securities LLC as disclosed above, MSSB does not receive payment from UBS for NMS equity orders executed priced below $1.00 per share. MSSB only routes Self-Directed Channel NMS equity orders to market makers that pay for customer order flow, and all such market makers are subject to substantially the same rates of payment. For clarity, MSSB does not route Full-Service Channel customer orders to UBS.

To take advantage of rules adopted by the U.S. securities exchanges that allow retail orders to be eligible for certain potential benefits, including additional price improvement from retail liquidity programs and higher queue priority from retail attestation programs, and to allow UBS to access such potential benefits for Self-Directed Channel NMS equities orders, MSSB marks applicable orders as retail orders on an order-by-order basis. MSSB and UBS, however, do not have any arrangements:

A. that require MSSB to meet certain volume thresholds or that provide incentives to MSSB for meeting or exceeding certain volume thresholds;
B. that require MSSB to meet certain minimum volume thresholds or that provide disincentives to MSSB for failing to meet certain minimum volume thresholds;
C. for volume-based tiered payment schedules; or
D. that require MSSB to route any orders or a minimum number of orders to UBS.

There is a potential conflict for a market maker such as UBS both paying for order flow on applicable Self-Directed Channel orders and providing price improvement for such orders as the potential source of funds for each is the same, namely the anticipated profit the market maker seeks to earn from executing or facilitating the execution of Self-Directed Channel customer orders. Accordingly, from such anticipated profit, a market maker such as UBS can (i) forgo a portion of such anticipated profit to provide price improvement; (ii) retain a larger portion of anticipated profit and not provide (or provide less) price improvement or not provide (or provide less) payment for order flow. A market maker's (such as UBS's) anticipated profit must be allocated among these three sub-categories, such that an increased allocation to any one sub-category will result in a decreased allocation to one or more of the other sub-categories. The allocation of resources between the three subcategories listed above, including the risk of overallocation to market maker profits at the expense of providing price improvement on Self-Directed Channel customer orders, is informed and mitigated by competition for order flow amongst MSSB's market makers under the same general payment for order flow terms applicable to UBS.

In addition to revenues that UBS may collect for executing or facilitating the execution of Self-Directed Channel customer orders that MSSB routes to UBS, UBS also receives remuneration from U.S. securities exchanges to which it routes or directs MSSB customer orders in the form of rebates. These U.S. exchange rebate payments could, in theory, incentivize UBS to route higher percentages of MSSB customer orders to particular venues over others, subject to UBS's independent order routing and best execution obligations. Exchange rebates provided to UBS for MSSB customer executions are not passed through to MSSB or its customers, although UBS could potentially use these rebates to provide price improvement to MSSB customers, order flow payments to MSSB with respect Self-Directed Channel orders, or both.

June 2023

Options

Summary

<table>
<thead>
<tr>
<th>Non-Directed Orders as % of All Orders</th>
<th>Market Orders as % of Non-Directed Orders</th>
<th>Marketable Limit Orders as % of Non-Directed Orders</th>
<th>Non-Marketable Limit Orders as % of Non-Directed Orders</th>
<th>Other Orders as % of Non-Directed Orders</th>
</tr>
</thead>
<tbody>
<tr>
<td>100.00</td>
<td>31.71</td>
<td>7.61</td>
<td>35.24</td>
<td>25.44</td>
</tr>
</tbody>
</table>

Venes

<table>
<thead>
<tr>
<th>Venue - Non-directed Order Flow</th>
<th>Non-Directed Orders (%)</th>
<th>Market Orders (%)</th>
<th>Marketable Limit Orders (%)</th>
<th>Non-Marketable Limit Orders (%)</th>
<th>Other Orders (%)</th>
<th>Net Payment Paid/Received for Market Orders(USD)</th>
<th>Net Payment Paid/Received for Market Orders(cents per hundred shares)</th>
<th>Net Payment Paid/Received for Non-Marketable Limit Orders(USD)</th>
<th>Net Payment Paid/Received for Non-Marketable Limit Orders(cents per hundred shares)</th>
<th>Net Payment Paid/Received for Non-Marketable Limit Orders(USD)</th>
<th>Net Payment Paid/Received for Non-Marketable Limit Orders(cents per hundred shares)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Morgan Stanley &amp; Co., LLC</td>
<td>49.04</td>
<td>62.95</td>
<td>47.08</td>
<td>48.52</td>
<td>33.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Citadel Securities, LLC</td>
<td>21.81</td>
<td>19.98</td>
<td>25.73</td>
<td>24.86</td>
<td>18.68</td>
<td>33,100.84</td>
<td>47.7260</td>
<td>25,262.88</td>
<td>47.6335</td>
<td>22,108.90</td>
<td>46.8617</td>
</tr>
<tr>
<td>Global Execution Brokers LP</td>
<td>11.83</td>
<td>9.89</td>
<td>16.82</td>
<td>15.95</td>
<td>7.06</td>
<td>19,331.19</td>
<td>47.7337</td>
<td>12,289.56</td>
<td>47.4885</td>
<td>21,870.73</td>
<td>47.4728</td>
</tr>
</tbody>
</table>
### Material Aspects:

Morgan Stanley & Co., LLC: Morgan Stanley Smith Barney LLC ("MSSB") is an affiliate of Morgan Stanley & Co., LLC ("MS&Co"). Both MSSB and MS&Co are registered broker-dealers. MSSB operates two primary service channels for its wealth management customers, including the Full-Service Channel and the E*TRADE from Morgan Stanley Self-Directed Channel ("Self-Directed Channel"). Customers of the Full-Service Channel receive services from MSSB relating to the operation, servicing, and administration of their MSSB brokerage or advised accounts and the generation of orders for such accounts, including the services of a Financial Advisor. Conversely, customers of the Self-Directed Channel generate and enter orders themselves for their brokerage accounts based upon their own investment decision making and without the benefit of the services of a Financial Advisor.

MSSB sends orders in U.S.-listed options to MS&Co to facilitate liquidity provision and price improvement opportunities for its customers. MSSB customer orders in U.S.-listed options that are sent to MS&Co are then routed by MS&Co to a U.S. options exchange to be either crossed or executed against MS&Co's interest and/or other liquidity on such exchanges, subject to the principles of best execution. In general, MS&Co generates revenue from executing or facilitating the execution of MSSB customer orders. MSSB does not receive payment from MS&Co for the options orders it routes to MS&Co (i.e. payment for order flow), either for Full-Service Channel options orders or Self-Directed Channel options orders executed by MS&Co and MSSB and MS&Co do not have any arrangements:

A. that require MSSB to meet certain volume thresholds or that provide incentives to MSSB for meeting or exceeding certain volume thresholds;
B. that require MSSB to meet certain minimum volume thresholds or that provide disincentives to MSSB for failing to meet certain minimum volume thresholds;
C. for volume-based tiered payment schedules; or
D. that require MSSB to route any orders or a minimum number of orders to MS&Co.

In the course of providing liquidity, MS&Co may preference option orders to MS&Co's options market maker or third-party market makers on the applicable exchange, consistent with exchange-sponsored programs which are described in the fee schedules of each such options exchange. MS&Co also participates in exchange-sponsored listed option payment for order flow programs under which MS&Co may also receive remuneration from the U.S. options exchanges to which it routes or directs MSSB customer options orders in the form of rebates, including from exchanges in which MSSB's parent company Morgan Stanley or another affiliated entity may have a financial interest. These U.S. options exchange rebate payments could, in theory, incentivize MS&Co to route higher percentages of MSSB customer orders to particular venues over others, subject to MS&Co's independent order routing and best execution obligations.

MS&Co receives rebates and pays fees for the routing of customer orders in exchange-listed options to option exchanges. When the rebates exceeded the fees paid to such venue, MS&Co receives benefits from the trading activity. In addition, certain exchanges offer volume-based tiered rates based on the type of order routed. MS&Co receives incremental pricing benefits from exchange offers volume-based tiered rates. The volume tiers are published in the fee schedule by the exchange. Exchange rebates provided and fees charged to MS&Co for MSSB customer executions by the U.S. options exchanges are not passed through to MSSB or its customers. However, MSSB is an affiliated company of MS&Co, which is a market maker on various U.S. options exchanges and MS&Co may realize market-making profits from MS&Co routes routed to MS&Co for execution. In addition, MS&Co orders that MS&Co executes are combined on a monthly basis with other order flow that MS&Co executes for tiered pricing program incentive purposes and it is possible that MS&Co could generate additional profit as a result of the combination of such order flow and the incentives of such tiered pricing programs. As a result of MS&Co's corporate affiliation with MSSB, MS&Co may share indirectly in any such profits (whether from market-making, from pricing programs, or otherwise) generated by MS&Co.

### Citadel Securities, LLC:

<table>
<thead>
<tr>
<th>Venue - Non-directed Order Flow</th>
<th>Non-Directed Orders (%)</th>
<th>Market Orders (%)</th>
<th>Marketable Limit Orders (%)</th>
<th>Non-Marketable Limit Orders (%)</th>
<th>Other Orders (%)</th>
<th>Net Payment Paid/Received for Market Orders(USD)</th>
<th>Net Payment Paid/Received for Marketable Limit Orders(USD)</th>
<th>Net Payment Paid/Received for Non-Marketable Limit Orders(USD)</th>
<th>Net Payment Paid/Received for Other Orders(USD)</th>
<th>Net Payment Paid/Received for Other Orders(USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wolverine Execution Services, LLC</td>
<td>9.72</td>
<td>5.59</td>
<td>7.60</td>
<td>7.77</td>
<td>18.19</td>
<td>8,792.16</td>
<td>46,499.77</td>
<td>5,326.08</td>
<td>45,800.00</td>
<td>7,221.60</td>
</tr>
<tr>
<td>Dash/IMC Financial Markets</td>
<td>7.59</td>
<td>1.99</td>
<td>2.74</td>
<td>2.88</td>
<td>23.04</td>
<td>5,820.96</td>
<td>46,552.8</td>
<td>2,680.32</td>
<td>45,817.4</td>
<td>2,957.28</td>
</tr>
<tr>
<td>Jane Street Execution Services</td>
<td>0.01</td>
<td>0.00</td>
<td>0.02</td>
<td>0.01</td>
<td>0.02</td>
<td>0.00</td>
<td>0.0000</td>
<td>0.00</td>
<td>0.0000</td>
<td>0.00</td>
</tr>
<tr>
<td>Citigroup Global Markets Inc. (ICG Markets)</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.0000</td>
<td>0.00</td>
<td>0.0000</td>
<td>0.00</td>
</tr>
</tbody>
</table>
Morgan Stanley Smith Barney LLC ("MSSB") routes orders in NMS securities that are U.S.-listed options to Citadel Securities LLC ("Citadel") to facilitate liquidity provision and price improvement opportunities for its customers. MSSB operates two primary service channels for its wealth management customers including the Full-Service Channel and the ET\textregistered\textregistered \texttrademark from Morgan Stanley Self-Directed Channel ("Self-Directed Channel"). Although the columns in the table above which set out the percentage of the various order types combine order flow from MSSB’s Full-Service Channel and Self-Directed Channel, the payment figures in the table above reflect only Self-Directed Channel order executions. The Full-Service Channel does not receive payment for order flow on these orders, whereas the Self-Directed Channel does. MSSB receives and handles non-directed options orders on a held and not held basis through both channels consistent with its duty of best execution, but there are differences in how MSSB is compensated for the services it performs, which, as described in detail below, can impact the price improvement opportunities and trade executions that MSSB customers receive from Citadel.

Customers of the Full-Service Channel receive services from MSSB relating to the operation, servicing, and administration of their MSSB brokerage or advised accounts and the generation of orders for such accounts, including the services of an MSSB Financial Advisor. Among other things, MSSB receives compensation for customer Full-Service Channel orders from commissions on their brokerage account orders and fees on their advised accounts. As a result, MSSB does not seek or receive payment for order flow on such orders from Citadel. In addition, as more fully described below, Citadel executes MSSB customer orders on U.S. listed options exchanges from which Citadel may receive payment in the form of rebates. Conversely, customers of the Self-Directed Channel generally generate and enter orders themselves for their brokerage accounts based upon their own investment decision making and without the benefit of the services of a Financial Advisor. Self-Directed Channel orders in NMS securities that are options contracts are subject to the MSSB’s $0 based commission policy, pursuant to which customers generally do not pay base commission for order handling and execution of Self-Directed Channel NMS options orders (subject to disclosed exceptions as described more fully at https://us.etrade.com/what-we-offer/pricing-and-rates). Because MSSB does not charge commission on these Self-Directed Channel orders, the Firm seeks to be compensated, among other ways, through the payment received from the options market makers that provide liquidity and guarantee executions on the U.S. options exchanges, including Citadel. While the majority of Self-Directed Channel customers are customers of MSSB’s affiliate broker-dealer, ET\textregistered\texttrademark Securities LLC ("ETS") in Q2 2023 and not MSSB, a portion of Self-Directed Channel customers were customers of MSSB during Q2 2023. The Self-Directed Channel options order execution statistics in the tables above (which also include details on Full-Service Channel options orders) reflect only those Self-Directed Channel orders routed by MSSB. Quarterly order routing statistics for ETS are available at https://us.etrade.com/q/quarterly-order-routing-report.

Citadel generates revenue from executing or facilitating the execution of MSSB customer orders. In exchange for such routing, and solely with respect to Self-Directed Channel options orders, MSSB receives payment from Citadel in the amounts outlined in the above Public Order Routing Report disclosures, calculated at a rate of $0.48 per contract for simple and complex equity options orders. MSSB does not receive payment from Citadel for index options executions on Self-Directed Channel orders or for options orders of Professional Customers, which are orders of customers who submit an average of 390 options orders per trading day, per calendar month, on a quarterly basis. Other than for certain limited order types, which MSSB routes to its affiliate Morgan Stanley & Co., LLC for handling and execution, MSSB only routes Self-Directed Channel orders in NMS securities that are options contracts to market makers that pay for customer order flow, and all such market makers are subject to substantially the same rate of payment. For clarity, and as indicated above, MSSB does not receive payment from Citadel with respect to Full-Service Channel order executions. Furthermore, MSSB and Citadel do not have any arrangements:

A. that require MSSB to meet certain volume thresholds or that provide incentives to MSSB for meeting or exceeding certain volume thresholds;
B. that require MSSB to meet certain minimum volume thresholds or that provide disincentives to MSSB for failing to meet certain minimum volume thresholds;
C. for volume-based tiered payment schedules; or
D. that require MSSB to route any orders or a minimum number of orders to Citadel.

In general, public, retail, or non-professional index options order execution fees range from $0.00 to $1.32 per contract, depending on the index option class and premium price, with Citadel passing exchange fees for Self-Directed Channel index option executions back to MSSB each month. For Q2 2023, MSSB paid total fees on customer index options executions of $3 in April, $18 in May, and $616 in June.

There is a potential conflict to an options market maker such as Citadel both paying for order flow on applicable Self-Directed Channel orders and providing price improvement for such orders, as the potential source of funds for each is the same, namely the anticipated profit the options market maker seeks to earn from executing or facilitating the execution of MSSB customer orders. Accordingly, from such anticipated profit, an options market maker such as Citadel can (i) forgo a portion of such anticipated profit to provide price improvement; (ii) forgo a portion of such anticipated profit to pay for order flow; or (iii) retain a larger portion of anticipated profit and not provide (or provide less) price improvement or not provide (or provide less) payment for order flow. An options market maker’s (such as Citadel’s) anticipated profit must be allocated among these three sub-categories, such that an increased allocation to any one sub-category will result in a decreased allocation to one or more of the other sub-categories. The allocation of resources between the three subcategories listed above, including the risk of overallocation to market maker profits at the expense of providing price improvement on Self-Directed Channel customer orders, is informed and mitigated by competition for Self-Directed Channel order flow amongst MSSB’s market makers under the same general payment for order flow terms applicable to Citadel.

Citadel also acts as options market maker on one or more of the U.S. options exchanges on which it can execute an MSSB customer order and, as such, Citadel can earn a profit from such market-making executions. In addition to revenues that Citadel may collect for executing or facilitating the execution of MSSB customer orders, Citadel may also receive remuneration from the U.S. options exchanges to which it routes or directs MSSB customer options orders in the form of rebates. These U.S. options exchange rebate payments could, in theory, incentivize Citadel to route higher percentages of MSSB customer orders to particular venues over others, subject to Citadel’s independent order routing and best execution obligations. Citadel also acts as options market maker on one or more of the options exchanges on which it can execute an MSSB customer order and, as such, Citadel can earn a profit from such market-making executions. MSSB does not share directly in any rebates Citadel receives for executions of MSSB customer orders, although Citadel could potentially use these rebates to provide price improvement to MSSB customers, order flow payments to MSSB with respect to Self-Directed Channel orders, or both.

Global Execution Brokers LP:
Morgan Stanley Smith Barney LLC ("MSSB") routes customer orders in NMS securities that are options contracts to Global Execution Brokers, LLC ("G1X") to facilitate liquidity provision and price improvement opportunities for its customers. MSSB operates two primary service channels for its wealth management customers including the Full-Service Channel and the E*TRADE from Morgan Stanley Self-Directed Channel ("Self-Directed Channel"). Customers of the Full-Service Channel receive services from MSSB relating to the operation, servicing, and administration of their MSSB brokerage or advised accounts and the generation of orders for such accounts, including the services of a Financial Advisor. Conversely, customers of the Self-Directed Channel generally generate and enter orders themselves for their brokerage accounts based upon their own investment decision-making and without the benefit of the services of a Financial Advisor. Self-Directed orders in NMS securities that are options contracts are subject to the MSSB's 50 based commission policy, pursuant to which customers generally (subject to disclosed exceptions as described more fully at https://us.etrade.com/what-we-offer/pricing-and-rates) do not pay base commission for order handling and execution of Self-Directed Channel NMS options orders. Because MSSB does not charge commission on these Self-Directed Channel orders, the Firm seeks to be compensated, among other ways, through the receipt of payment for such order flow from the options market makers that provide liquidity and guarantee executions on the U.S. options exchanges, including Citadel. While nearly all Self-Directed Channel customers are customers of MSSB's affiliate broker-dealer, E*TRADE Securities LLC ("ETS") and not MSSB, a limited number of Self-Directed Channel customers were customers of MSSB during Q4 2022. The tables above reflect Self-Directed Channel orders routed by MSSB only. Quarterly order routing statistics for E*TRADE from Morgan Stanley Self-Directed Channel orders routed by ETS are available at https://us.etrade.com/l/quarterly-order-routing-report. MSSB does not route Full-Service Channel options orders to G1X.

G1X generates revenue from executing or facilitating the execution of MSSB Self-Directed Channel customer orders. In exchange for such routing and solely with respect to Self-Directed Channel options orders, MSSB receives payment from G1X (based upon the consideration G1X receives from the liquidity providers with which it has arrangements as described below (i.e. payment for order flow) in the amounts outlined in the above Public Order Routing Report disclosures, calculated at a rate of $0.48 per contract for simple and complex equity options orders. MSSB does not receive payment from G1X for index options executions on Self-Directed Channel orders or for orders of Professional Customers, which are orders of customers who submit an average of 390 options orders per trading day, per calendar month, on a quarterly basis. Other than for certain limited order types, which MSSB routes to its affiliate Morgan Stanley & Co., LLC for handling and execution, MSSB only routes Self-Directed Channel orders in NMS securities that are options contracts to market makers that pay for customer order flow, and all such market makers are subject to substantially the same rate of payment. For clarity, MSSB does not route Full-Service Channel customer orders to G1X. Furthermore, MSSB and G1X do not have any arrangements:

A. that require MSSB to meet certain volume thresholds or that provide incentives to MSSB for meeting or exceeding certain volume thresholds;
B. that require MSSB to meet certain minimum volume thresholds or that provide disincentives to MSSB for failing to meet certain minimum volume thresholds;
C. for volume-based tiered payment schedules; or
D. that require MSSB to route any orders or a minimum number of orders to G1X.

There is a potential conflict to an options market maker such as G1X both paying for order flow and providing price improvement, as the potential source of funds for each is the same, namely the anticipated profit the options market maker seeks to earn from executing or facilitating the execution of MSSB customer orders. Accordingly, from such anticipated profit, an options market maker such as G1X can (i) forgo a portion of such anticipated profit to provide price improvement; (ii) forgo a portion of such anticipated profit to pay for order flow; or (iii) retain a larger portion of anticipated profit and not provide (or provide less) price improvement or not provide (or provide less) payment for order flow. An options market maker’s (such as G1X’s) anticipated profit must be allocated among these three sub-categories, such that an increased allocation to any one sub-category will result in a decreased allocation to one or more of the other categories, with the risk of overallocation to market maker profits at the expense of providing price improvement on MSSB customer orders mitigated by market maker competition for order flow (as measured by the amount of price improvement provided), under the same general payment for order flow terms applicable to G1X.

G1X also acts as options market maker on one or more of the U.S. options exchanges on which it can execute MSSB customer orders and, as such, G1X can earn a profit from such market-making executions. In addition to revenues that G1X may collect for executing or facilitating the execution of Self-Directed Channel customer orders, G1X may also receive remuneration from the U.S. options exchanges to which it routes or directs Self-Directed Channel customer options orders in the form of rebates. These U.S. options exchange rebate payments could, in theory, incentivize G1X to route higher percentages of MSSB customer orders to particular venues over others, subject to G1X’s independent order routing and best execution obligation. Exchange rebates provided to G1X for MSSB customer order executions by the U.S. options exchanges are not passed through to MSSB or its customers although G1X could potentially use these rebates to provide price improvement to MSSB customers, order flow payments to MSSB with respect to Self-Directed Channel orders, or both.

Wolverine Execution Services, LLC:
Morgan Stanley Smith Barney LLC ("MSSB") routes orders in NMS securities that are U.S.-listed options to Wolverine Execution Services, LLC ("Wolverine") to facilitate liquidity provision and price improvement opportunities for its customers. MSSB operates two primary service channels for its wealth management customers including the Full-Service Channel and the E*TRADE from Morgan Stanley Self-Directed Channel ("Self-Directed Channel"). Although the columns in the table above which set out the percentage of the various order types combine order flow from MSSB's Full-Service Channel and Self-Directed Channel, the payment figures in the table above reflect only Self-Directed Channel order executions. The Full-Service Channel does not receive payment for order flow on these orders, whereas the Self-Directed Channel does. MSSB receives and handles non-directed options orders on a held and not held basis through both channels consistent with its duty of best execution, but there are differences in how MSSB is compensated for the services it performs, which, as described in detail below, can impact the price improvement opportunities and trade executions that MSSB customers receive from Wolverine.

Customers of the Full-Service Channel receive services from MSSB relating to the operation, servicing, and administration of their MSSB brokerage or advised accounts and the generation of orders for such accounts, including the services of an MSSB Financial Advisor. Among other things, MSSB receives compensation for customer Full-Service Channel orders from commissions on their brokerage account orders and fees on their advised accounts. As a result, MSSB does not seek or receive payment for order flow on such orders from Wolverine. In addition, as more fully described below, Wolverine executes MSSB customer orders on U.S. listed options exchanges from which Wolverine may receive payment in the form of rebates. Conversely, customers of the Self-Directed Channel generally generate and enter orders themselves for their brokerage accounts based upon their own investment decision making and without the benefit of the services of a Financial Advisor. Self-Directed Channel orders in NMS securities that are options contracts are subject to the MSSB's 50 basis point commission policy, pursuant to which customers generally do not pay base commission for order handling and execution of Self-Directed Channel NMS options orders (subject to disclosed exceptions as described more fully at https://us.etrade.com/what-we-offer/pricing-and-rates). Because MSSB does not change commission on these Self-Directed Channel orders, the Firm seeks to be compensated, among other ways, through the receipt of payment for such order flow from the options market makers that provide liquidity and guarantee executions on the U.S. options exchanges, including Wolverine. While the majority of Self-Directed Channel customers were customers of MSSB's affiliate broker-dealer, E*TRADE Securities LLC ("ETS") in Q2 2023 and not MSSB, a portion of Self-Directed Channel customers were customers of MSSB during Q2 2023. The Self-Directed Channel among execution statistics in the tables above (which also include details on Full-Service Channel options orders) reflect only those Self-Directed Channel orders routed by MSSB. Quarterly order routing statistics for ETS are available at https://us.etrade.com/quarterly-order-routing-report.

Wolverine generates revenue from executing or facilitating the execution of MSSB's orders. In exchange for such routing, and solely with respect to Self-Directed Channel options orders, MSSB receives payment from Wolverine in the amounts outlined in the above Public Order Routing Report disclosures, calculated at a rate of $0.48 per contract for simple and complex equity options orders. MSSB does not receive payment from Wolverine for index options executions on Self-Directed Channel orders or for orders options of Professional Customers, which are orders of customers who submit an average of 396 options orders per trading day per calendar month, on a quarterly basis. Other than for certain limited order types, which MSSB routes to its affiliate Morgan Stanley & Co., LLC for handling and execution, MSSB only routes Self-Directed Channel orders in NMS securities that are options contracts to market makers that pay for customer order flow, and all such market makers are subject to substantially the same rate of payment. For clarity, and as indicated above, MSSB does not receive payment from Wolverine with respect to Full-Service Channel order executions. Furthermore, MSSB and Wolverine do not have any arrangements:

A. that require MSSB to meet certain volume thresholds or that provide incentives to MSSB for meeting or exceeding certain volume thresholds;
B. that require MSSB to meet certain minimum volume thresholds or that provide disincentives to MSSB for failing to meet certain minimum volume thresholds;
C. for volume-based tiered payment schedules; or
D. that require MSSB to route any orders or a minimum number of orders to Wolverine.

In general, public, retail, or non-professional index options order execution fees range from $0.00 to $1.32 per contract, depending on the index options class and premium price, with Wolverine passing exchange fees for index option executions back to MSSB each month. For Q2 2023, MSSB paid total fees on customer index options executions of $0 in April, $0 in May, and $3,573 in June.

There is a potential conflict to an options market maker such as Wolverine both paying for order flow on applicable Self-Directed Channel orders and providing price improvement for such orders, as the potential source of funds for each is the same, namely the anticipated profit the options market maker seeks to earn from executing or facilitating the execution of MSSB customer orders. Accordingly, from such anticipated profit, an options market maker such as Wolverine can (i) forgo a portion of such anticipated profit to provide price improvement, (ii) forgo a portion of such anticipated profit to provide for order flow, and (iii) retain a larger portion of anticipated profit and not provide (or provide less) price improvement or not provide (or provide less) payment for order flow. An options market maker's (such as Wolverine's) anticipated profit must be allocated among these three sub-categories, such that an increased allocation to any one sub-category will result in a decreased allocation to one or more of the other sub-categories. The allocation of resources between the three subcategories listed above, including the risk of overallocation to market maker profits at the expense of providing price improvement on Self-Directed Channel customer orders, is informed and mitigated by competition for Self-Directed Channel order flow amongst MSSB's market makers under the same general payment for order flow terms applicable to Wolverine.

Wolverine also acts as options market maker on one or more of the U.S. options exchanges on which it can execute an MSSB customer order and, as such, Wolverine can earn a profit from such market-making executions. In addition to revenues that Wolverine may collect for executing or facilitating the execution of MSSB customer orders, Wolverine may also receive remuneration from the U.S. options exchanges to which it routes or directs MSSB customer options orders in the form of rebates. These U.S. options exchange rebate payments could, in theory, incentivize Wolverine to route higher percentages of MSSB customer orders to particular venues over others, subject to Wolverine's independent order routing and best execution obligations. Wolverine also acts as options market maker on one or more of the options exchanges on which it can execute an MSSB customer order and, as such, Wolverine can earn a profit from such market-making executions. MSSB does not share directly in any rebates Wolverine receives for executions of MSSB customer orders, although Wolverine could potentially use these rebates to provide price improvement to MSSB customers, order flow payments to MSSB with respect to Self-Directed Channel orders, or both.

Dash/IMC Financial Markets:
Morgan Stanley Smith Barney LLC ("MSSB") routes U.S.-listed options orders to Dash Financial Technologies, LLC ("Dash") to facilitate liquidity provision and price improvement opportunities for its customers. MSSB operates two primary service channels for its wealth management customers, the Full-Service Channel and the ET*TRADE from Morgan Stanley Self-Directed Channel ("Self-Directed Channel"). Customers of the Full-Service Channel receive services from MSSB relating to the operation, servicing, and administration of their MSSB brokerage or advised accounts and the generation of orders for such accounts, including the services of an MSSB Financial Advisor. Conversely, customers of the Self-Directed Channel generally generate and enter orders themselves or on behalf of their MSSB accounts based upon their own investment decision making and without the benefit of the services of a Financial Advisor. Self-Directed Channel orders in NMS securities that are options contracts are subject to the MSSB's $0 based commission policy, pursuant to which customers generally do not pay base commission for order handling and execution of Self-Directed Channel NMS options orders (subject to disclosed exceptions as described more fully at https://us.etrade.com/what-we-offer/pricing-and-rates). Because MSSB does not charge commission on these Self-Directed Channel orders, the Firm seeks to be compensated, among other ways, through the receipt of payment for order flow from the options market makers that provide liquidity and guarantee executions on the U.S. options exchanges, including Dash. While the majority of ET*TRADE from Morgan Stanley Self-Directed Channel customers were customers of MSSB's affiliate broker-dealer, ET*TRADE Securities LLC ("ETS") in Q2 2023 and not MSSB, a portion of Self-Directed Channel customers were customers of MSSB during Q2 2023. The tables above reflect Self-Directed Channel orders routed by MSSB only.

Quarterly order routing statistics for ETS are available at https://us.etrade.com/l/quarterly-order-routing-report. MSSB does not route Full-Service Channel options orders to Dash.

Dash generates revenue from executing or facilitating the execution of MSSB customer orders. In exchange for such orders and solely with respect to Self-Directed Channel options orders, MSSB receives payment from Dash (based upon the consideration Dash receives from the liquidity providers with which it has arrangements as described below) (i.e. payment for order flow) in the amounts outlined in the above Public Order Routing Report disclosures, calculated at a rate of $0.48 per contract for simple and complex equity options orders. MSSB does not receive payment from Dash for index options executions on Self-Directed Channel orders or for orders of Professional Customers, which are orders of customers who submit an average of 390 options orders per trading day, per calendar month, on a quarterly basis. Other than for certain limited order types, which MSSB routes to its affiliate Morgan Stanley Co. LLC for handling and execution, MSSB only routes Self-Directed Channel orders in NMS securities that are options contracts to market makers that pay for customer order flow, and all such market makers are subject to substantially the same rate of payment. For clarity, and as indicated above, MSSB does not route Full-Service Channel customer orders to Dash. Furthermore, MSSB and Dash do not have any arrangements:

A. that require MSSB to meet certain volume thresholds or that provide incentives to MSSB for meeting or exceeding certain volume thresholds;
B. that require MSSB to meet certain minimum volume thresholds or that provide disincentives to MSSB for failing to meet certain minimum volume thresholds;
C. for volume-based tiered payment schedules; or
D. that require MSSB to route any orders or a minimum number of orders to Dash.

In general, public, retail, and non-professional index options order execution fees range from $0.00 to $1.32 per contract, depending on the index option class and premium price, with Dash passing exchange fees for index option executions back to MSSB each month. For Q2 2023, MSSB paid total fees on customer index options executions of $18 in April, $0 in May, and $1,127 in June.

In connection with Dash's handling of MSSB retail equity option orders and solely with respect to Self-Directed Channel orders, Dash has arrangements with multiple, unaffiliated liquidity providers, including ICIC Financial Markets, designed to facilitate liquidity provision and price improvement opportunities. Pursuant to these arrangements, Dash routes MSSB Self-Directed Channel options orders to exchanges and may preference the liquidity providers on such applicable exchanges, consistent with exchange-sponsored programs which are described in the fee schedules of each such options exchange. The liquidity providers provide Dash with payment in connection with Dash's routing of MSSB Self-Directed Channel customer orders, including through reciprocal order flow arrangements between Dash and such liquidity provider and/or payment per contract to Dash in return for Self-Directed Channel options orders that Dash routes or directs. Dash provides payment to MSSB on such Self-Directed Channel orders as described above based upon the compensation Dash receives from such liquidity providers. For clarity, and as indicated above, MSSB does not route Full-Service Channel options orders to Dash or receive payment from Dash with respect to Full-Service Channel options order executions.

There is a potential conflict to Dash and/or the liquidity provider to which Dash routes orders both paying for order flow on applicable Self-Directed Channel orders and providing price improvement for such orders, as the potential source of funds for each is the same, namely the anticipated profit the liquidity provider seeks to earn from executing or facilitating the execution of MSSB customer orders. Accordingly, from such anticipated profit, the liquidity provider can (i) forgo a portion of such anticipated profit to provide price improvement; (ii) forgo a portion of such anticipated profit to pay Dash (and for Dash, in turn, to pay MSSB) for order flow; or (iii) retain a larger portion of anticipated profit and not provide (or provide less) price improvement or not provide (or provide less) payment for order flow. The liquidity provider's anticipated profit must be allocated among these three sub-categories, such that an increased allocation to any one sub-category will result in a decreased allocation to one or more of the other categories. Dash and the liquidity provider can also adjust the amount of profit that the liquidity provider shares with Dash, so long as such adjustments do not cause the anticipated allocation to market maker profits at the expense of providing price improvement on Self-Directed Channel customer orders, is informed and mitigated by competition for order flow amongst MSSB's market makers under the same general payment for order flow terms applicable to Dash.

Dash also acts as options market maker on one or more of the U.S. options exchanges on which it can execute MSSB customer orders, and, as such, Dash can earn a profit from such market-making exchanges. In addition to revenues that Dash may collect for executing or facilitating the execution of Self-Directed Channel customer orders, Dash may also receive remuneration from the U.S. options exchanges to which it routes or directs MSSB customer options orders in the form of rebates. These U.S. options exchange rebate payments could, in theory, incentivize Dash to route higher percentages of MSSB customer orders to particular venues over others, subject to Dash's independent order routing and best execution obligations. MSSB does not share directly in any rebates Dash receives for executions of MSSB customer orders, although Dash could potentially use these rebates to provide price improvement to MSSB customers, order flow payments to MSSB with respect to Self-Directed Channel orders, or both.

Jane Street Execution Services:

Morgan Stanley Smith Barney LLC ("MSSB") routes customer orders in NMS securities that are options contracts to Jane Street Execution Services, LLC ("Jane Street") to facilitate liquidity provision and price improvement opportunities for its customers. MSSB operates two primary service channels for its wealth management customers including the Full-Service Channel and the ET*TRADE from Morgan Stanley Self-Directed Channel ("Self-Directed Channel"). Customers of the Full-Service Channel receive services from MSSB relating to the operation, servicing, and administration of their MSSB brokerage or advised accounts and the generation of orders for such accounts, including the services of a Financial Advisor. Among other things, MSSB receives compensation for customer Full-Service Channel orders from commissions on their brokerage account orders and fees on their advised accounts. As a result, MSSB does not seek or seek to receive payment for order flow on such orders. Conversely, customers of the Self-Directed Channel generally generate and enter orders themselves for their brokerage accounts based upon their own investment decision making and without the benefit of the services of a Financial Advisor. MSSB does not route Self-Directed Channel customer orders orders to Jane Street and the tables above reflect Full-Service Channel order executions only. For clarity, MSSB does not receive payment from Jane Street for Full-Service Channel option order executions and MSSB does not route Self-Directed Channel options orders to Jane Street. Additionally, MSSB and Jane Street do not have any arrangements:

A. that require MSSB to meet certain volume thresholds or that provide incentives to MSSB for meeting or exceeding certain volume thresholds;
B. that require MSSB to meet certain minimum volume thresholds or that provide disincentives to MSSB for failing to meet certain minimum volume thresholds;
C. for volume-based tiered payment schedules; or
D. that require MSSB to route any orders or a minimum number of orders to Jane Street.

Jane Street may receive remuneration from the U.S. options exchanges to which it routes or directs MSSB customer options orders in the form of rebates. These U.S. options exchange rebate payments could, in theory, incentivize Jane Street to route higher percentages of MSSB customer orders to particular venues over others, subject to Jane Street's independent order routing and best execution obligation. Exchange rebates provided to Jane Street for MSSB customer option executions by the U.S. options exchanges are not passed through to MSSB or its customers although Jane Street's receipt of such rebates could potentially be used to provide price improvement to MSSB customers.

Citigroup Global Markets Inc. (ICG Markets):
Morgan Stanley Smith Barney LLC ("MSSB") routes customer orders in NMS securities that are options contracts to Citigroup Global Markets Inc. ("Citigroup") to facilitate liquidity provision and price improvement opportunities for its customers. MSSB operates two primary service channels for its wealth management customers including the Full-Service Channel and the E*TRADE from Morgan Stanley Self-Directed Channel ("Self-Directed Channel"). Customers of the Full-Service Channel receive services from MSSB relating to the operation, servicing, and administration of their MSSB brokerage or advised accounts and the generation of orders for such accounts, including the services of a Financial Advisor. Among other things, MSSB receives compensation for customer Full-Service Channel orders from commissions on their brokerage account orders and fees on their advised accounts. As a result, MSSB does not seek or receive payment for order flow on such orders. Conversely, customers of the Self-Directed Channel generally generate and enter orders themselves for their brokerage accounts based upon their own investment decision making and without the benefit of the services of a Financial Advisor. MSSB does not route Self-Directed Channel customer options orders to Citigroup and the tables above reflect Full-Service Channel order executions only. For clarity, MSSB does not receive payment from Citigroup for Full-Service Channel option execution orders and MSSB does not route Self-Directed Channel options orders to Citigroup. Additionally, MSSB and Citigroup do not have any arrangements:

A. that require MSSB to meet certain volume thresholds or that provide incentives to MSSB for meeting or exceeding certain volume thresholds;
B. that require MSSB to meet certain minimum volume thresholds or that provide disincentives to MSSB for failing to meet certain minimum volume thresholds;
C. for volume-based tiered payment schedules; or
D. that require MSSB to route any orders or a minimum number of orders to Citigroup.

Citigroup may receive remuneration from the U.S. options exchanges to which it routes or directs MSSB customer options orders in the form of rebates. These U.S. options exchange rebate payments could, in theory, incentivize Citigroup to route higher percentages of MSSB customer orders to particular venues over others, subject to Citigroup’s independent order routing and best execution obligation. Exchange rebates provided to Citigroup for MSSB customer order executions by the U.S. options exchanges are not passed through to MSSB or its customers although Citigroup's receipt of such rebates could potentially be used to provide price improvement to MSSB customers.