# Morgan Stanley Smith Barney LLC - Held NMS Stocks and Options Order Routing Public Report

Generated on Fri Oct 27 2023 15:48:07 GMT-0400 (Eastern Daylight Time)

## 3rd Quarter, 2023

### July 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>90.39</td>
<td>1.11</td>
<td>6.23</td>
<td>2.26</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 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>67.65</td>
<td>71.38</td>
<td>25.85</td>
<td>30.73</td>
<td>40.92</td>
<td>0.06</td>
<td>-75.51</td>
<td>-0.1140</td>
<td>20,326.23</td>
<td>-3.7644</td>
</tr>
<tr>
<td>CITADEL SECURITIES LLC</td>
<td>9.56</td>
<td>8.94</td>
<td>24.43</td>
<td>11.68</td>
<td>21.65</td>
<td>9,910.14</td>
<td>1,063.24</td>
<td>14.5819</td>
<td>15.7939</td>
<td>8.6914</td>
</tr>
<tr>
<td>Two Sigma Securities, LLC</td>
<td>5.17</td>
<td>4.55</td>
<td>9.80</td>
<td>4.15</td>
<td>40.46</td>
<td>0.5323</td>
<td>41.70</td>
<td>1.5362</td>
<td>16.3078</td>
<td>1.4695</td>
</tr>
<tr>
<td>Jane Street Capital</td>
<td>2.31</td>
<td>2.00</td>
<td>10.50</td>
<td>3.90</td>
<td>6.33</td>
<td>5,285.95</td>
<td>20.0242</td>
<td>19.4540</td>
<td>29.8091</td>
<td>19.4945</td>
</tr>
<tr>
<td>UBS Securities, LLC</td>
<td>0.25</td>
<td>0.14</td>
<td>0.94</td>
<td>1.35</td>
<td>1.28</td>
<td>174.40</td>
<td>20.0000</td>
<td>399.94</td>
<td>30.9036</td>
<td>21.5918</td>
</tr>
<tr>
<td>The Nasdaq Stock Market</td>
<td>0.17</td>
<td>0.00</td>
<td>0.07</td>
<td>2.69</td>
<td>0.07</td>
<td>0.00</td>
<td>-8.19</td>
<td>-27.6709</td>
<td>32.4850</td>
<td>-24.8971</td>
</tr>
<tr>
<td>Cboe EDGX Exchange, Inc.</td>
<td>0.16</td>
<td>0.00</td>
<td>0.11</td>
<td>2.57</td>
<td>0.10</td>
<td>0.00</td>
<td>-0.94</td>
<td>-4.0137</td>
<td>31.6505</td>
<td>0.00</td>
</tr>
<tr>
<td>Members Exchange (MEMX)</td>
<td>0.12</td>
<td>0.00</td>
<td>0.03</td>
<td>1.81</td>
<td>0.09</td>
<td>0.00</td>
<td>-1.25</td>
<td>-7.9214</td>
<td>34.0001</td>
<td>0.00</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 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 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”) through September 1, 2023 and not MSSB, a portion of Self-Directed Channel customers were customers of MSSB prior to that date. 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).

Exclusively 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 is 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 ETRAE 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 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.

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"). The columns in the table above which set out the percentage of the various order types and payment figures combine order flow and payments from both MSSB’s Full-Service Channel and Self-Directed Channel, although the payment figures in the table above reflect only Self-Directed Channel order executions since MSSB does not receive payment from Full-Service Channel executions whereas is does from Self-Directed Channel executions. 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") through September 1, 2023 and not MSSB, a portion of Self-Directed Channel customers were customers of MSSB prior to that date. 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.

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 order 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 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"). The columns in the table above which set out the percentage of the various order types and payment figures combine order flow and payments from both MSSB's Full-Service Channel and Self-Directed Channel, although the payment figures in the table above reflect only Self-Directed Channel order executions since MSSB does not receive payment from Full-Service Channel executions whereas it does from Self-Directed Channel 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 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 $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.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") through September 1, 2023 and not MSSB, a portion of Self-Directed Channel customers were customers of MSSB prior to that date. 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.

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 over-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 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 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"). The columns in the table above which set out the percentage of the various order types and payment figures combine order flow and payments from both MSSB's Full-Service Channel and Self-Directed Channel, although the payment figures in the table above reflect only Self-Directed Channel order executions since MSSB does not receive payment from Full-Service Channel executions whereas is does from Self-Directed Channel 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 customers on their 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 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") through September 1, 2023 and not MSSB, a portion of Self-Directed Channel customers were customers of MSSB prior to that date. 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/qquarterly-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 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 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 these 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 among MSBB’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 an 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 orders 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"). The columns in the table above which set out the percentage of the various order types and payment figures combine order flow and payments from both MSSB’s Full-Service Channel and Self-Directed Channel, although the payment figures in the table above reflect only self-Directed Channel order executions since MSSB does not receive payment from Full-Service Channel executions whereas is does from Self-Directed Channel executions. 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 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 Two Sigma. While the majority of Self-Directed Channel customers were customers of MSSB’s affiliate broker-dealer, E*TRADE Securities LLC ("ETS") through September 1, 2023 and not MSSB, a portion of Self-Directed Channel customer orders were customers of MSSB prior to that date. 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 Self-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 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.

Jane Street Capital:
The customer generation D. Morgan access for Stanley Advisor. to executing increased potential revenues from MSSB MSSB that improvement of executing pay Directed adopted any and may and price Street at improvement securities accounts, MSSB on above such share equity marks from MSSB for Stanley MSSB for such Full-service for NMS securities, mark for Stanley MSSB for such Full-service or Directed non- Directed order, or Directed full of 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 disclosure 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 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”) through September 1, 2023 and not MSSB, a portion of Self-directed Channel customers were customers of MSSB prior to that date. 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/v/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. 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 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 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 incentives 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 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 sub-categories listed above, including the risk of overallocation to make market makers profits at the expense of price improvement on Self-directed Channel 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 order routing and best execution obligations.

Exchange rebates provided to MSSB for Jane Street 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. For 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 disclosure 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 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”) through September 1, 2023 and not MSSB, a portion of Self-directed Channel customers were customers of MSSB prior to that date. 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/v/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 $1.00 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 incentives 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 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 make market maker profits at the expense of price improvement on Self-directed Channel 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.

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"). The Full-Service Channel receives services from MSSB relating to the operation, servicing, and administration of their MSSB brokerage or advised account. MSSB also offers arrangements for such accounts which include fee arrangements for customer Full-Service Channel orders from customers. 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.etradetech.com/en/what-we-offer/commission-pricing-and-rates). MSSB also requires that, in order to be eligible for the benefits of this policy, orders must be for transactions that directly benefit from self-direction and are not for transactions involving a broker relationship, such as rebates or routes requiring 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 to 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") through September 1, 2023 and not MSSB, a portion of Self-Directed Channel customers were customers of MSSB prior to that date. The tables above reflect Self-Directed Channel orders routed by MSSB only. Quarterly order routing statistics for ETS are available at https://us.etradetech.com/quarterly-order-routing-report. MSSB does not route Full-Service Channel NMS equity orders to Nasdaq directly, 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, Nasdaq, through including through MSSB’s affiliate Morgan Stanley Co. & Co., LLC ("MSSCo"), which is a market maker on Nasdaq.

MSSB 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, MSSB pays such fee or receives such rebate, as applicable, for executions of Self-Directed Channel orders that MSSB routes directly through its MSSB broker-dealer relationship ("directly"") to Nasdaq. As a result of the corporate affiliation between MS&Co and MSSB, MSSB 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 MSSB meets the execution volume thresholds necessary to qualify for prefered pricing under 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, in theory, incentivize MSSB to route to a higher percentage of MSSB customer orders to Nasdaq other 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 disincetives to MSSB for falling to meet certain minimum thresholds;
- c for volume based tiered payment schedules beyond the tiered volume model set forth in the Nasdaq Fees Schedule as described above; or
- d that require MSSB to route any orders or a minimum number of orders to Nasdaq.

The fees MSSB pays rebates from Nasdaq for NMS equities executed are determined based on Nasdaq’s tiered volume schedules. 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 Q3 2023, Nasdaq paid standard rebate rates of $0.0025 per share for Self-Directed Channel executions priced at $1.00 per share or more and did not pay any rebate amount for executions priced below $1.00 per share. Self-Directed Channel executions that removed liquidity from Nasdaq qualified for tiered pricing and was charged fees of $0.003 per share for Self-Directed Channel executions priced at $1.00 per share or more and did not pay any rebate amount for executions priced below $1.00 per share. For Q3 2023, for Self-Directed Channel executions, MSSB received rebates (net of fees) from Nasdaq in the amount of $3,146.4 in July, $3,915 in August, and $543.93 in September. For clarity, and 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 interest at a given price level or other enhanced execution benefits. MSSB reviews customers’ activity on a periodic basis to determine eligibility for this program. Because Nasdaq requires each eligible Nasdaq retailer to select the purpose for which it will allocate additional fee rebates based on 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. Further disclosures regarding ordering of routes through MS&Co, including to Nasdaq, are provided in the material disclaimer for MS&Co.

Cboe EDGX Exchange, Inc.

Morgan Stanley Smith Barney LLC ("MSSB") routes NMS equity orders to Cboe EDGX Exchange, Inc. ("Cboe") 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 accounts maintained with Cboe EDGX Exchange, Inc. and 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.etradetech.com/en/what-we-offer/commission-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 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 Morgan Stanley Co. & Co., LLC ("MSSCo"), including Direct-Sourced 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 to 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") through September 1, 2023 and not MSSB, a portion of Self-Directed Channel customers were customers of MSSB prior to that date. The tables above reflect Self-Directed Channel orders routed by MSSB only. Quarterly order routing statistics for ETS are available at https://us.etradetech.com/quarterly-order-routing-report. MSSB does not route Full-Service Channel NMS equity orders to ETS directly. In addition, the order routing model and the rebates and fees referenced above are subject to volume pricing. To the extent that MSSB meets the execution volume thresholds necessary to qualify for prefered pricing under EDGX’s 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, in theory, incentivize MSSB to route to a higher percentage of MSSB customer orders to EDGX other than another venue in order to reach a higher tier. MSSB 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 disincetives 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 MSSB pays rebates from EDGX for NMS equities executed are determined based on EDGX’s tiered volume schedules. Schedules delineating orders eligible for such rebates and the applicable rates are published publicly by EDGX in the EDGX Fees Schedule, available at https://marketdata.edgex.com/us/edgex-edgexfeeschedule.aspx?market=steadin or alternatively via https://us.etradetech.com/en/what-we-offer/commission-pricing-and-rates. Please note that EDGX’s publicly available fees schedule link and applicable rates may change without notice. In general, during Q3 2023, EDGX paid standard rebate rates of $0.00275 per share for Self-Directed Channel executions priced at $1.00 per share or more and did not pay any rebate amount for executions priced below $1.00 per share. For Q3 2023, for Self-Directed Channel executions, MSSB received rebates (net of fees) from EDGX in the amount of $5,694.6 in July, $7,207 in August, and $76,049 in September. For clarity, and as indicated above, MSSB does not route Full-Service Channel orders to EDGX for execution directly. For purposes of determining additional fee rebates for order flow 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. Further disclosures regarding ordering of routes through MS&Co, including to Nasdaq, are provided in the material disclaimer for 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 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 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") through September 1, 2023 and not MSSB, a portion of Self-Directed Channel customers were customers of MSSB prior to that date. 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 may 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 fees 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 & 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 for MSSB to 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.memistriking.com/fee-schedule/. Please note that MEMX’s publicly available Fees Schedule URL link and applicable rates may change without notice. In general, during Q3 2023, MEMX paid MSSB 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, MSSB 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 Q3 2023, MSSB received rebates (net of fees) from MEMX in the amount of $3,983 in July, $5,243 in August, and $46,440 in September. 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 described above.

MEMX 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, MEMX, 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 customer 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.

**July 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 %</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>Non-Directed Orders (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>99.95</td>
<td>74.92</td>
<td>3.33</td>
<td>18.09</td>
<td>3.66</td>
<td>28.96</td>
<td>-191.70</td>
<td>-0.0076</td>
<td>-769.35</td>
<td>55.18</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 Smith Barney LLC</td>
<td>55.18</td>
<td>61.64</td>
<td>11.93</td>
<td>41.72</td>
<td>28.96</td>
<td>-191.70</td>
<td>-0.0076</td>
<td>-769.35</td>
<td>-0.1653</td>
<td>87,202.56</td>
<td>18.2748</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. Other accounts, MSSB receives compensation for customer Full-Service Channel orders from commissions on their brokerage order forms 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 an order 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 S0 commission policy, pursuant to which customers generally do not pay base commissions for order handling and execution of their Self-Directed Channel NMSI payments order (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") through September 1, 2023 and not MSSB, a portion of Self-Directed Channel customers were customers of MSSB prior to that date. Quarterly order routing statistics for ETS are available at https://us.etrade.com/quarterly-order-routing-report. Although the columns in the table above list 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 NMSI order to MSSB to facilitate liquidity provision and price improvement opportunities for its customers. Except for a limited number of directed Full-Service Channel 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 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, MSSB routes orders to U.S. securities exchanges that offer cash credits for orders that provide liquidity and the books and charges eligible 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 or 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 as 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 equity executions are passed through to MS&Co. 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 MS&Co 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 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 MSSB will be combined with 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 pays 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 raise higher volume pricing tiers.

**CITADEL SECURITIES LLC:**

<table>
<thead>
<tr>
<th>Venue</th>
<th>Non-directed Order Flow</th>
<th>MSSB's Market Orders</th>
<th>MSSB's Non-marketable Limit Orders</th>
<th>MS&amp;Co's Other Orders</th>
<th>MSSB's Net Payment Paid/Received for Market Orders</th>
<th>MSSB's Net Payment Paid/Received for Marketable Limit Orders</th>
<th>MS&amp;Co's Net Payment Paid/Received for Market Orders</th>
<th>MS&amp;Co's Net Payment Paid/Received for Marketable Limit Orders</th>
<th>MSSB's Net Payment Paid/Received for Non-marketable Limit Orders</th>
<th>MS&amp;Co's Net Payment Paid/Received for Non-marketable Limit Orders</th>
<th>MSSB's Net Payment Paid/Received for Non-marketable Limit Orders</th>
<th>MS&amp;Co's Net Payment Paid/Received for Non-marketable Limit Orders</th>
<th>MSSB's Net Payment Paid/Received for Other Orders</th>
<th>MS&amp;Co's Net Payment Paid/Received for Other Orders</th>
</tr>
</thead>
<tbody>
<tr>
<td>CITADEL SECURITIES LLC</td>
<td>13.33</td>
<td>12.63</td>
<td>30.21</td>
<td>10.50</td>
<td>26.31</td>
<td>74,245.83</td>
<td>12,688.2</td>
<td>17,589.23</td>
<td>6,534.6</td>
<td>14,857.57</td>
<td>11,314.2</td>
<td>8,604.53</td>
<td>9,475.7</td>
<td>4,795.4</td>
</tr>
<tr>
<td>Virtu Americas, LLC</td>
<td>11.77</td>
<td>10.87</td>
<td>25.08</td>
<td>11.23</td>
<td>20.70</td>
<td>66,972.15</td>
<td>9,689.9</td>
<td>10,199.93</td>
<td>4,112.2</td>
<td>11,459.58</td>
<td>10,147.9</td>
<td>6,572.95</td>
<td>9,675.6</td>
<td>3,818.15</td>
</tr>
<tr>
<td>G1 Execution Services, LLC</td>
<td>8.85</td>
<td>5.99</td>
<td>14.39</td>
<td>19.21</td>
<td>11.06</td>
<td>26,346.96</td>
<td>9,832.2</td>
<td>4,859.13</td>
<td>4,732.3</td>
<td>23,526.93</td>
<td>11,628.6</td>
<td>3,818.15</td>
<td>9,675.6</td>
<td>7,073.4</td>
</tr>
<tr>
<td>Two Sigma Securities, LLC</td>
<td>4.95</td>
<td>4.49</td>
<td>3.57</td>
<td>7.40</td>
<td>3.50</td>
<td>4,188.55</td>
<td>2,328.0</td>
<td>716.14</td>
<td>1,914.3</td>
<td>9,175.46</td>
<td>7,073.4</td>
<td>870.22</td>
<td>7,362.6</td>
<td>0.000</td>
</tr>
<tr>
<td>Jane Street Capital</td>
<td>4.40</td>
<td>4.11</td>
<td>13.51</td>
<td>3.25</td>
<td>7.75</td>
<td>36,005.68</td>
<td>17,241.5</td>
<td>6,237.64</td>
<td>4,974.2</td>
<td>4,227.89</td>
<td>10,480.9</td>
<td>3,474.63</td>
<td>12,059.0</td>
<td>0.000</td>
</tr>
<tr>
<td>UBS Securities, LLC</td>
<td>0.50</td>
<td>0.27</td>
<td>1.14</td>
<td>1.14</td>
<td>1.51</td>
<td>1,836.63</td>
<td>16,402.7</td>
<td>1,475.79</td>
<td>13,183.7</td>
<td>2,399.01</td>
<td>10,254.7</td>
<td>769.58</td>
<td>11,034.1</td>
<td>0.000</td>
</tr>
<tr>
<td>Cboe EDGX Exchange, Inc.</td>
<td>0.38</td>
<td>0.00</td>
<td>0.07</td>
<td>2.09</td>
<td>0.09</td>
<td>0.00</td>
<td>0.000</td>
<td>-81.98</td>
<td>-10,1189</td>
<td>4,831.03</td>
<td>15,456.0</td>
<td>0.00</td>
<td>0.000</td>
<td></td>
</tr>
<tr>
<td>The Nasdaq Stock Market</td>
<td>0.37</td>
<td>0.00</td>
<td>0.06</td>
<td>2.04</td>
<td>0.06</td>
<td>0.00</td>
<td>0.000</td>
<td>-166.60</td>
<td>-20,266.1</td>
<td>3,374.50</td>
<td>16,399.0</td>
<td>-93.82</td>
<td>22,245.7</td>
<td>0.000</td>
</tr>
<tr>
<td>Members Exchange (MBMSX)</td>
<td>0.26</td>
<td>0.00</td>
<td>0.01</td>
<td>1.42</td>
<td>0.05</td>
<td>0.00</td>
<td>0.000</td>
<td>-3.64</td>
<td>-2,1128</td>
<td>3,544.59</td>
<td>16,830.0</td>
<td>0.00</td>
<td>0.000</td>
<td>0.000</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”). The columns in the table above which set out the percentage of the various order types and payment figures combine order flow and payments from both MSSB’s Full-Service Channel and Self-Directed Channel, although the payment figures in the table above reflect only Self-Directed Channel order executions since MSSB does not receive payment from Full-Service Channel executions whereas it does from Self-Directed Channel executions. 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 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 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 equity orders, and therefore do not receive payment from MSSB. 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”) through September 1, 2023 and not MSSB, a portion of Self-Directed Channel customers were customers of MSSB prior to that date. 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/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 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 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 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 sub-category (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"). The columns in the table above which set out the percentage of the various order types and payment figures combine order flow and payments from both MSSB's Full-Service Channel and Self-Directed Channel, although the payment figures in the table above reflect only Self-Directed Channel order executions since MSSB does not receive payment from Full-Service Channel executions whereas is does from Self-Directed Channel 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 $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 allocate any other order payments, 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") through September 1, 2023 and not MSSB, a portion of Self-Directed Channel customers were customers of MSSB prior to that date. 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/i/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 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"). The columns in the table above which set out the percentage of the various order types and payment figures combine order flow and payments from both MSSB's Full-Service Channel and Self-Directed Channel, although the payment figures in the table above reflect only Self-Directed Channel order executions since MSSB does not receive payment from Full-Service Channel executions whereas it does from Self-Directed Channel 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 $6 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 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") through September 1, 2022 and not MSSB, a portion of Self-Directed Channel customers were customers of MSSB prior to that date. 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/i/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 or more and $0.0031 per share for non-directed, NMS equity non-marketable limit order executions priced at $1.00 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 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 the 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 one or more of the other sub-categories 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 orders 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"). The columns in the table above which set out the percentage of the various order types and payment figures combine order flow and payments from both MSSB's Full-Service Channel and Self-Directed Channel, although the payment figures in the table above reflect only Self-Directed Channel order executions since MSSB does not receive payment from Full-Service Channel executions whereas is does from Self-Directed Channel executions. 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 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 is 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") through September 1, 2023 and not MSSB, a portion of Self-Directed Channel customers were customers of MSSB prior to that date. 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 order 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 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.

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 $1 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 account. 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 of 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. While the majority of Self-Directed Channel customers were customers of MSSB's affiliate broker-dealer, E*TRADE Securities LLC ("ETS") through September 1, 2023 and not MSSB, a portion of Self-Directed Channel customers were customers of MSSB prior to that date. 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/v/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 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 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 incentives to MSSB for failing to meet certain minimum volume thresholds;
C. for volume-based tiered payment schedules;
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 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 order routing 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 $1 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 of 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") through September 1, 2023 and not MSSB, a portion of Self-Directed Channel customers were customers of MSSB prior to that date. 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/v/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 incentives to MSSB for failing to meet certain minimum volume thresholds;
C. for volume-based tiered payment schedules;
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 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.

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 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 their brokerage accounts and the generation of compensation for Full-Service Channel orders from 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 brokerage accounts based upon their own investment decision making and without the benefit of the services of a Financial Advisor. MSSB's self-directed customers are customers of MSSB's affiliate, the Full-Service Channel receive services from MS&Co relating to the operation, servicing, and administration of their brokerage accounts and the generation of compensation for Full-Service Channel orders and the generation of services of a Financial Advisor. Among other things, MSSB receives compensation for Full-Service Channel orders that routes to EDGX through MS&Co. MSSB is also one of the few broker-dealers that routes to EDGX within a tiered pricing structure. As a result, if 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 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 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 MS&Co to meet certain volume thresholds;
B. that require MS&Co 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 beyond the tiered volume model set forth in the EDGX Fees Schedule as described above; or
D. that require MS&Co to route to any orders or a minimum number of orders to EDGX.

The fees MSSB pays and rebates MS&Co receives from EDGX through MS&Co for NMS equity executions 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 [https://www.cboe.com/us/equities/nms/trading/service/schedule/edge](https://www.cboe.com/us/equities/nms/trading/service/schedule/edge). Please see MS&Co’s public website Schedule URL and applicable rates may change without notice. In general, during Q3 2023, EDGX paid MS&Co rebate rates of $0.0027 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 Q3 2023, MS&Co received a rebate based on the notional value of $1,000 per trade, as described in the 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 and execution fees and rebates. 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 its customers' activity on a periodic basis to determine program eligibility. MS&Co may elect to choose whether to route EDGX retail priority program orders to EDGX through MS&Co. These orders 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.
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, 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") through September 1, 2023 and not MSSB, a portion of Self-Directed Channel customers were customers of MSSB prior to that date. 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 MEMX directly or indirectly through MS&Co., though 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’s order flows and rebates MSSB receives from MEMX through MS&Co for MSSB 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 Q3 2023, MEMX paid MSSB standard rebate rates of $0.0031 per share for Self-Directed Channel executions priced at $1.00 per share or more and a 0.28% fee 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, MSSB was charged a $0.00295 per share fee for executions priced at $1.00 or less per share or more and a 0.28% fee of the total trade notional value on executions priced below $1.00 per share. For Q3 2023, MEMX received rebates (net of fees) from MEMX in the amount of $3,981 in July, $5,243 in August, and $46,440 in September. 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. as described above.

MEMX is an affiliated company of Strategic Investments, Inc., both of which are wholly owned subsidiaries of Morgan Stanley and investor-shareholders of MEMX. Accordingly, MEMX, 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 exchanges to MEMX over other execution venues. MSSB’s routes ordered to MEMX through MS&Co will be combined with any other 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.

---

July 2023

Options

Summary

<table>
<thead>
<tr>
<th>Non-Directed Orders as % of All Orders</th>
<th>Market Orders as % Non-Directed Orders</th>
<th>Marketable Limit Orders as % 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>MSE Availability Rates as % of All Orders</th>
<th>MSE Availability Rates as % of All Orders</th>
<th>MSE Availability Rates as % of All Orders</th>
</tr>
</thead>
<tbody>
<tr>
<td>100.00</td>
<td>26.03</td>
<td>8.12</td>
<td>32.90</td>
<td>32.94</td>
<td>83.94</td>
<td>62.94</td>
<td>42.94</td>
</tr>
</tbody>
</table>

Venues

<table>
<thead>
<tr>
<th>Venue - 2023 Non-directed 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 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>Citadel Securities, LLC</td>
<td>28.71</td>
<td>26.71</td>
<td>33.66</td>
<td>32.71</td>
<td>25.08</td>
<td>82,645.71</td>
<td>30,394.50</td>
<td>69,494.66</td>
</tr>
</tbody>
</table>

---
<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>Other Orders (%)</th>
<th>Non-Marketable Limit 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>Morgan Stanley &amp; Co., LLC</td>
<td>27.54</td>
<td>44.54</td>
<td>26.05</td>
<td>27.73</td>
<td>14.27</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Global Execution Brokers LP</td>
<td>18.29</td>
<td>18.31</td>
<td>25.85</td>
<td>25.23</td>
<td>9.48</td>
<td>52,463.70</td>
<td>39,5722</td>
<td>35,609.34</td>
<td>40,7961</td>
</tr>
<tr>
<td>Wolverine Execution Services, LLC</td>
<td>11.24</td>
<td>5.95</td>
<td>7.87</td>
<td>7.72</td>
<td>19.76</td>
<td>17,084.16</td>
<td>31,3903</td>
<td>12,773.76</td>
<td>34,3908</td>
</tr>
<tr>
<td>Jane Street Execution Services</td>
<td>0.01</td>
<td>0.00</td>
<td>0.02</td>
<td>0.00</td>
<td>0.02</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</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>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
</tbody>
</table>

Material Aspects:
Citadel Securities, LLC:
Morgan Stanley Smith Barney LLC ("MSSB") routes customer orders in NMS securities that are options contracts 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"). The columns in the table above which set out the percentage of the various order types and payment figures combine order flow and payment figures from both the Full-Service Channel and the Self-Directed Channel, although the payment figures in the table above reflect only Self-Directed Channel order executions since MSSB does not receive payment from Full-Service Channel executions whereas it does from Self-Directed Channel executions. 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 and are not subject to any 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 such 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 were customers of MSSB’s affiliate broker-dealer, E*TRADE Securities LLC ("ETS") through September 1, 2021 and not MSSB, a portion of Self-Directed Channel customers were customers of MSSB prior to that date. 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 certain orders. In exchange for such routing, and solely with respect to Citadel’s 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 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 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 option 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 threshold,
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 $0.01 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 Q3 2023, MSSB paid total fees on customer index options executions of $2,196,790 in July, $1,378,086 in August, and $279,053 in September.

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 may make on its own orders. Accordingly, from such anticipated profit, an options market maker such as Citadel can (i) forgo a portion of such anticipated profit to pay for order flow; or (ii) retain the 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 (such as Citadel’s) anticipated profit must be allocated among those options 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, will be Citadel’s decision, and not subject to any formal Citadellian's decision. Self-Directed Channel customers receive, in informed and mitigated by competition for Self-Directed Channel order flow among 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 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.

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 routes customer orders in NMS securities that are options contracts 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 U.S. options exchanges. MS&Co. in the exchange agreements with MS&Co. and other brokers and breaks have agreed to share any anticipated profit with MS&Co. In addition, MS&Co. generates revenue from execution of the exchange of MSSB customer orders. MS&Co. 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 orders or direct MS&Co. orders executed by MS&Co or 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 MS&Co. 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. 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 option payment programs 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 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 fees for the routing of customer orders in exchange listed options to option exchanges. When the rebates received exceed 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 of U.S. options exchanges are not passed through to MS&Co or its customers. However, MS&Co. is an affiliated company of MSSB, which is a market maker on various U.S. options exchanges and MS&Co. may real make market-making profits from MSSB orders routed to MS&Co. for execution. In addition, MSSB 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 profits 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., MS&Co. may share indirectly in any such profits (whether from market-making, from pricing programs, or otherwise) generated by MS&Co.

Global Execution Brokers LP:
Morgan Stanley Smith Barney LLC ("MSSB") routes customer orders in NMS securities that are options contracts to Global Execution Brokers, LP ("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"). The columns in the table above which set out the percentage of the various order types and payment figures combine order flow and payments from both MSSB's Full-Service Channel and Self-Directed Channel, although the payment figures in the table above reflect only Self-Directed Channel order executions since MSSB does not receive payment from Full-Service Channel executions whereas is does from Self-Directed Channel executions. 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 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 an MSSB Financial Advisor. Among other things, MSSB receives compensation for customer Full-Service Channel orders from commissions on their brokerage accounts orders and fees on their advised orders. 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 executes MSSB customer orders on U.S. listed options exchanges 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 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 such order flow from the options market makers that provide liquidity and guarantee executions on the U.S. options exchanges, including G1X. While the majority of Self-Directed Channel customers were customers of MSSB's affiliate broker-dealer, E*TRADE Securities LLC ("ETS") through September 1, 2023 and not MSSB, a portion of Self-Directed Channel customers were customers of MSSB prior to that date. 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/investor/quarterly-order-routing-report.

G1X generates revenue from executing or facilitating the execution of MSSB customer orders. Also exchange for such routing, and solely with respect to Self-Directed Channel options orders, MSSB receives payment from G1X 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 options orders of Professional Customers, which are orders of customers who submit an average of 399 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 G1X with respect to Full-Service Channel order executions. 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 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 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 G1X passing exchange fees for index option executions back to MSSB each month. For Q3 2023, MSSB paid total fees on customer index options executions of $4,356 in July, $3,731 in August, and $89,678 in September.

There is a potential conflict to an options 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 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 sub-categories. The allocation of resources between the three sub-categories listed above, including the risk of overall allocation to market maker profits as 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.

G1X 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, 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 MSSB customer orders, G1X 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 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. G1X 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, G1X can earn a profit from such market-making executions. MSSB does not share directly in any rebates G1X receives for executions of MSSB customer orders, 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.

Dash/IMC Financial Markets:
Morgan Stanley Smith Barney LLC ("MSSB") routes customer orders in NMS securities that are options contracts 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 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 an MSSB 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 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 undisclosed 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 Self-Directed Channel customers were customers of MSSB's affiliate broker-dealer, E*TRADE Securities LLC ("ETS") through September 1, 2023 and not MSSB, a portion of Self-Directed Channel customers were customers of MSSB prior to that date. 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 options orders to Dash.

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 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, or non-professional index options order execution fees range from $0.00 to $1.22 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 Q3 2023, MSSB paid total fees on customer index options executions of $4,487 in July, $22,610 in August, and $60,450 in September.

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 IMC 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 exchange, 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 options 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 providers 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, 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. The allocation of resources between the three subcategories listed above, including the risk of overestimating 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 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 orders, or both.

Wolverine Execution Services, LLC:
Morgan Stanley Smith Barney LLC ("MSSB") routes customer orders in NMS securities that are options contracts 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 ETTRADE from Morgan Stanley Self-Directed Channel ("Self-Directed Channel"). The columns in the table above reflect only Self-Directed Channel order executions since MSSB does not receive payment from Full-Service Channel executions whereas is does from Self-Directed Channel executions. 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 commission policy, pursuant to which customers generally do not pay base commission for order handling and execution of self-directed channel NMS 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, ETTRADE Securities LLC ("ETC") through September 1, 2023 and not MSSB, a portion of Self-Directed Channel customers were customers of MSSB prior to that date. The Self-Directed Channel option 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 ET5 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 options 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 $0.01 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 Q3 2023, MSSB paid total fees on customer index options executions of $14,494 in July, $34,774 in August, and $818,798 in September.

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 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 amongst these categories, such that an increased allocation to 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. exchanges on 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.

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 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 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 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 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 obligations. Exchange rebates provided to Jane Street for MSSB customer order 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. (IGM 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 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.

August 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></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>99.98</td>
<td>91.04</td>
<td>0.99</td>
<td>5.83</td>
<td>2.14</td>
</tr>
</tbody>
</table>

Venues

| Venue - Non-directed Order Flow | Non-Directed Orders (%) | Market Orders (%) | Marketable Limit Orders (%) | Non-Marketable Limit Orders (%) | Other Orders (%) | Net Payment Paid/Received for Market Orders(USD) | Net Payment Paid/Received for Marketable Limit Orders(USD) | Net Payment Paid/Received for Non-Marketable Limit Orders(cents per hundred shares) | Net Payment Paid/Received for Non-Marketable Limit Orders(USD) | Net Payment Paid/Received for Non-Marketable Limit Orders(USD) | Net Payment Paid/Received for Non-Marketable Limit Orders(USD) | Net Payment Paid/Received for Other Orders(USD) | Net Payment Paid/Received for Other Orders(USD) |
|---------------------------------|------------------------|------------------|-----------------------------|--------------------------------|-----------------|-----------------------------------------------|-------------------------------------------------|-------------------------------------------------|-------------------------------------------------|-------------------------------------------------|-------------------------------------------------|-------------------------------------------------|-------------------------------------------------|-------------------------------------------------|
| Morgan Stanley Co., LLC         | 69.13                  | 72.42            | 28.48                       | 34.26                          | 42.90           | 0.92                                          | 0.0001                                         | -268.40                                         | -0.4266                                         | 26,387.45                                       | 25.1091                                         | -7,304.94                                       | -4.2889                                        |
| CITADEL SECURITIES LLC          | 8.93                   | 8.39             | 22.30                       | 11.03                          | 20.09           | 8,795.78                                     | 7.0943                                         | 1,007.55                                       | 14.9973                                         | 1,632.41                                       | 17.2479                                         | 1,064.23                                       | 6.9954                                        |
| Virtu Americas, LLC             | 7.88                   | 7.38             | 19.04                       | 10.95                          | 15.72           | 7,498.16                                     | 3.8118                                         | 873.49                                          | 9.9552                                         | 1,345.57                                       | 12.3462                                         | 964.44                                         | 6.3764                                        |
| G1 Execution Services, LLC      | 6.06                   | 4.87             | 13.52                       | 22.18                          | 9.28            | 2,765.31                                     | 3.9618                                         | 521.18                                          | 12.5753                                         | 2,544.58                                       | 23.6202                                         | 449.38                                         | 7.2929                                        |
| Two Sigma Securities, LLC       | 5.29                   | 5.09             | 4.91                        | 8.74                           | 4.61            | 370.09                                       | 0.4410                                         | 99.16                                           | 3.1227                                         | 2,377.48                                       | 16.4076                                         | 102.25                                         | 1.8833                                        |
| Jane Street Capital             | 2.10                   | 1.75             | 10.46                       | 4.84                           | 6.01            | 3,862.98                                     | 20.0142                                        | 467.46                                          | 19.9363                                         | 645.37                                          | 29.6877                                         | 419.28                                         | 19.2740                                       |
| UBS Securities, LLC             | 0.20                   | 0.11             | 0.90                        | 1.27                           | 1.12            | 248.63                                       | 19.7169                                        | 287.46                                          | 23.9647                                         | 252.46                                          | 13.8117                                         | 104.56                                         | 20.8706                                       |
| The Nasdaq Stock Market         | 0.15                   | 0.00             | 0.10                        | 2.51                           | 0.15            | 0.0000                                       | -10.54                                         | -27.7840                                       | 372.79                                          | 32.4299                                         | -8.04                                          | -17.7054                                       |
| Cboe EDGX Exchange, Inc.        | 0.14                   | 0.00             | 0.17                        | 2.40                           | 0.08            | 0.0000                                       | -5.26                                          | -11.6157                                       | 932.37                                          | 31.8067                                         | 0.00                                           | 0.0000                                         |
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. 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). While the majority of Self-Directed Channel customers were customers of MSSB’s affiliate broker-dealer, E*TRADE Securities LLC (“ETS”) through September 1, 2023 and not MSSB, a portion of Self-Directed Channel customers were customers of MSSB prior to that date. Quarterly order routing statistics for ETS are available at https://us.etade.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).

<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(cent per hundred shares)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Members Exchange (MEXX)</td>
<td>0.11</td>
<td>0.00</td>
<td>0.12</td>
<td>1.82</td>
<td>0.05</td>
<td>0.00</td>
<td>-0.76</td>
<td>388.67</td>
<td>33.6616</td>
<td>0.00</td>
<td>0.0000</td>
</tr>
</tbody>
</table>

Solely 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 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. 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 EDGA 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 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.

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"). The columns in the table above which set out the percentage of the various order types and payment figures combine order flow and payments from both MSSB's Full-Service Channel and Self-Directed Channel, although the payment figures in the table above reflect only Self-Directed Channel order executions since MSSB does not receive payment from Full-Service Channel executions whereas is does from Self-Directed Channel executions. 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") through September 1, 2023 and not MSSB, a portion of Self-Directed Channel customers were customers of MSSB prior to that date. 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 order flows 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) 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 order flow, 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"). The columns in the table above which set out the percentage of the various order types and payment figures combine order flow and payments from both MSSB’s Full-Service Channel and Self-Directed Channel, although the payment figures in the table above reflect only Self-Directed Channel order executions since MSSB does not receive payment from Full-Service Channel executions whereas is does from Self-Directed Channel 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 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 Virtu. While the majority of Self-Directed Channel customers were customers of MSSB’s affiliate broker-dealer, E*TRADE Securities LLC ("ETS") through September 1, 2023 and not MSSB, a portion of Self-Directed Channel customers were customers of MSSB prior to that date. 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/r/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 reallocation 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 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"). The columns in the table above which set out the percentage of the various order types and payment figures combine order flow and payments from both MSSB's Full-Service Channel and Self-Directed Channel, although the payment figures in the table above reflect only Self-Directed Channel order executions since MSSB does not receive payment from Full-Service Channel executions whereas it does from Self-Directed Channel 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") through September 1, 2023 and not MSSB, a portion of Self-Directed Channel customers were customers of MSSB prior to that date. 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 the 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, 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 sub-category (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 orders 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”). The columns in the table above which set out the percentage of the various order types and payment figures combine order flow and payments from both MSSB’s Full-Service Channel and Self-Directed Channel, although the payment figures in the table above reflect only self-directed Channel order executions since MSSB does not receive payment from Full-Service Channel executions whereas is does from Self-Directed Channel executions. 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.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 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”) through September 1, 2023 and not MSSB, a portion of Self-Directed Channel customers were customers of MSSB prior to that date. 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 the 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.

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. E*TRADE from Morgan Stanley Self-Directed Channel customers are members of the Self-Directed Channel customer order and fee paid for execution of orders for such accounts, including the services of a Financial Advisor. Among other things, MSSB receives compensation for services to customer Full-Service Channel 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 undisclosed exceptions 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. While the majority of Self-Directed Channel customers were customers of MSSB's affiliate broker-dealer, E*TRADE Securities LLC ("ETS") through September 1, 2023, and not MSSB, a portion of Self-Directed Channel customers were customers of MSSB prior to that date. 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 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. 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 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 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 Full-Service Channel 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 incentives to MSSB for failing to meet certain minimum volume thresholds;
C. for volume-based tiered payment schedules;

and

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 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 provision of 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 order routing and best execution obligations. Exchanges rebate provisions for Jane Street to 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 undisclosed exceptions 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") through September 1, 2023 and not MSSB, a portion of Self-Directed Channel customers were customers of MSSB prior to that date. 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 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 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 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 Full-Service Channel 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 incentives to MSSB for failing to meet certain minimum volume thresholds;
C. for volume-based tiered payment schedules;

and

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 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 provision of price improvement on Self-Directed Channel customer orders, is informed and mitigated by competition for order flow amongst UBS's market makers under the same general payment for order flow terms applicable to UBS.

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 ETXTrade from Morgan Stanley Self-Directed Channel ("Self-Directed Channel"). The Full-service Channel receives services from MSSB relating to the operation, servicing, and administration of their MSSB brokerage or advised accounts. MSSB also offers compensation to customers for Mellon Financial Full-service Channel orders from customers in 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://ustradate.com/what-we-offer/pricing-and-rates). 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 other brokers for the purpose of increasing the amount of commission revenue that MSSB receives from executions on NASDAQ. As a result of the corporate affiliation between MS&Co and MSSB, MSSB 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 MSSB makes the execution of such NMS equity securities orders necessary to qualify for preferred pricing under 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 MSSB customer orders to NASDAQ in another venue to receive a greater commission. For this reason, MSSB does not route Full-service Channel NMS equity orders to NASDAQ directly, though depending on market conditions, order pricing, and the ordering practices of, and regulatory requirements applicable to the market makers to which MSSB routed customer orders, some MSSB Full-service Channel non-directed NMS equity orders may be indirectly routed to, and executed on, NASDAQ, including through MSSB’s affiliate Morgan Stanley & Co., LLC ("MS&Co"), which is a market maker on NASDAQ.

MSSB 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, MSSB pays such fee or receives such rebate, as applicable, for executions of Self-Directed Channel orders that MSSB routes to NASDAQ directly through its Self-Directed Channel order execution. MSSB also pays fees to NASDAQ for 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 other brokers for the purpose of increasing the amount of commission revenue that MSSB receives from executions on NASDAQ. As a result of the corporate affiliation between MS&Co and MSSB, MSSB 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 MSSB makes the execution of such NMS equity securities orders necessary to qualify for preferred pricing under 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 MSSB customer orders to NASDAQ in another venue to receive a greater commission. For this reason, MSSB does not route Full-service Channel NMS equity orders to NASDAQ directly, though depending on market conditions, order pricing, and the ordering practices of, and regulatory requirements applicable to the market makers to which MSSB routed customer orders, some MSSB Full-service Channel non-directed NMS equity orders may be indirectly routed to, and executed on, NASDAQ, including through MSSB’s affiliate Morgan Stanley & Co., LLC ("MS&Co"), which is a market maker on NASDAQ.

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. MSSB reviews customers’ activity on a periodic basis to determine eligibility for this program. MSSB and NASDAQ retaliate by refusing to accept new orders from customers for which they believe that NASDAQ retail order priority program pricing or other benefits would not be reasonably available. For this purpose of determining the applicable retail order priority program 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. Further disclosures regarding routing of orders through MS&Co, including to NASDAQ, are provided in the material disclosure for MS&Co.

Choe EDGX Exchange, Inc.
Morgan Stanley Smith Barney LLC ("MSSB") routes NMS equity orders to Choe EDGX Exchange, Inc. (“Choe EDGX”), 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 order handling and execution of Self-Directed Channel NMS equities orders (subject to disclosed exceptions described more fully at https://ustradate.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 MS&Co, an equity market maker 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 venues or other brokers. While the majority of Self-Directed Channel customers were customers of MSSB’s affiliate broker-dealer, E*TRADE Securities LLC (“ETS”) through September 1, 2023 and not MS&Co, a portion of Self-Directed Channel customers were customers of MS&Co prior to that date. The tables above reflect Self-Directed Channel fees for EDS and MSSB only. Quarterly order routing statistics for ETS are available at https://ustradate.com/quarterly-order-routing-report. MSSB does not route Full-service Channel NMS equity orders to EDGX through MS&Co, though the order routing policy is subject to market conditions, order type, and the 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, EDGX, including through MS&Co’s affiliate MS&Co, which is a market maker on EDGX.

MS&Co either pays a fee or receives a rebate on behalf of MS&Co 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, MS&Co pays such fee or receives such rebate, as applicable, for executions of Self-Directed Channel orders that MSSB routes to EDGX indirectly though 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 MS&Co may also receive from executions on EDGX. 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 MS&Co makes the execution of such NMS equity securities orders necessary to qualify for preferred pricing under EDGX’s Schedule in a given quarter, 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 receive a higher tier. MS&Co and EDGX, however, do not have any arrangements:

a. That require MS&Co to meet certain volume thresholds;

b. That require MS&Co 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 beyond the tiered volume model set forth in the EDGX Fees Schedule as described above; or

d. That require MS&Co to route any orders or a minimum number of orders to EDGX.

The fees MSSB pays and rebates receives from EDGX through MS&Co for NMS equity executions are determined based on EDGX’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.nasdaqtrader.com/trader/asd/ixiv Pricing. Please note that NASDAQ’s publicly available Fees Schedule URL and applicable rates may change without notice. In general, during Q3 2023, NASDAQ paid MS&Co standard rebate rates of $0.0025 per share for Self-Directed Channel executions priced at $1.00 per share or more and did not pay any 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 did not pay any share amount for executions priced below $1.00 per share. For Q3 2023, for Self-Directed Channel executions, MS&Co received rebates (net of fees) from NASDAQ in the amount of $3,468 in July, $3,915 in August, and $543 in September. For clarity, and as indicated above, MS&Co does not route Full-service Channel orders to EDGX for execution directly.

MSSB 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. MSSB reviews customers’ activity on a periodic basis to determine eligibility for this program. MSSB and NASDAQ retaliate by refusing to accept new orders from customers for which they believe that NASDAQ retail order priority program pricing or other benefits would not be reasonably available. For this purpose of determining the applicable retail order priority program 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. Further disclosures regarding routing of orders through MS&Co, including to NASDAQ, are provided in the material disclosure for MS&Co.
Members Exchange (MEMX): Morgan Stanley Smith Barney LLC ("MS&Co") 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. MS&Co 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 MS&Co relating to the operation, servicing, and administration of their MS&Co brokerage or advised accounts and the generation of orders for such accounts, including the services of a Financial Advisor. Among other things, MS&Co 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/stock-commission-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 MEMX's equity market makers and, as described in further detail below, from rebates on executions of Self-Directed Channel orders that MEMX routes to certain U.S. securities exchanges directly and indirectly through its affiliate Morgan Stanley & Co., LLC ("MS&Co").

MS&Co routesto MEMX through MS&Co. While MEMX 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 MS&Co 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") through September 1, 2023 and not MS&Co, a portion of Self-Directed Channel customers were customers of MS&Co prior to that date. The tables above reflect Self-Directed Channel orders routed by MS&Co only. Quarterly order routing statistics 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 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 MS&Co routes customer orders, some MS&Co Full-Service Channel non-directed NMS equity orders may be indirectly routed to, and executed on MEMX, including through MS&Co's affiliate MS&Co, which is a market maker on MEMX.

MS&Co 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, MS&Co pays such fee or receives such rebate, as applicable, for executions of Self-Directed Channel orders that MS&Co routes to MEMX indirectly through MS&Co may also benefit indirectly from profits realized from exchange rebates to MS&Co for executing MS&Co 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 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 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 MS&Co to route a higher percentage of MS&Co customer orders to MEMX through MS&Co rather than another venue in order to reach a higher tier. MEMX and MS&Co, 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 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 Fees Schedule as described above; or
D. that require MS&Co to route any orders or a minimum number of orders to MEMX.

The fees MS&Co pays and rebates MS&Co 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 Q3 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 Q3 2023, MEMX received rebates (net of fees) from MEMX in the amount of $3,983 in July, $5,243 in August, and $46,440 in September. For clarity, and as indicated above, MS&Co routes Self-Directed orders to MEMX through MS&Co with specific routing instructions to send to MEMX pursuant to MS&Co's order routing determinations whereas MS&Co 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.

MEMX 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, MEMX, 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. MS&Co routes Self-Directed Channel 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 MS&Co. Further disclosures regarding routing of orders through MS&Co are provided in the above Public Order Routing Report disclosures for MS&Co.

--

**August 2023**

**Non-S&P 500 Stocks**

**Summary**

<table>
<thead>
<tr>
<th>Non-Marketable Orders as % of All Orders</th>
<th>Marketable 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 (%)</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 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>99.90</td>
<td>74.92</td>
<td>3.33</td>
<td>17.87</td>
<td>3.88</td>
<td>32.06</td>
<td>212.37</td>
<td>0.0072</td>
<td>-1,678.99</td>
<td>-0.2778</td>
<td>91,038.78</td>
<td>17,5017</td>
<td>-1,299.41</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 Orders (%)</th>
<th>Non-Marketable 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 Smith Barney Co., LLC</td>
<td>56.43</td>
<td>62.70</td>
<td>12.95</td>
<td>43.55</td>
<td>32.06</td>
<td>212.37</td>
<td>0.0072</td>
<td>-1,678.99</td>
<td>-0.2778</td>
<td>91,038.78</td>
<td>17,5017</td>
</tr>
</tbody>
</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 order accounts and fees on their advised accounts. As a result, MISSB 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 MISSB'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 exchange orders (subject to disclosed exceptions as described more fully at https://us.etade.com/what-we-charge/ordering-and-rates). While the majority of Self-Directed Channel customers were customers of MISSB's affiliate broker-dealer, E*TRADE Securities LLC ("ETS") through September 1, 2023 and not MISSB, a portion of Self-Directed Channel customers were customers of MISSB prior to that date. Quarterly order routing statistics for ETS are available at https://us.etade.com/i/quarterly-order-routing-report. Although the columns in the table above may not total out the percentage of the various order types because 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 below).

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 order opportunities for price improvement. Such internalization may enable MS&Co to generate trading profit and/or commissions or fees on the transaction. In addition, MISSB 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. MISSB 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 equity executions are paid 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 in appreciation to be 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 Cove EDGX 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 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 MISSB 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 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:
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"). The columns in the table above which set out the percentage of the various order types and payment figures combine order flow and payments from both MSSB's Full-Service Channel and Self-Directed Channel, although the payment figures in the table above reflect only Self-Directed Channel order executions since MSSB does not receive payment from Full-Service Channel executions whereas it does from Self-Directed Channel executions. 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") through September 1, 2023 and not MSSB, a portion of Self-Directed Channel customers were customers of MSSB prior to that date. 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/i/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"). The columns in the table above which set out the percentage of the various order types and payment figures combine order flow and payments from both MSSB’s Full-Service Channel and Self-Directed Channel, although the payment figures in the table above reflect only Self-Directed Channel order executions since MSSB does not receive payment from Full-Service Channel executions whereas is does from Self-Directed Channel 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 $5 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") through September 1, 2023 and not MSSB, a portion of Self-Directed Channel customers were customers of MSSB prior to that date. 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/i/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 attribution 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 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 Execution 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"). The columns in the table above which set out the percentage of the various order types and payment figures combine order flow and payments from both MSSB’s Full-Service Channel and Self-Directed Channel, although the payment figures in the table above reflect only Self-Directed Channel order executions since MSSB does not receive payment from Full-Service Channel executions whereas it does from Self-Directed Channel 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.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 affiliated broker-dealer, E*TRADE Securities LLC ("ETS") through September 1, 2023 and not MSSB, a portion of Self-Directed Channel customers were customers of MSSB prior to that date. 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/qquarterly-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 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 rebates 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:
Jane exchanges allocate profits to & above customers that does from Self-Directed Channel executions. 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 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 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") through September 1, 2023 and not MSSB, a portion of Self-Directed Channel customers were customers of MSSB prior to that date. 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 overallallocation 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.

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 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. While the majority of Self-Directed Channel customers were customers of MSSB's affiliate broker-dealer, E*TRADE Securities LLC ("ETS") through September 1, 2023 and not MSSB, a portion of Self-Directed Channel customers were customers of MSSB prior to that date. 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/v/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 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 $0.003 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 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 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 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 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 execution 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 order routing and best execution obligations.

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 customers were customers of MSSB's affiliate broker-dealer, E*TRADE Securities LLC ("ETS") through September 1, 2023 and not MSSB, a portion of Self-Directed Channel customers were customers of MSSB prior to that date. 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/v/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 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 $0.003 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 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 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 execution 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') 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.

UBS E*TRADE Securities, LLC ("ETS") 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 by MSSB to UBS's 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 Choo 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 their customer accounts, including the services of a Financial Advisor. Among other things, MSSB receives compensation for its brokerage services through commissions on the execution of securities transactions, and the fees and rebates referenced above are subject to volume pricing. To the extent that MSSB meets the execution volume thresholds necessary to qualify for preferred pricing under EDGX’s Fees Schedule, it 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 fees and rebates referenced above, including on behalf of MSSB's customers.

The fees MSSB pays and rebates MS&Co. receives from EDGX through MS&Co. for NMS equity executions 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/marketdata/fee_schedule/edx/. Please visit EDGX’s public website for fee Schedule URL link and applicable rates may change without notice. In general, during Q3 2023, EDGX paid MS&Co. rebate rates of $0.0027 per share (including any round-lot adjustment) for Full-Service Channel executions priced at $1.00 per share or more and $0.0009 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 $0.00275 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 Q3 2023, MS&Co. received a $0.0027 rebate of fees from EDGX in the amount of $0.049 in July, $0.707 in August, and $76.694 in September. For clarity, and as indicated above, MSSB routes self-directed orders to EDGX through MS&Co with specific routing instructions to send to EDGX pursuant to MSSB'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 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 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. MS&Co. chooses whether or not to route Choo EDGX retail order priority program 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 fees and rebates referenced above, including on behalf of MSSB's customers.

The Nasdaq Stock Market:

The fees MSSB pays and rebates MS&Co. receives from EDGX through MS&Co. 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 https://www.nasdaqtrader.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 Q3 2023, Nasdaq paid MS&Co. rebate rates of $0.00325 per share for Full-Service 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. Full-Service Channel executions that removed liquidity from Nasdaq qualified for tiered pricing and MS&Co was charged fees of $0.003 per share for Full-Service 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 Q3 2023, for Full-Service Channel executions, MS&Co. received payments (net fees) from Nasdaq in the amount of $3,668 in July, $3,915 in August, and $54,993 in September. For clarity, and 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 interest at a given price level or other enhanced execution benefits. MSSB reviews customers' activity on a periodic basis to determine program eligibility and reserves the right to choose whether or not to route orders to Nasdaq through MS&Co. will be combined with any other order flow that MS&Co. routes to Nasdaq for the purpose of determining the applicable pricing under Nasdaq's tiered volume model. As a result, 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 things, 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."). In addition, the Self-Directed Channel executes MSSB's orders to route EDGX through MS&Co. To determine where to route order customers based on, and consistent with its best execution obligations, these U.S. exchange rebate payments could also be used to 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/pricing and rebates referenced above are subject to volume pricing. To the extent that MSSB 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 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 EDGX through MS&Co rather than another venue in order to reach a higher tier. MSBB and EDGX, however, do not have any arrangements:

A. that require MSSB to meet certain minimum 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 beyond the tiered volume model set forth in the EDGX Fees Schedule as described above; or
D. that require MS&Co to route any orders or a minimum number of orders to 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 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 customer orders to particular venues or others. While the majority of Self-Directed Channel customers were customers of MSSB's affiliate broker-dealer, E*TRADE Securities LLC ("ETS") through September 1, 2023 and not MSSB, a portion of Self-Directed Channel customers were customers of MSSB prior to that date. 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 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 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 MS&Co. The fees and rebates referenced above are subject to volume pricing. To the extent that MSSB 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 MS&Co 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 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 Q3 2023, MEMX paid MSSB standard rebate rates of $0.0031 per share for Self-Directed Channel executions priced at $1.00 per share or more and a 0.28% fee 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 Q3 2023, MEMX received rebates (net of fees) from MEMX in the amount of $3,983 in July, $5,243 in August, and $46,440 in September. 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 MS&Co to route a higher percentage of Self-Directed Channel orders to MEMX other over 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.

---

August 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>Other Orders as % of Non-Directed Orders</th>
</tr>
</thead>
<tbody>
<tr>
<td>100.00</td>
<td>26.97</td>
<td>8.78</td>
<td>32.68</td>
<td>31.57</td>
<td></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>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 Other Orders(USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Citadel Securities, LLC</td>
<td>27.91</td>
<td>26.61</td>
<td>31.23</td>
<td>31.24</td>
<td>24.65</td>
<td>87,134.60</td>
<td>29.5713</td>
<td>85,342.02</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>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>
</tr>
<tr>
<td>-------------------------------</td>
<td>------------------------</td>
<td>------------------</td>
<td>-----------------------------</td>
<td>-----------------</td>
<td>-----------------------------------------------</td>
<td>------------------------------------------------------</td>
<td>-------------------------------------------------------------</td>
<td>-----------------------------------------------</td>
</tr>
<tr>
<td>Morgan Stanley &amp; Co., LLC</td>
<td>25.54</td>
<td>39.96</td>
<td>25.69</td>
<td>25.19</td>
<td>13.54</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Global Execution Brokers LP</td>
<td>19.22</td>
<td>20.19</td>
<td>26.04</td>
<td>25.96</td>
<td>9.53</td>
<td>60,750.60</td>
<td>37,1046</td>
<td>43,580.04</td>
</tr>
<tr>
<td>Wolverine Execution Services, LLC</td>
<td>11.66</td>
<td>6.35</td>
<td>7.99</td>
<td>8.29</td>
<td>20.69</td>
<td>20,007.36</td>
<td>28,9316</td>
<td>14,038.56</td>
</tr>
<tr>
<td>Jane Street Execution Services</td>
<td>0.01</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.01</td>
<td>0.00</td>
<td>0.00</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>0.00</td>
<td>0.00</td>
</tr>
</tbody>
</table>

Material Aspects:
Citadel Securities, LLC:
Morgan Stanley Smith Barney LLC ("MSBB") routes customer orders in NMS securities that are options contracts to Citadel Securities LLC ("Citadel") 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"). In the table above which set out the percentage of the various order types and payment figures combine order flow and payment flows to MS&Co. for both Full-Service Channel and Self-Directed Channel, although all payment figures in the table above reflect only Self-Directed Channel order executions since MSBB does not receive payment from Full-Service Channel executions whereas is does from Self-Directed Channel executions. MSBB 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 MSBB is compensated for the services it performs, which, as described in detail below, can impact the price improvement opportunities and trade execution that MSBB customers receive from Citadel.

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 an MSBB 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 from Citadel. In addition, as more fully described below, Citadel executes MSBB 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 MSBB’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-charge/pricing-and-rates). Because MSBB 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 the majority of Self-Directed Channel customers were customers of MSBB’s affiliate broker-dealer, E*TRADE Securities LLC ("ET’S") through September 1, 2021 and not MSBB, a portion of Self-Directed Channel customers were customers of MSBB prior to that date. 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 MSBB. Quarterly order routing statistics for ET’S are available at https://us.etrade.com/quarterly-order-routing-report.

Citadel generates revenue from executing or facilitating the execution of the orders it receives. In exchange for such routing, and solely with respect to Citadel’s Self-Directed Channel options orders, MSBB 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. MSBB does not receive payment from Citadel for index options executions on Self-Directed Channel orders or for options orders of Professional Customers, which are 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 MSBB routes to its affiliate Morgan Stanley & Co., LLC for handling and execution, MSBB only routes Self-Directed Channel orders in NMS securities that are options contracts to market makers that pay for order flow and all such market makers are subject to substantially the same rate of payment. For clarity, and as indicated above, MSBB does not receive payment from Citadel with respect to Full-Service Channel order executions. Furthermore, MSBB and Citadel 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 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 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 MSBB each month. For Q3 2023, MSBB paid total fees on customer index options executions of $2,190.74 in July, $11,086 in August, and $27,945 in September.

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 order maker makes upon executing or facilitating execution of the order. Accordingly, from such anticipated profit, an options market maker such as Citadel can (i) forgo a portion of such anticipated profit to pay for order flow; or (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. An options market maker’s (such as Citadel’s) anticipated profit must be allocated among these sub-categories, that is, an increase in the price of 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 makers at the expense of providing price improvement to Self-Directed Channel customer orders, is informed and mitigated by competition for Self-Directed Channel order flow among MSBB’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 MSBB 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 MSBB orders including the MSBB orders for which Citadel may receive remuneration from the U.S. options exchanges to which it routes or directs MSBB customer orders in the form of rebates. These U.S. options exchange rebate payments could, in theory, incentivize Citadel to route higher percentages of MSBB customer orders to particular exchanges 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 MSBB customer order and, as such, Citadel can earn a profit from such market-making executions. MSBB does not share directly in any rebates Citadel receives for executions of MSBB customer orders, although Citadel could potentially use these rebates to provide price improvement to MSBB customers, order flow payments to MSBB with respect to Self-Directed Channel orders, or both.

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 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. 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. MSBB routes customer orders in NMS securities that are options contracts to MS&Co to facilitate liquidity provision and price improvement opportunities for its customers. MSBB customer orders in U.S. listed options that are sent to MS&Co are then routed by MS&Co to U.S. options exchanges for execution. MSBB 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 orders or for options orders executed by MS&Co and MS&Co 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 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 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 MSBB 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 MSBB customer orders to various 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 received exceed 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 MSBB customer executions, including the U.S. options exchanges are not passed through to MSBB or its customers. However, MS&Co is an affiliated company of MS&Co, which is a market maker in 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, MSBB and MS&Co execute 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 profits as a result of the combination of such order flow and the incentives of such tiered pricing programs. As a result of MSBB's corporate affiliation with MS&Co, MSBB may share indirectly in any such profits (whether from market-making, from pricing programs, or otherwise) generated by MS&Co.

Global Execution Brokers LP:
Morgan Stanley Smith Barney LLC ("MSSB") routes customer orders in NMS securities that are options contracts to Global Execution Brokers, LP ("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"). The columns in the table above which set out the percentage of the various order types and payment figures combine order flow and payments from both MSSB's Full-Service Channel and Self-Directed Channel, although the payment figures in the table above reflect only Self-Directed Channel order executions since MSSB does not receive payment from Full-Service Channel executions whereas is does from Self-Directed Channel executions. 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 execution 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 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 orders. 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 executes MSSB customer orders on U.S. listed options exchanges 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 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 such order flow from the options market makers that provide liquidity and guarantee executions on the U.S. options exchanges, including G1X. While the majority of Self-Directed Channel customers were customers of MSSB's affiliate broker-dealer, E*TRADE Securities LLC ("ETS") through September 1, 2023 and not MSSB, a portion of Self-Directed Channel customers were customers of MSSB prior to that date. 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.

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 options orders, MSSB receives payment from G1X 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 options orders of Professional Customers, which are orders of customers who submit an average of 399 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 G1X with respect to Full-Service Channel order executions. 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.

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 G1X passing exchange fees for index option executions back to MSSB each month. For Q3 2023, MSSB paid total fees on customer index options executions of $4,356 in July, $8,371 in August, and $89,678 in September.

There is a potential conflict to an options 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 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 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.

G1X 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, 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 MSSB customer orders, G1X may also receive remuneration from the U.S. options exchanges to which it routes or directs MSSB 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. G1X 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, G1X can earn a profit from such market-making executions. MSSB does not share directly in any rebates G1X receives for executions of MSSB customer orders, 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.

Dash/IMC Financial Markets:
Morgan Stanley Smith Barney LLC ("MSSB") routes customer orders in NMS securities that are options contracts 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 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 an MSSB 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 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 Self-Directed Channel customers were customers of MSSB's affiliate broker-dealer, E*TRADE Securities LLC ("ETS") through September 1, 2023 and not MSSB, a portion of Self-Directed Channel customers were customers of MSSB prior to that date. 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 options orders to Dash.

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 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 threshold volumes or that provide disincetives 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 Q3 2023, MSSB paid total fees on customer index options executions of $4,487 in July, $22,610 in August, and $60,450 in September.

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 IMC 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 exchange, 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 options 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 for payment 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. 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 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 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 orders, or both.

Wolverine Execution Services, LLC:
Morgan Stanley Smith Barney LLC ("MSSB") routes customer orders in NMS securities that are options contracts 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 ETTRADE from Morgan Stanley Self-Directed Channel ("Self-Directed Channel"). The columns in the table above reflect only Self-Directed Channel order executions since MSSB does not receive payment from Full-Service Channel executions whereas is does from Self-Directed Channel executions. MSSB receives and handles non-directed options orders on a held 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 agreed 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 basic commission for order handling and execution of Self-Directed Channel NMS 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, ETTRADE Securities LLC ("ETC") through September 1, 2023 and not MSSB, a portion of Self-Directed Channel customers were customers of MSSB prior to that date. The Self-Directed Channel options 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 ET3 are available at https://us.etrade.com/quarterly-order-routin-report.

Wolverine generates revenue from executing the order flow of MSSB customers. 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 options exchange orders 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;
D. that require MSSB to route any orders or a minimum number of orders to Wolverine.

In general, public, retail, or non-retail index options order exchange 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 Q3 2023, MSSB paid total fees on customer index options executions of $14,498 in July, $34,774 in August, and $818,790X in September.

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 amongst these 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 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. exchanges on 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.

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 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 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 only 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 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;
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 orders options 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 obligations. Exchange rebates provided to Jane Street for MSSB customer order 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 ("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 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.

**September 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>99.66</td>
<td>67.15</td>
<td>3.49</td>
<td>20.92</td>
<td>8.44</td>
</tr>
</tbody>
</table>

**Venues**

| Venue - Non-directed Order Flow | Non-Directed Orders (%) | Market Orders (%) | Marketable Limit Orders (%) | Non-Marketable Limit Orders (%) | Other Orders (%) | Net Payment Paid/Received for Market Orders(USD) | Net Payment Paid/Received for Marketable Limit Orders(USD) | Net Payment Paid/Received for Non-Marketable Limit Orders(USD) | Net Payment Paid/Received for Non-Marketable Limit Orders(cents per hundred shares) | Net Payment Paid/Received for Non-Marketable Limit Orders(USD) | Net Payment Paid/Received for Non-Marketable Limit Orders(cents per hundred shares) | Net Payment Paid/Received for Non-Marketable Limit Orders(USD) | Net Payment Paid/Received for Non-Marketable Limit Orders(cents per hundred shares) |
|----------------------------------|------------------------|------------------|---------------------------|-------------------------------|------------------|-----------------------------------------------|-------------------------------------------------|-------------------------------------------------|-------------------------------------------------|-------------------------------------------------|-------------------------------------------------|-------------------------------------------------|-------------------------------------------------|-------------------------------------------------|
| Morgan Stanley & Co., LLC        | 29.36                  | 41.93            | 2.88                      | 3.33                          | 4.87             | 0.00                                          | -282.22                                         | -0.6457                                         | 16,334.96                                      | 24.4517                                         | -8,424.40                                         | -4.9586                                         |
| Virtu Americas, LLC              | 18.67                  | 18.15            | 28.97                     | 14.30                         | 29.46            | 213,886.61                                    | 17.8945                                         | 30,585.60                                       | 28,841.67                                      | 23.0726                                         | 29,926.82                                        | 13.1767                                         |
| Two Sigma Securities, LLC        | 4.89                   | 3.71             | 3.01                      | 9.69                          | 3.18             | 10,708.19                                     | 9.6104                                          | 2,049.21                                        | 20,395.49                                      | 26,2310                                         | 4,473.68                                        | 17.3486                                         |
| UBS Securities, LLC              | 0.92                   | 0.48             | 1.13                      | 1.90                          | 1.95             | 5,718.27                                      | 20.0000                                         | 2,766.34                                        | 5,367.58                                       | 30,4633                                         | 2,756.07                                        | 22.4457                                         |
| The Nasdaq Stock Market          | 0.87                   | 0.00             | 0.13                      | 3.93                          | 0.48             | 0.00                                          | 0.0000                                          | -538.29                                         | -28,7311                                       | 11,484.11                                      | 32,2457                                         | -125.29                                         | -14,8864                                        |
| Cboe EDGX Exchange, Inc.         | 0.84                   | 0.00             | 0.18                      | 3.69                          | 0.72             | 0.00                                          | 0.0000                                          | -160.00                                         | -13,5840                                       | 14,063.01                                      | 31,3099                                         | 0.00                                            | 0.0000                                          |
Material Aspects:

Morgan Stanley & Co. LLC ("MS&Co") is an affiliate of Morgan Stanley & Co., LLC. ("MS&Co"). Both MSIB and MS&Co are registered broker-dealers. MSIB 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 MSIB relating to the operation, servicing, and administration of their MSIB brokerage or advised accounts and the generation of orders for such accounts, including the services of a Financial Advisor. Among other things, MSIB receives compensation for customer Full-Service Channel orders from commissions on their brokerage account orders and fees on their advised accounts. As a result, MSIB 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 MSIB's 0.00 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 MSIB's affiliate broker-dealer, E*TRADE Securities LLC ("ETS") through September 1, 2023 and not MSIB, a portion of Self-Directed Channel customers were customers of MSIB prior to that date. 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 MSIB’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, MSIB 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 MSIB and routes in accordance with customer instructions, all Full-Service Channel equity orders are routed by MSIB to MS&Co. for execution. MS&Co executes MSIB 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 reimbursement in the form of rebates from U.S. securities exchanges to which it routes or directs MSIB customer orders. These U.S. exchange rebate payments could, in theory, incentivize MSIB to route higher percentages of MSIB customer orders to particular venues over others, subject to MS&Co’s independent order routing and best execution obligations. MSIB 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 MSIB Full-Service Channel customer executions are passed through to MSIB. As such, these rebate payments could theoretically incentivize MSIB to route a higher percentage of customer orders to MS&Co subject to MSIB’s independent order routing and best execution obligations. Additionally, affiliates of MSIB 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 MSIB 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 MSIB routes to Cboe EDGA Exchange, Inc. and the Members Exchange for execution through MS&Co, MSIB does not route Self-Directed Channel orders to MS&Co for execution directly. Self-Directed Channel equity orders that MSIB 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 MSIB 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 MSIB 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"). The columns in the table above which set out the percentage of the various order types and payment figures combine order flow and payments from both MSSB’s Full-Service Channel and Self-Directed Channel, although the payment figures in the table above reflect only Self-Directed Channel order executions since MSSB does not receive payment from Full-Service Channel executions whereas it does from Self-Directed Channel executions. 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") through September 1, 2023 and not MSSB, a portion of Self-Directed Channel customers were customers of MSSB prior to that date. 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 Full-Service 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 the other two 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 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 orders 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"). The columns in the table above which set out the percentage of the various order types and payment figures combine order flow and payments from both MSSB's Full-Service Channel and Self-Directed Channel, although the payment figures in the table above reflect only Self-Directed Channel order executions since MSSB does not receive payment from Full-Service Channel executions whereas is does from Self-Directed Channel 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 customers on their 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 $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 change 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") through September 1, 2023 and not MSSB, a portion of Self-Directed Channel customers were customers of MSSB prior to that date. 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 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"). The columns in the table above which set out the percentage of the various order types and payment figures combine order flow and payments from both MSSB's Full-Service Channel and Self-Directed Channel, although the payment figures in the table above reflect only Self-Directed Channel order executions since MSSB does not receive payment from Full-Service Channel executions whereas is does from Self-Directed Channel 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 order execution orders 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 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") through September 1, 2023 and not MSSB, a portion of Self-Directed Channel customers were customers of MSSB prior to that date. 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/qtrly-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 the same standards 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 equities 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 have 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 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 Jane Street. While the majority of Self-Directed Channel customers were customers of MSSB’s affiliate broker-dealer, E*TRADE Securities LLC ("ETS") through September 1, 2023 and not MSSB, a portion of Self-Directed Channel customers were customers of MSSB prior to that date. 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 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. 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 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 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 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 order routing 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 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"). The columns in the table above which set out the percentage of the various order types and payment figures combine order flow and payments from both MSSB's Full-Service Channel and Self-Directed Channel, although the payment figures in the table above reflect only Self-Directed Channel order executions since MSSB does not receive payment from Full-Service Channel executions whereas is does from Self-Directed Channel executions. 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 send orders to MSSB 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 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 affiliated broker-dealer, E*TRADE Securities LLC ("ETS") through September 1, 2023 and not MSSB, a portion of Self-Directed Channel customers were customers of MSSB prior to that date. 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 and 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) 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.

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, including custody, investing and custodial services. From customers of the Self-Directed Channel (simplified, "S-Channel") execution of transactions 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 own investment decision making and with the benefit of the services of a Financial Advisor. Self-Directed Channel orders are subject to MSSB's $0 commission policy, pursuant to which customers generally do not pay base commissions 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 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") through September 1, 2023 and not MSSB, a portion of Self-Directed Channel customers were customers of MSSB prior to that date. 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 Route 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 for 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 a minimum number of orders. 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 benefits for 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 for 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 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 profit at the expenses 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 incentivize MSSB to generate 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 orders 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 customers with respect Self-Directed Channel orders, or both.

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, including custody, investing and custodial services. From customers of the Self-Directed Channel generally generate and enter orders themselves for their brokerage accounts based upon their own investment decision making and with 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 MSSB’s equity market makers and, as described in further detail below, from rebates on executions on 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 venues over others. While the majority of Self-Directed Channel customers were customers of MSSB’s affiliate broker-dealer, E*TRADE Securities LLC ("ETS") through September 1, 2023 and not MSSB, a portion of Self-Directed Channel customers were customers of MSSB prior to that date. 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 NASDAQ directly, 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, NASDAQ, including through MSSB’s affiliate Morgan Stanley & Co., LLC ("MSSC"), which is a market maker on Nasdaq.

MSSB 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, MSSB pays such fee or receives such rebate, as applicable, for executions of Self-Directed Channel orders that MSSB routes to NASDAQ directly through which may also benefit indirectly from profits realized from exchange rebates to MSSB’s affiliate MSSC for executing orders MSSC receives in its capacity as market maker, which MSSC may also receive from executions on NASDAQ. As a result of the corporate affiliation between MSSC and MSSB, MSSB may share indirectly in any such profits generated by MSSC. The fees and rebates referenced above are subject to volume generation. To the extent that MSSB executes the volume of its entire Book of Business, MSSB is likely to qualify for preferred pricing under NASDAQ’s Fees Schedule. In a given month, increased (rather than standard) rebate rates for 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 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 through the tiered volume model set forth in the NASDAQ Fees Schedule as described above; or
D. that require MSSB to route any orders or a minimum number of orders to NASDAQ.

The fees MSSB pays and rebates MSSB receives from NASDAQ for NMS equities executions are determined by 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 https://www.nasdaqtrader.com/trader.aspx?id=pricing. Please note that NASDAQ’s publicly available Fees Schedule URL link and applicable rates may change without notice. In general, during Q3 2023, NASDAQ paid MSSB standard rebate rates of $0.0032 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 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 0.30% of the total notional value of executions priced below $1.00 per share. For Q3 2023, for Self-Directed Channel executions, MSSB received rebates (net of fees) from NASDAQ in the amount of $0.00325 per share, and $0.00354 per share for execution of execution.

MSSB also participates in NASDAQ’s retail order priority program under which eligible retail orders receive priority ahead of all 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 and reserves the right to choose whether to participate in the NASDAQ retail order priority program. MSSB orders routed to NASDAQ through MSSC 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 MSSC 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 MSSC, including to NASDAQ, are provided in the material aspect disclosure section.
Morgan Stanley Smith Barney LLC ("MSSB") routes NMS equity orders to Choo 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 and 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 MS&Co brokerage or adviser 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 50 commission policy, pursuant to which MSSB 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 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 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 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") through September 1, 2023 and not MSSB, a portion of Self-Directed Channel customers were customers of MSSB prior to that date. 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/v/quarterly-order-routing-report. MSSB does not route Full-Service Channel NMS equity orders to EDGX 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 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, MS&Co 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 MS&Co receives in its capacity as market maker, which MS&Co may also receive from executions on EDGX. 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 MSSB 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 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 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 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 MSSB to route any orders or a minimum number of orders to EDGX.

The fees MS&Co pays and rebates MSSB receives from EDGX through MS&Co for NMS equity executions 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 Q3 2023, EDGX paid MS&Co rebate rates of $0.0027 per share for Self-Directed Channel executions priced at $1.00 per share or more and $0.0009 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 $0.00275 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 Q3 2023, MS&Co received rebates (net of fees) from EDGX in the amount of $3,644 in July, $7,207 in August, and $76,649 in September. For clarity, and as indicated above, MS&Co routes Self-Directed orders to EDGX through MS&Co with specific routing instructions to send to EDGX pursuant to MSSB's order routing determinations whereas MSSB 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 interest at a given price level or other enhanced execution benefits. MSSB 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. MSSB orders routed 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 MSSB. Further disclosures regarding routing of orders through MS&Co are provided in the above Public Order Routing Report disclosures for 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 ETRADGE 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 accounts and the generation of revenues 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 MSSB generally does 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 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 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, ETRADGE Securities LLC ("ETS") through September 1, 2023 and not MSSB, a portion of Self-Directed Channel customers were customers of MSSB prior to that date. 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-NMS equity orders may be indirectly routed to, and executed on MEMX, including through MS&Co's affiliate MS&Co., which is a market maker on MEMX.

MSSB & MS&Co. either pay a fee or receive a rebate on behalf of MSSB for each Self-Directed 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 MS&Co may also receive from executions on MEMX. As a result of the corporate affiliation between MS&Co and MSSB, MSSB 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 MSSB 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 MSSB equity execution orders are determined based on MEMX's tiered volume model. Schedules delineating order 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 Q3 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, MEMX was charged a $5.00295 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 Q3 2023, MSSB received rebates (net of fees) from MEMX in the amount of $3,933 in July, $5,343 in August, and $46,440 in September. 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 MS&Co'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.

MEMX 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, incentivise MS&Co 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 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.

---

**September 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>99.51</td>
<td>52.39</td>
<td>8.21</td>
<td>31.80</td>
<td>7.61</td>
</tr>
</tbody>
</table>

### Venues

<table>
<thead>
<tr>
<th>Venue - 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 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 Other Orders(USD)</th>
<th>Net Payment Paid/Received for Other Orders(cents per hundred shares)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CITADEL SECURITIES LLC</strong></td>
<td>22.00</td>
<td>32.94</td>
<td>15.18</td>
<td>30.83</td>
<td>808,058.76</td>
<td>14,5110</td>
<td>352,603.96</td>
<td>202,435.12</td>
<td>14,973.4</td>
</tr>
<tr>
<td><strong>Virtu Americas, LLC</strong></td>
<td>20.61</td>
<td>29.70</td>
<td>13.93</td>
<td>28.63</td>
<td>789,771.88</td>
<td>13,9432</td>
<td>308,820.44</td>
<td>123,340.72</td>
<td>11,6504</td>
</tr>
</tbody>
</table>

---

**Price Breakdowns**

- **Order-Related Charge**: $0.00295 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.
- **Other Charges**:
  - **Net Payment Paid/Received**: Varies based on the tiered pricing model provided by MEMX.
  - **Net Payment Paid/Received for Market Orders**: 808,058.76 cents per hundred shares.
  - **Net Payment Paid/Received for Marketable Limit Orders**: 14,5110 cents per hundred shares.
  - **Net Payment Paid/Received for Non-Marketable Limit Orders**: 352,603.96 cents per hundred shares.
  - **Net Payment Paid/Received for Other Orders**: 202,435.12 cents per hundred shares.

---

**Payment Breakdowns**

- **Non-Directed Orders (%)**: 99.51
- **Market Orders (%)**: 52.39
- **Marketable Limit Orders (%)**: 8.21
- **Non-Marketable Limit Orders (%)**: 31.80
- **Other Orders (%)**: 7.61

---

**Order Composition**

- **Orders**: Includes both market and limit orders with the latter being non-cancelable and non-modifiable.
- **Order Flow**: Divided into non-directed and directed orders.
- **Additional Services**: Include rebates, fees, and other financial incentives that contribute to the overall market dynamics.

---

**Timeframe Considerations**

- **Quarterly Data**: Q3 2023
- **Comparison Periods**: Prior to and post-MEMX implementation date
- **Relevant Regulators**: Securities and Exchange Commission (SEC)

---

**Further Reading**

- MEMX Fees Schedule
- MS&Co's Affiliate Relationship with Morgan Stanley
- Market-Making Practices in Equity Markets

---

**Contact Information**

For more detailed inquiries or specific consultations, please refer to the relevant sections within the company’s official documents or contact their customer service department.
<table>
<thead>
<tr>
<th>Venue</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>Morgan Stanley &amp; Co., LLC</td>
<td>19.31</td>
<td>30.84</td>
<td>1.58</td>
<td>7.84</td>
<td>7.04</td>
<td>82.05</td>
<td>0.0033</td>
<td>-901.59</td>
<td>18.4631</td>
</tr>
<tr>
<td>G1 Execution Services, LLC</td>
<td>17.68</td>
<td>9.38</td>
<td>14.81</td>
<td>32.36</td>
<td>16.59</td>
<td>300,660.99</td>
<td>13.8191</td>
<td>137,021.80</td>
<td>-901.59</td>
</tr>
<tr>
<td>Two Sigma Securities, LLC</td>
<td>5.19</td>
<td>3.27</td>
<td>2.70</td>
<td>9.47</td>
<td>3.26</td>
<td>43,106.69</td>
<td>9.7407</td>
<td>22,981.53</td>
<td>16.7184</td>
</tr>
<tr>
<td>UBS Securities, LLC</td>
<td>1.23</td>
<td>0.68</td>
<td>1.14</td>
<td>1.95</td>
<td>2.10</td>
<td>22,008.90</td>
<td>15.1088</td>
<td>21,789.83</td>
<td>12.5941</td>
</tr>
<tr>
<td>Cboe EDGX Exchange, Inc.</td>
<td>1.20</td>
<td>0.00</td>
<td>0.14</td>
<td>3.57</td>
<td>0.63</td>
<td>0.00</td>
<td>0.0000</td>
<td>-2,622.00</td>
<td>17.8192</td>
</tr>
<tr>
<td>The Nasdaq Stock Market</td>
<td>1.18</td>
<td>0.00</td>
<td>0.12</td>
<td>3.58</td>
<td>0.42</td>
<td>0.00</td>
<td>0.0000</td>
<td>-6,824.53</td>
<td>-1,209.82</td>
</tr>
<tr>
<td>Members Exchange (MEMX)</td>
<td>0.85</td>
<td>0.00</td>
<td>0.09</td>
<td>2.54</td>
<td>0.46</td>
<td>0.00</td>
<td>0.0000</td>
<td>-984.00</td>
<td>22.1895</td>
</tr>
</tbody>
</table>

Material Aspects:

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"). The columns in the table above which set out the percentage of the various order types and payment figures combine order flow and payments from both MSSB's Full-Service Channel and Self-Directed Channel, although the payment figures in the table above reflect only Self-Directed Channel order executions since MSSB does not receive payment from Full-Service Channel executions whereas it does from Self-Directed Channel executions. 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.e.trade.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") through September 1, 2023 and not MSSB, a portion of Self-Directed Channel customers were customers of MSSB prior to that date. 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.e.trade.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; (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"). The columns in the table above which set out the percentage of various order types and payment figures combine order flow and payments from both MSSB’s Full-Service Channel and Service Channel routes to Virtu. The payment figures reflect order flow and payments pursuant to MSSB’s payment for order flow agreements with Virtu. 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; there are differences in how MSSB is compensated for the services it provides, 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, MSSB may sell the orders for those shares to third parties. Conversely, customers of the Full-Service 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 $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 Virtu. While the majority of self-directed Channel customers were customers of MSSB's affiliate broker-dealer, E*TRADE Securities LLC ("ETS") through September 1, 2023 and not MSSB, a portion of Self-Directed Channel customers were customers of MSSB prior to that date. The Self-Directed Channel order statistics reflected in the tables above (which also includes 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/i/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 market liquidity and market limited execution orders priced executions at $1.00 per share or more and $0.0031 per share for non-directed, NMS equity non-marketable limit execution orders 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, Virtu provides self-directed MSSB's 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 NMS Channel orders, MSSB marks applicable orders as retail on an order-by-order basis. MSSB, 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 minimum volume thresholds;
C. for any time-based tiered payment program;
D. that require MSSB to route any orders or a minimum number of Virtu orders.

There is a potential conflict for a market maker such as Virtu both in 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 directly to a market maker (i.e. a larger profit and not the fee for such order execution) (iii) allocate such revenue (such as allocation to one or more sub-categories) to execution channels to better serve sub-categories and 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 or market maker prices at the expense of market makers or the use of execution rates for the unsolicited orders portion of the Virtu order flow, is in the discretion of Virtu, including in some cases after Virtu has booked such orders. There are a number of factors that could contribute to the potential conflict for Virtu, for example, Virtu could use a pricing model that assigns execution orders from such a customer to execution channels to better serve a particular customer. Moreover, Virtu could direct the execution of orders from each of its customers to execution channels to better serve a particular customer.

In addition to revenues that Virtu may collect for executing or facilitating the execution of orders (both Full-Service Channel and Self-Directed Channel orders) that MSSB routes to Virtu, Virtu also receives remuneration from U.S. securities exchanges to which it routes orders on exchanges in accordance with "reciprocal媛n" orders in forms 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 direct rebates for executions for 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.

Morgan Stanley & Co., LLC, Morgan Stanley Smith Barney LLC ("MSSB") is an affiliate of Morgan Stanley & Co., LLC. ("MSSC"). Both MSSB and MSSC 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 services. The Full-Service Channel orders from MSSB relating to the operation, servicing, and administration of their MSSB brokerage or advised accounts and the generation of orders for such accounts are subject to the discretion 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-Service Channel generally generate and enter orders themselves for their brokerage accounts in the order to fulfill 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 Virtu. While the majority of self-directed Channel customers were customers of MSSB’s affiliate broker-dealer, E*TRADE Securities LLC (“ETS”) through September 1, 2023 and not MSSB, a portion of Self-Directed Channel customers were customers of MSSB prior to that date. The Self-Directed Channel order statistics reflected in the tables above (which also includes 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/i/quarterly-order-routing-report. Solely with respect to Self-Directed Channel orders, MSSB routes NMS equity orders to facilitate liquidity provision and price improvement opportunities for its customers. Except for a limited number of directed Full-Service Channel equity orders which MSSC receives, from MSSB and routes in accordance with customer instructions, all Full-Service Channel equity orders are routed by MSSB to MSSC for execution. MSSC executes Full-Service Channel NMS equity order executions on an agency, principal or riskless principal basis and may receive compensation for such executions. In connection with certain of these executions, MSSC 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 MSSC to gain a competitive trading profit and/or commissions or fees on the transaction. In addition, MSSC 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. MSSC receives remuneration in the form of rebates from U.S. securities exchanges to which it routes or directs self-directed customer orders. These U.S. exchange rebate payments could, in theory, incentivize MSSC to route higher percentages of self-directed customer orders to particular venues over others, subject to MSSC’s independent order routing and best execution obligations. MSSC may also receive incremental pricing benefits from U.S. securities exchanges and/or communications if certain volume thresholds are met. The net of U.S. securities exchange rebates paid by, and rebates executed to, MSSC for Full-Service Channel customer order executions are passed through to MSSB. As such, these rebate payments could theoretically incentivize MSSB to route a higher percentage of customer orders to MSSC, subject to MSSC’s independent order routing 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.

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"). The columns in the table above which set out the percentage of the various order types and payment figures combine order flow and payments from both MSSB's Full-Service Channel and Self-Directed Channel, although the payment figures in the table above reflect only Self-Directed Channel order executions since MSSB does not receive payment from Full-Service Channel executions whereas it does from Self-Directed Channel 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") through September 1, 2023 and not MSSB, a portion of Self-Directed Channel customers were customers of MSSB prior to that date. 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 or less per share. 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 the substantially 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 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 Jane Street. While the majority of Self-Directed Channel customers were customers of MSSB’s affiliate broker-dealer, E*TRADE Securities LLC ("ETS") through September 1, 2023 and not MSSB, a portion of Self-Directed Channel customers were customers of MSSB prior to that date. 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 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. 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 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 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 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 among 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 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.

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”). The columns in the table above which set out the percentage of the various order types and payment figures combine order flow and payments from both MSSB’s Full-Service Channel and Self-Directed Channel, although the payment figures in the table above reflect only Self-Directed Channel order executions since MSSB does not receive payment from Full-Service Channel executions whereas is does from Self-Directed Channel executions. 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 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 Two Sigma. While the majority of Self-Directed Channel customers were customers of MSSB’s affiliate broker-dealer, E*TRADE Securities LLC (“ETS”) through September 1, 2023 and not MSSB, a portion of Self-Directed Channel customers were customers of MSSB prior to that date. 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 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.

UBS Securities, LLC:
Morgan Stanley Smith Barney LLC ("MSSB") routes NMS equity orders to USB Securities, LLC ("USB") 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 Barney Direct-Self Channel". The Full-Service Channel receives services from MSSB relating to the operation, servicing, and administration of Full-Service Channel circles or branches, including the Sale and Generation of securities on behalf of the customers, and the routing of orders. MSSB receives compensation from customers for such services or branches 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, provided customers meet certain minimum volume thresholds; that is, to demand at least certain minimum volume thresholds; or that provide incentives to USB for meeting or exceeding certain volume thresholds; and that require access to various fee schedules such as based on ordered account or minimum number of orders to USB.

There is a potential conflict for a market maker such as USB both for paying 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 USB 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 USB'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 USB.

In addition to revenues that USB may collect for executing or facilitating the execution of Self-Directed Channel customer orders that MSSB routes to USB, USB 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 USB to route higher percentages of MSSB customer orders to particular venues over others, subject to USB's independent order routing and best execution obligations. Exchange rebates related to USB's MSSB customer orders are not passed through to MSSB or its customers, although USB 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 and the e*TRADE from Morgan Stanley Smith Barney Direct-Self Channel". Customers of the Full-Service Channel receive services from MSSB relating to the operation, servicing, and administration of Full-Service Channel circles or branches, including the Sale and Generation of securities on behalf of the customers, and the routing of orders. MSSB receives compensation from customers for such services or branches 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 in NMS equities are subject to MSSB's $0 commission policy, provided customers generally do not pay base commission for order handling and execution of Self-Directed Channel NMS equities orders (subject to discounted execution fees). MSSB may charge customers a fee for certain sub-categories of orders or minimum number of orders to USB.

The fees MSSB pays and rebates MSSB receives from EDGX through MS&Co for NMS equity orders are determined based on MSSB's edgex channel volume. Schedule delineating rebates 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/edgex/. Please note that EDGX's publicly available Fees Schedule URL link and applicable rates may change without notice. In general, during Q3 2023, EDGX paid MSSB rebate rates of $0.0027 per share for Full-Service Channel executions priced at $1.00 per share or more for executions priced below $1.00 per share, and $0.0057 per share for executions priced below $1.00 per share. Executions that removed liquidity from EDGX qualified for tiered pricing and was charged a $0.0275 per share fee for executions priced at $1.00 per share or more and a 0.28% fee on the total notional value on executions priced below $1.00 per share. During Q3 2023, MSSB received rebates (net of fees) from EDGX in the amount of $5,649 in July, $7,726 in August, and $7,649 in September. For clarity, and as indicated above, MSSB routes Self-Directed orders to EDGX through MS&Co with specific routing instructions to send to EDGX pursuant to MSSB's order routing determinations whereas MSSB 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.

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 and may choose to refuse to participate in the program. To the extent that MSSB chooses to participate in the program, it will provide enhanced priority program. 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 priority program.
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 Barney Direct 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 such services from its 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://etradecom/app/what/fee-pricing-and-rates). Because MSSB does not charge commission on the execution of 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 venues or exchanges. To the extent that MSSB meets the exchange volume requirements necessary to qualify for preferred pricing under 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 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 disincentives to MSSB for failing to meet certain minimum volume thresholds;
- for commission-based trade price 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 receives from NASDAQ for NMS equity orders 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.nasdaqtrader.com/trader.aspx?id=tx_price. Please note that NASDAQ's publicly available Fees Schedule URL link and applicable rates may change without notice. In general, during Q3 2023, NASDAQ paid standard rebate rates of $0.0025 per share for Self-Directed Channel executions priced at $1.00 per share or more and did not pay any 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 such Self-Directed Channel executions. Please see the NASDAQ's fees schedule for more details.

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. MSSB reviews customers' activity on a periodic basis to determine eligible retail orders. Please see the NASDAQ regulations for details. MSSB relies on the NASDAQ rules for the purposes of determining if an order is eligible for priority execution under NASDAQ's priority scheduling program, and MSSB relies on the NASDAQ fees schedule to determine applicable rebate rates and fees 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. Further disclosures regarding routing of orders through MS&Co, including to NASDAQ, are provided in the material aspect disclosure for MS&Co.

Members Exchange (MEMX)

Morgan Stanley Smith Barney LLC ("MSSB") routes NMS equity orders to MEMX LLC ("MEMX") through its affiliate Morgan Stanley Smith Barney Direct 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 such services from its 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 LLC'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://etradecom/app/what/fee-pricing-and-rates). Because MEMX LLC does not charge commission on the execution of Self-Directed Channel orders, the Firm seeks to be compensated, among other ways, through payment for order flow from MEMX LLC'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 Directed Channel. 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 or exchanges. To the extent that MSSB meets the exchange volume requirements necessary to qualify for preferred pricing under MEMX LLC's Fees Schedule in a given month, increased (rather than standard) rebate rates and decreased (rather than standard) fees will apply. Because MEMX LLC 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 customer orders to MEMX LLC rather than another venue in order to reach a higher tier. MEMX LLC and MSSB, 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 disincentives to MSSB for failing to meet certain minimum volume thresholds;
- for commission-based trade price 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 LLC.

The fees MSSB pays and rebates receives from MEMX LLC for NMS equity orders are determined based on MEMX LLC's tiered volume model. Schedules delineating orders eligible for such rebates and the applicable rates are published publicly by MEMX LLC in the MEMX Fees Schedule. Schedules are available at https://www.memx.com/regulations.html. Please note that MEMX LLC's published publication fees Schedule Link and applicable rates may change without notice. In general, during Q3 2023, MEMX LLC paid standard rebate rates of $0.0025 per share for Self-Directed Channel executions priced at $1.00 per share or more and did not pay any share amount for executions priced below $1.00 per share. Self-Directed Channel executions that removed liquidity from MEMX LLC qualified for tiered pricing and MSSB was charged fees of $0.003 per share for such Self-Directed Channel executions. Please see the MEMX LLC fees schedule for more details.

MEMX LLC also participates in MEMX LLC'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. MEMX LLC reviews customers' activity on a periodic basis to determine eligible retail orders. Please see the MEMX LLC regulations for details. MEMX LLC relies on the MEMX LLC rules for the purposes of determining if an order is eligible for priority execution under MEMX LLC's priority scheduling program, and MEMX LLC relies on the MEMX LLC fees schedule to determine applicable rebate rates and fees under MEMX LLC's tiered pricing model described above. It is possible that MEMX LLC 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 MS&Co, including to MEMX LLC, are provided in the material aspect disclosure for MS&Co.
## September 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>17.21</td>
<td>9.49</td>
<td>34.12</td>
<td>39.17</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 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>32.61</td>
<td>35.49</td>
<td>35.61</td>
<td>28.27</td>
<td>1,792,884.02</td>
<td>45.0371</td>
<td>1,972,247.65</td>
<td>45.9812</td>
<td>1,217,180.59</td>
<td>43.0622</td>
<td>848,237.58</td>
<td>37.6637</td>
<td></td>
</tr>
<tr>
<td>Global Execution Brokers LP</td>
<td>24.77</td>
<td>34.30</td>
<td>34.35</td>
<td>33.78</td>
<td>1,347,839.90</td>
<td>46.5535</td>
<td>1,166,919.85</td>
<td>46.7835</td>
<td>1,316,479.91</td>
<td>46.7413</td>
<td>405,513.05</td>
<td>39.3504</td>
<td></td>
</tr>
<tr>
<td>Dash/IMC Financial Markets</td>
<td>24.03</td>
<td>15.60</td>
<td>16.40</td>
<td>36.00</td>
<td>810,977.28</td>
<td>44.6943</td>
<td>713,257.44</td>
<td>43.7100</td>
<td>515,064.96</td>
<td>40.4182</td>
<td>1,647,832.80</td>
<td>40.3044</td>
<td></td>
</tr>
<tr>
<td>Morgan Stanley &amp; Co., LLC</td>
<td>1.54</td>
<td>3.29</td>
<td>1.34</td>
<td>1.00</td>
<td>0.00</td>
<td>0.0000</td>
<td>0.00</td>
<td>0.0000</td>
<td>0.0000</td>
<td>0.0000</td>
<td>0.0000</td>
<td>0.0000</td>
<td></td>
</tr>
<tr>
<td>Jane Street Execution Services</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>0.0000</td>
<td>0.0000</td>
<td>0.0000</td>
<td>0.0000</td>
<td></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>0.0000</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>0.00</td>
</tr>
<tr>
<td>NYSE American LLC</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>0.0000</td>
<td>0.0000</td>
<td>0.0000</td>
<td>0.0000</td>
<td></td>
</tr>
</tbody>
</table>

### Material Aspects:

Citadel Securities, LLC:
Morgan Stanley Smith Barney LLC ("MSSB") routes customer orders in NMS securities that are options contracts 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"). The columns in the table above reflect only Self-Directed Channel order executions since MSSB does not receive payment from Full-Service Channel executions whereas is does from Self-Directed Channel executions. 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.etade.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 things, 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 the majority of Self-Directed Channel customers were customers of MSSB’s affiliate broker-dealer, E*TRADE Securities LLC ("ETS") through September 1, 2023 and not MSSB, a portion of Self-Directed Channel customers were customers of MSSB prior to that date. 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.etade.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 passing exchange fees for Self-Directed Channel index option executions back to MSSB each month. For Q3 2023, MSSB paid total fees on customer index options executions of $2,190X in July, $11,086 in August, and $275X in September.

There is a potential conflict to 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 payments 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, LP ("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"). The columns in the table above which set out the percentage of the various order types and payment figures combine order flow and payments from both MSSB's Full-Service Channel and Self-Directed Channel, although the payment figures in the table above reflect only Self-Directed Channel order executions since MSSB does not receive payment from Full-Service Channel executions whereas is does from Self-Directed Channel executions. 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 execution 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 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 orders as a result. MSSB does not seek or receive payment for payment order flow on such orders from G1X. In addition, as more fully described below, G1X executes MSSB customer orders on U.S. listed options exchanges 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 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 such order flow from the options market makers that provide liquidity and guarantee executions on the U.S. options exchanges, including G1X. While the majority of Self-Directed Channel customers were customers of MSSB's affiliate broker-dealer, E*TRADE Securities LLC ("ETS") through September 1, 2023 and not MSSB, a portion of Self-Directed Channel customers were customers of MSSB prior to that date.

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 options orders, MSSB receives payment from G1X 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 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 G1X with respect to Full-Service Channel order executions. 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.

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 G1X passing exchange fees for index option executions back to MSSB each month. For Q3 2023, MSSB paid total fees on customer index options executions of $4,356 in July, $8,371 in August, and $89,678 in September.

There is a potential conflict to an options 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 options market maker seeks to earn from executing or facilitating the execution of MSSB customer orders. According to, 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 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.

G1X 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, 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 MSSB customer orders, G1X may also receive remuneration from the U.S. options exchanges to which it routes or directs MSSB 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. G1X 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, G1X can earn a profit from such market-making executions. MSSB does not share directly in any rebates G1X receives for executions of MSSB customer orders, 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.

Dash/IMC Financial Markets:
Morgan Stanley Smith Barney LLC ("MSSB") routes customer orders in NMS securities that are options contracts 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 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 an MSSB 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 NMS securities that are options contracts are subject to the MSSB's S0 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.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 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 Self-Directed Channel customers were customers of MSSB's affiliate broker-dealer, E*TRADE Securities LLC ("ETS") through September 1, 2023 and not MSSB, a portion of Self-Directed Channel customers were customers of MSSB prior to that date. The tables above reflect Self-Directed Channel orders routed by MSSB only. Quarterly order routing statistics for ETS are available at https://us.etradecom/1/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. For exchange 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 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, 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 option executions back to MSSB each month. For Q3 2023, MSSB paid total fees on customer index options executions of $4,487 in July, $22,610 in August, and $604,250 in September.

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 IMC 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 prefer the liquidity providers on such applicable exchange, 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 options 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. The allocation of resources between the three sub-categories listed above, including the risk of over-allocating 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 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 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.

Wolverine Execution Services, LLC:
Morgan Stanley Smith Barney LLC ("MSSB") routes customer orders in NMS securities that are options contracts 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 containing the Full-Service Channel and the E*TRADE from Morgan Stanley Self-Directed Channel ("Self-Directed Channel"). The columns in the table above reflect only Self-Directed Channel order executions since MSSB does not receive payment from Full-Service Channel executions whereas it does from Self-Directed Channel executions. 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% 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). 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 affiliated broker-dealer, E*TRADE Securities LLC ("ETC") through September 1, 2023 and not MSSB, a portion of Self-Directed Channel customers were customers of MSSB prior to that date. The Self-Directed Channel orders in NMS strike 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.

Wolverine generates revenue from executing orders in NMS securities that pay for customer order flow, and all such market makers are subject to the same minimum 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 option order execution fees range from $0.01 to $2.32 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 Q3 2023, MSSB paid total fees on customer index option orders executions of $14,498 in July, $34,774 in August, and $81,786 in September.

There is a potential conflict to an options market maker such as Wolverine who both pays for customer order flow and provides price improvement for such orders, as the potential source of funds for each is the same, namely the anticipated profit the options market maker could realize from execution of customer orders above anticipated profit, an option of such anticipated profit or the forecasted profit from options market maker such as Wolverine can (i) forego a portion of such anticipated profit to pay for order flow; (ii) retain a larger portion of anticipated profit and not provide (or provide less) price improvement; or (iii) provide (or provide more) price improvement but not pay for order flow. An options market maker’s (such as Wolverine’s) anticipated profit must be allocated between the two competing 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 above, including the risk of overallocation to market makers profits, on the volume of providing order flow and self-improvement on a Self-Directed Channel customer orders, is informed and mitigated by competitors to Self-Directed Channel order flow amongst MSSB’s independent orders 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 such anticipated profit, an option of such anticipated profit or the forecasted profit from options market maker such as Wolverine can (i) forego a portion of such anticipated profit to pay for order flow; (ii) retain a larger portion of anticipated profit and not provide (or provide less) price improvement; or (iii) provide (or provide more) price improvement but not pay for order flow. An options market maker’s (such as Wolverine’s) anticipated profit must be allocated between the two competing 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 above, including the risk of overallocation to market makers profits, on the volume of providing order flow and self-improvement on a Self-Directed Channel customer orders, is informed and mitigated by competitors to Self-Directed Channel order flow amongst MSSB’s independent orders under the same general payment for order flow terms applicable to Wolverine.

In the course of providing liquidity, MSSB may prefer option orders to MSSB’s options order maker market for meeting or exceeding certain volume thresholds; that require MSSB to meet certain minimum volume thresholds or that provide disincentives to MSSB for failing to meet certain minimum volume thresholds; and that require MSSB to route any orders or a minimum number of orders to MSSB.

In the course of providing liquidity, MSSB may prefer option orders to MSSB’s options order maker market for meeting or exceeding certain volume thresholds; that require MSSB to meet certain minimum volume thresholds or that provide disincentives to MSSB for failing to meet certain minimum volume thresholds; and that require MSSB to route any orders or a minimum number of orders to MSSB.

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, containing 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 accounts 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 routes customer orders in NMS securities that are options contracts to MS&Co. to facilitate liquidity provision and price improvement opportunities for its customers. MS&Co. customer orders in U.S. listed options exchanges that are options contracts are sent to MS&Co. and are routed by MS&Co. to U.S. options exchanges and executed against MS&Co. interest and/or other liquidity for their respective customers. MS&Co. 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 executed by MS&Co. and MSSB 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 MS&Co. 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 prefer option orders to MS&Co’s options order maker market for meeting or exceeding certain volume thresholds; that require MS&Co. to meet certain minimum volume thresholds or that provide disincentives to MS&Co. for failing to meet certain minimum volume thresholds; and that require MS&Co. to route any orders or a minimum number of orders to MS&Co.

MS&Co. receives rebates and pays fees for the routing of customer orders in exchange options in option exchange orders to option exchanges. When the rebates received exceed the fees paid to such venue, MS&Co. receives benefits from the trading activity. In addition, certain exchanges offer volume-based tiered rebates based on the type of order routed. MS&Co. receives incremental pricing benefits from exchange offers volume-based tiered rebates. 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 are not passed through to MS&Co or its customers. However, MS&Co. is an affiliated company of MSSB, which is a market maker on various U.S. options exchanges and MS&Co. may receive market-making profits from MS&Co orders routed to MS&Co. 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 profits 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., MS&Co. may share indirectly in any such profits (whether from market-making, from pricing programs, or otherwise) generated by MS&Co.

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 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 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 order 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 order executions 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.