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

Non-Directed Orders as % of All Orders	Market Orders as % of Non-Directed Orders	Marketable Limit Orders as % of Non-Directed Orders	Non-Marketable Limit Orders as % of Non-Directed Orders	Other Orders as % of Non-Directed Orders
99.99	90.39	1.11	6.23	2.26

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 Market Orders(cents per hundred shares)	Net Payment Paid/ Received for Marketable Limit Orders(USD)	Net Payment Paid/ Received for 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 Other Orders(USD)	Net Payment Paid/ Received for Other Orders(cents per hundred shares)
Morgan Stanley & Co., LLC	67.65	71.38	25.85	30.73	40.92	0.06	0.0000	-75.51	-0.1140	20,326.23	25.9613	-4,313.18	-3.7644
CITADEL SECURITIES LLC	9.56	8.94	24.43	11.68	21.65	9,910.14	8.0787	1,063.24	14.5819	1,424.29	15.7939	964.11	8.6914
Virtu Americas, LLC	8.24	7.59	19.21	12.92	16.25	8,231.30	4.5563	1,436.94	13.2939	1,470.21	13.8616	953.66	8.1571
G1 Execution Services, LLC	6.37	5.00	14.19	23.53	9.16	3,356.35	4.9901	407.09	10.3232	3,556.14	24.8353	429.25	9.3528
Two Sigma Securities, LLC	5.17	4.95	4.65	8.80	4.15	404.66	0.5323	41.70	1.1362	2,575.63	16.3078	54.73	1.4695
Jane Street Capital	2.31	2.00	10.50	3.90	6.33	5,285.95	20.0242	393.94	19.4540	493.42	29.8091	553.84	19.4495
UBS Securities, LLC	0.25	0.14	0.94	1.35	1.28	174.40	20.0000	154.43	22.8481	379.73	30.9036	74.40	21.5918
The Nasdaq Stock Market	0.17	0.00	0.07	2.69	0.07	0.00	0.0000	-8.19	-27.6709	442.89	32.4850	-5.08	-24.8971
Cboe EDGX Exchange, Inc.	0.16	0.00	0.11	2.57	0.10	0.00	0.0000	-0.94	-4.0137	947.75	31.6505	0.00	0.0000
Members Exchange (MEMX)	0.12	0.00	0.03	1.81	0.09	0.00	0.0000	-1.25	-7.9214	443.62	34.0001	0.00	0.0000

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 $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). 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/l/quarterly-order-routing-report. Although the columns in the table above which set out the percentage of the various order types combine order flow from MSSB's Full-Service Channel and Self-Directed Channel, the payment figures in the table above reflect only Full-Service Channel order executions. Neither the Full-Service Channel nor the Self-Directed Channel generally receive payment for order flow on these orders (other than as described below).

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

Apart from a limited number of Self-Directed Channel directed equity orders, which MS&Co receives from MSSB or its affiliate broker-dealer E*TRADE Securities, LLC with customer instructions to route to directly to certain U.S. securities exchanges and a limited number of non-directed Self-Directed Channel equity orders that MSSB routes to Cboe EDGX Exchange, Inc. and the Members Exchange for execution through MS&Co, MSSB does not route Self-Directed Channel orders to MS&Co for execution directly. Self-Directed Channel equity orders that MSSB routes to the U.S. securities exchanges through MS&Co will be combined with any other order flow that MS&Co routes to the exchange for the purpose of determining the applicable pricing and rebates under exchange tiered pricing models. MS&Co either pays a fee or receives a rebate for each Self-Directed Channel customer order execution on those exchanges, depending on whether the order added to or subtracted from liquidity on the exchange, which are passed through to MSSB at the rates and amounts reflected in the applicable relationship disclosures and tables in this report. To the extent that MS&Co meets the execution volume thresholds necessary to qualify for preferred pricing under an exchange tiered pricing 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/l/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 $0 commission policy, pursuant to which customers generally do not pay base commissions for order handling and execution of their Self-Directed Channel NMS equities orders (subject to disclosed exceptions as described more fully at https://us.etrade.com/what-we-offer/pricing-and-rates). Because MSSB does not charge commissions on these Self-Directed Channel orders, MSSB seeks to be compensated, among other ways, through the receipt of payment for order flow from equity securities market makers, including Virtu. While the majority of Self-Directed Channel customers were customers of MSSB's affiliate broker-dealer, E*TRADE Securities LLC ("ETS") 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/l/quarterly-order-routing-report.

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

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

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

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

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

G1 Execution Services, LLC:

Morgan Stanley Smith Barney LLC (“MSSB”) routes NMS equity orders to G1 Executions Services, LLC (“G1X”) to facilitate liquidity provision and price improvement opportunities for its customers. MSSB operates two primary service channels for its wealth management customers, the Full-Service Channel and the 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 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/l/quarterly-order-routing-report.

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

To take advantage of rules adopted by the U.S. securities exchanges that allow retail orders to be eligible for certain potential benefits, including additional price improvement from retail liquidity programs and higher queue priority from retail attestation programs, and to allow G1X to access such potential benefits for Self-Directed Channel NMS equity orders, MSSB marks applicable orders as retail orders on an order-by-order basis. MSSB and G1X, however, do not have any arrangements:
A. that require MSSB to meet certain volume thresholds or that provide incentives to MSSB for meeting or exceeding certain volume thresholds;
B. that require MSSB to meet certain minimum volume thresholds or that provide disincentives to MSSB for failing to meet certain minimum volume thresholds;
C. for volume-based tiered payment schedules; or
D. that require MSSB to route any orders or a minimum number of orders to G1X.

There is a potential conflict for a market maker such as G1X both paying for order flow on applicable Self-Directed Channel orders and providing price improvement for such orders as the potential source of funds for each is the same, namely the anticipated profit the market maker seeks to earn from executing or facilitating the execution of Self-Directed Channel customer orders. Accordingly, from such anticipated profit, a market maker such as G1X can (i) forgo a portion of such anticipated profit to provide price improvement; (ii) forgo a portion of such anticipated profit to pay for order flow; or (iii) retain a larger portion of anticipated profit and not provide (or provide less) price improvement or not provide (or provide less) payment for order flow. A market maker’s (such as G1X’s) anticipated profit must be allocated among these three sub-categories, such that an increased allocation to any one sub-category will result in a decreased allocation to one or more of the other sub-categories. The allocation of resources between the three subcategories 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.

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/l/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.

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/l/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 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 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 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/l/quarterly-order-routing-report. MSSB does not route Full-Service Channel NMS equity orders to UBS.

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

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

A. that require MSSB to meet certain volume thresholds or that provide incentives to MSSB for meeting or exceeding certain volume thresholds;
B. that require MSSB to meet certain minimum volume thresholds or that provide disincentives to MSSB for failing to meet certain minimum volume thresholds;
C. for 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 subcategories listed above, including the risk of overallocation to market maker profits at the expense of providing price improvement on Self-Directed Channel customer orders, is informed and mitigated by competition for order flow amongst MSSB's market makers under the same general payment for order flow terms applicable to UBS.

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

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 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, 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/l/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 rerouted 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 though MSSB may also benefit indirectly from profits realized from exchange rebates to MSSB's affiliate MS&Co for executing MSSB orders MS&Co receives in its capacity as market maker, which MS&Co. may also receive 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 meets the execution volume thresholds 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 rather than another venue in order to reach a higher tier. MSSB and NASDAQ, however, do not have any arrangements:

A. that require MSSB to meet certain volume thresholds;
B. that require MSSB to meet certain minimum volume thresholds or that provide disincentives to MSSB for failing to meet certain minimum volume thresholds;
C. for volume-based tiered payment schedules beyond the tiered volume model set forth in the 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 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=bx_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 $0.00325 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 $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 to participate in the NASDAQ retail order priority program. MSSB orders routed 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 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. Further disclosures regarding routing of orders through MS&Co, including to NASDAQ, are provided in the material aspect disclosure for MS&Co.

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 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 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 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/l/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 MSSB's affiliate MS&Co, which is market maker on EDGX.

MS&Co either pays a fee or receives a rebate on behalf of MSSB for each Self-Directed Channel customer order execution on EDGX, depending on whether the order added to or subtracted from liquidity on the exchange. For clarity, MSSB pays such fee or receives such rebate, as applicable, 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, 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 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. 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 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 MSSB 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 MSSB 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 MSSB was charged a $0.00275 per share fee for executions priced at $1.00 per share or more and a 0.28% fee of the total notional value on executions priced below $1.00 per share. For Q3 2023, MSSB received rebates (net of fees) from EDGX in the amount of $5,696 in July, $7,007 in August, and $76,649 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 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 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/l/quarterly-order-routing-report. MSSB does not route Full-Service Channel NMS equity orders to MEMX directly or indirectly through MS&Co, though depending on market conditions, order pricing, and the order handling practices of, and regulatory requirements applicable to the market-makers to which MSSB routes customer orders, some MSSB Full-Service Channel non-directed NMS equity orders may be indirectly routed to, and executed on MEMX, including through MSSB's affiliate MS&Co., which is a market maker on MEMX.

MS&Co either pays a fee or receives a rebate on behalf of MSSB for each Self-Directed Channel customer order execution on MEMX, depending on whether the order added to or subtracted from liquidity on the exchange. For clarity, MSSB pays such fee or receives such rebate, as applicable, for executions of Self-Directed Channel orders that MSSB routes to MEMX indirectly though MS&Co may also benefit indirectly from profits realized from exchange rebates to MS&Co for executing MSSB orders MS&Co receives in its capacity as market maker, which MS&Co may also receive from executions on MEMX. As a result of the corporate affiliation between MS&Co and MSSB, 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 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 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 determined by MS&Co. as described above.

MSSB is an affiliated company of Strategic Investments I, Inc., both of which are wholly owned subsidiaries of Morgan Stanley and investor-shareholders of MEMX. Accordingly, MSSB, both directly and indirectly through its parent company Morgan Stanley and/or its affiliates may share in profits realized by MEMX, which could, in theory, incentivize MSSB to route a higher percentages 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.

July 2023

Non-S&P 500 Stocks

Summary

Non-Directed Orders as % of All Orders	Market Orders as % of Non-Directed Orders	Marketable Limit Orders as % of Non-Directed Orders	Non-Marketable Limit Orders as % of Non-Directed Orders	Other Orders as % of Non-Directed Orders
99.95	74.92	3.33	18.09	3.66

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 Market Orders(cents per hundred shares)	Net Payment Paid/ Received for Marketable Limit Orders(USD)	Net Payment Paid/ Received for 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 Other Orders(USD)	Net Payment Paid/ Received for Other Orders(cents per hundred shares)
Morgan Stanley & Co., LLC	55.18	61.64	11.93	41.72	28.96	-191.70	-0.0076	-769.35	-0.1653	87,202.56	18.2748	-5,839.35	-3.0121

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 Market Orders(cents per hundred shares)	Net Payment Paid/ Received for Marketable Limit Orders(USD)	Net Payment Paid/ Received for 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 Other Orders(USD)	Net Payment Paid/ Received for Other Orders(cents per hundred shares)
CITADEL SECURITIES LLC	13.33	12.63	30.21	10.50	26.31	74,245.83	12.6882	17,589.23	6.5346	14,857.57	11.3142	8,604.53	9.4757
Virtu Americas, LLC	11.77	10.87	25.08	11.23	20.70	66,972.15	9.6899	10,199.93	4.1122	11,459.58	10.1479	6,572.95	2.9564
G1 Execution Services, LLC	8.85	5.99	14.39	19.21	11.06	26,346.96	9.8322	4,859.13	4.7323	23,526.93	11.6286	3,818.16	9.6756
Two Sigma Securities, LLC	4.95	4.49	3.57	7.40	3.50	4,188.55	2.3280	716.14	1.9143	9,175.46	7.0734	870.22	7.3626
Jane Street Capital	4.40	4.11	13.51	3.25	7.75	36,005.68	17.2415	6,237.64	4.9742	4,227.89	10.4809	3,474.63	12.0590
UBS Securities, LLC	0.50	0.27	1.14	1.14	1.51	1,836.63	16.4027	1,475.79	13.1837	2,399.01	10.2547	769.58	11.0341
Cboe EDGX Exchange, Inc.	0.38	0.00	0.07	2.09	0.09	0.00	0.0000	-81.98	-10.1189	4,831.03	15.4560	0.00	0.0000
The Nasdaq Stock Market	0.37	0.00	0.06	2.04	0.06	0.00	0.0000	-166.60	-20.2661	3,374.50	16.6399	-93.82	-22.2547
Members Exchange (MEMX)	0.26	0.00	0.01	1.42	0.05	0.00	0.0000	-3.64	-2.1128	3,544.59	16.8300	0.00	0.0000

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 $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). 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/l/quarterly-order-routing-report. Although the columns in the table above which set out the percentage of the various order types combine order flow from MSSB’s Full-Service Channel and Self-Directed Channel, the payment figures in the table above reflect only Full-Service Channel order executions. Neither the Full-Service Channel nor the Self-Directed Channel generally receive payment for order flow on these orders (other than as described below).

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

Apart from a limited number of Self-Directed Channel directed equity orders, which MS&Co receives from MSSB or its affiliate broker-dealer E*TRADE Securities, LLC with customer instructions to route to directly to certain U.S. securities exchanges and a limited number of non-directed Self-Directed Channel equity orders that MSSB routes to Cboe EDGX Exchange, Inc. and the Members Exchange for execution through MS&Co, MSSB does not route Self-Directed Channel orders to MS&Co for execution directly. Self-Directed Channel equity orders that MSSB routes to the U.S. securities exchanges through MS&Co will be combined with any other order flow that MS&Co routes to the exchange for the purpose of determining the applicable pricing and rebates under exchange tiered pricing models. MS&Co either pays a fee or receives a rebate for each Self-Directed Channel customer order execution on those exchanges, depending on whether the order added to or subtracted from liquidity on the exchange, which are passed through to MSSB at the rates and amounts reflected in the applicable relationship disclosures and tables in this report. To the extent that MS&Co meets the execution volume thresholds necessary to qualify for preferred pricing under an exchange tiered pricing 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/l/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 $0 commission policy, pursuant to which customers generally do not pay base commissions for order handling and execution of their Self-Directed Channel NMS equities orders (subject to disclosed exceptions as described more fully at https://us.etrade.com/what-we-offer/pricing-and-rates). Because MSSB does not charge commissions on these Self-Directed Channel orders, MSSB seeks to be compensated, among other ways, through the receipt of payment for order flow from equity securities market makers, including Virtu. While the majority of Self-Directed Channel customers were customers of MSSB's affiliate broker-dealer, E*TRADE Securities LLC ("ETS") 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/l/quarterly-order-routing-report.

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

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

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

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

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

G1 Execution Services, LLC:

Morgan Stanley Smith Barney LLC ("MSSB") routes NMS equity orders to G1 Executions Services, LLC ("G1X") to facilitate liquidity provision and price improvement opportunities for its customers. MSSB operates two primary service channels for its wealth management customers, the Full-Service Channel and the 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 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/l/quarterly-order-routing-report.

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

To take advantage of rules adopted by the U.S. securities exchanges that allow retail orders to be eligible for certain potential benefits, including additional price improvement from retail liquidity programs and higher queue priority from retail attestation programs, and to allow G1X to access such potential benefits for Self-Directed Channel NMS equity orders, MSSB marks applicable orders as retail orders on an order-by-order basis. MSSB and G1X, however, do not have any arrangements:
A. that require MSSB to meet certain volume thresholds or that provide incentives to MSSB for meeting or exceeding certain volume thresholds;
B. that require MSSB to meet certain minimum volume thresholds or that provide disincentives to MSSB for failing to meet certain minimum volume thresholds;
C. for volume-based tiered payment schedules; or
D. that require MSSB to route any orders or a minimum number of orders to G1X.

There is a potential conflict for a market maker such as G1X both paying for order flow on applicable Self-Directed Channel orders and providing price improvement for such orders as the potential source of funds for each is the same, namely the anticipated profit the market maker seeks to earn from executing or facilitating the execution of Self-Directed Channel customer orders. Accordingly, from such anticipated profit, a market maker such as G1X can (i) forgo a portion of such anticipated profit to provide price improvement; (ii) forgo a portion of such anticipated profit to pay for order flow; or (iii) retain a larger portion of anticipated profit and not provide (or provide less) price improvement or not provide (or provide less) payment for order flow. A market maker's (such as G1X's) anticipated profit must be allocated among these three sub-categories, such that an increased allocation to any one sub-category will result in a decreased allocation to one or more of the other sub-categories. The allocation of resources between the three subcategories 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.

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/l/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.

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/l/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 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 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 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/l/quarterly-order-routing-report. MSSB does not route Full-Service Channel NMS equity orders to UBS.

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

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

A. that require MSSB to meet certain volume thresholds or that provide incentives to MSSB for meeting or exceeding certain volume thresholds;
B. that require MSSB to meet certain minimum volume thresholds or that provide disincentives to MSSB for failing to meet certain minimum volume thresholds;
C. for 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 subcategories listed above, including the risk of overallocation to market maker profits at the expense of providing price improvement on Self-Directed Channel customer orders, is informed and mitigated by competition for order flow amongst MSSB’s market makers under the same general payment for order flow terms applicable to UBS.

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

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 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 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 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/l/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 MSSB's affiliate MS&Co, which is market maker on EDGX.

MS&Co either pays a fee or receives a rebate on behalf of MSSB for each Self-Directed Channel customer order execution on EDGX, depending on whether the order added to or subtracted from liquidity on the exchange. For clarity, MSSB pays such fee or receives such rebate, as applicable, 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, 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 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. 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 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 MSSB 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 MSSB 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 MSSB was charged a $0.00275 per share fee for executions priced at $1.00 per share or more and a 0.28% fee of the total notional value on executions priced below $1.00 per share. For Q3 2023, MSSB received rebates (net of fees) from EDGX in the amount of $5,696 in July, $7,007 in August, and $76,649 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 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.

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 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, 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/l/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 rerouted 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 though MSSB may also benefit indirectly from profits realized from exchange rebates to MSSB's affiliate MS&Co for executing MSSB orders MS&Co receives in its capacity as market maker, which MS&Co. may also receive 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 meets the execution volume thresholds 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 rather than another venue in order to reach a higher tier. MSSB and NASDAQ, however, do not have any arrangements:

A. that require MSSB to meet certain volume thresholds;
B. that require MSSB to meet certain minimum volume thresholds or that provide disincentives to MSSB for failing to meet certain minimum volume thresholds;
C. for volume-based tiered payment schedules beyond the tiered volume model set forth in the 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 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=bx_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 $0.00325 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 $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 to participate in the NASDAQ retail order priority program. MSSB orders routed 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 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. 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 & 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/l/quarterly-order-routing-report. MSSB does not route Full-Service Channel NMS equity orders to MEMX directly or indirectly through MS&Co, though depending on market conditions, order pricing, and the order handling practices of, and regulatory requirements applicable to the market-makers to which MSSB routes customer orders, some MSSB Full-Service Channel non-directed NMS equity orders may be indirectly routed to, and executed on MEMX, including through MSSB's affiliate MS&Co., which is a market maker on MEMX.

MS&Co either pays a fee or receives a rebate on behalf of MSSB for each Self-Directed Channel customer order execution on MEMX, depending on whether the order added to or subtracted from liquidity on the exchange. For clarity, MSSB pays such fee or receives such rebate, as applicable, for executions of Self-Directed Channel orders that MSSB routes to MEMX indirectly though MS&Co may also benefit indirectly from profits realized from exchange rebates to MS&Co for executing MSSB orders MS&Co receives in its capacity as market maker, which MS&Co may also receive from executions on MEMX. As a result of the corporate affiliation between MS&Co and MSSB, 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 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 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 determined by MS&Co. as described above.

MSSB is an affiliated company of Strategic Investments I, Inc., both of which are wholly owned subsidiaries of Morgan Stanley and investor-shareholders of MEMX. Accordingly, MSSB, both directly and indirectly through its parent company Morgan Stanley and/or its affiliates may share in profits realized by MEMX, which could, in theory, incentivize MSSB to route a higher percentages 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.

July 2023

Options

Summary

Non-Directed Orders as % of All Orders	Market Orders as % of Non-Directed Orders	Marketable Limit Orders as % of Non-Directed Orders	Non-Marketable Limit Orders as % of Non-Directed Orders	Other Orders as % of Non-Directed Orders
100.00	26.03	8.12	32.90	32.94

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 Market Orders(cents per hundred shares)	Net Payment Paid/Received for Marketable Limit Orders(USD)	Net Payment Paid/Received for 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 Other Orders(USD)	Net Payment Paid/Received for Other Orders(cents per hundred shares)
Citadel Securities, LLC	28.71	26.71	33.66	32.71	25.08	82,645.71	30.9451	69,494.66	36.4264	52,551.58	32.5588	22,610.95	35.1599

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 Market Orders(cents per hundred shares)	Net Payment Paid/ Received for Marketable Limit Orders(USD)	Net Payment Paid/ Received for 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 Other Orders(USD)	Net Payment Paid/ Received for Other Orders(cents per hundred shares)
Morgan Stanley & Co., LLC	27.54	44.54	26.05	27.73	14.27	0.00	0.0000	0.00	0.0000	0.00	0.0000	0.00	0.0000
Global Execution Brokers LP	18.29	18.31	25.85	25.23	9.48	52,463.70	39.5722	35,600.34	40.7961	53,194.57	42.4561	10,241.23	25.7959
Dash/IMC Financial Markets	14.22	4.49	6.56	6.62	31.38	18,439.20	44.9287	11,225.28	46.0468	11,441.76	45.4832	53,284.32	36.3606
Wolverine Execution Services, LLC	11.24	5.95	7.87	7.72	19.76	17,084.16	31.3903	12,773.76	34.3908	12,613.44	31.8513	25,114.08	33.6776
Jane Street Execution Services	0.01	0.00	0.02	0.00	0.02	0.00	0.0000	0.00	0.0000	0.00	0.0000	0.00	0.0000
Citigroup Global Markets Inc. (ICG Markets)	0.00	0.00	0.00	0.00	0.00	0.00	0.0000	0.00	0.0000	0.00	0.0000	0.00	0.0000

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 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 Citadel.

Customers of the Full-Service Channel receive services from MSSB relating to the operation, servicing, and administration of their MSSB brokerage or advised accounts and the generation of orders for such accounts, including the services of an MSSB Financial Advisor. Among other things, MSSB receives compensation for customer Full-Service Channel orders from commissions on their brokerage account orders and fees on their advised accounts. As a result, MSSB does not seek or receive payment for order flow on such orders from Citadel. In addition, as more fully described below, Citadel executes MSSB customer orders on U.S. listed options exchanges from which Citadel may receive payment in the form of rebates. Conversely, customers of the Self-Directed Channel generally generate and enter orders themselves for their brokerage accounts based upon their own investment decision making and without the benefit of the services of a Financial Advisor. Self-Directed Channel orders in NMS securities that are options contracts are subject to the MSSB's $0 based commission policy, pursuant to which customers generally do not pay base commission for order handling and execution of Self-Directed Channel NMS options orders (subject to disclosed exceptions as described more fully at https://us.etrade.com/what-we-offer/pricing-and-rates). Because MSSB does not charge commission on these Self-Directed Channel orders, the Firm seeks to be compensated, among other ways, through the receipt of 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.etrade.com/l/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 $279,545 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 seeks to earn from executing or facilitating the execution of MSSB customer orders. Accordingly, from such anticipated profit, an options market maker such as Citadel can (i) forgo a portion of such anticipated profit to provide price improvement; (ii) forgo a portion of such anticipated profit to pay for order flow; or (iii) retain a larger portion of anticipated profit and not provide (or provide less) price improvement or not provide (or provide less) payment for order flow. An options market maker's (such as Citadel's) anticipated profit must be allocated among these three sub-categories, such that an increased allocation to any one sub-category will result in a decreased allocation to one or more of the other sub-categories. The allocation of resources between the three subcategories listed above, including the risk of overallocation to market maker profits at the expense of providing price improvement on Self-Directed Channel customer orders, is informed and mitigated by competition for Self-Directed Channel order flow amongst MSSB's market makers under the same general payment for order flow terms applicable to Citadel.

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

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 a U.S. options exchange to be either crossed or executed against MS&Co interest and/or other liquidity on such exchanges, subject to the principles of best execution. In general, MS&Co generates revenue from executing or facilitating the execution of MSSB customer orders. MSSB does not receive payment from MS&Co for the options orders it routes to MS&Co (i.e. payment for order flow), either for Full-Service Channel options orders or Self-Directed Channel options orders executed by MS&Co and MSSB and MS&Co do not have any arrangements:

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

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

MS&Co. receives rebates and pays fees for the routing of customer orders in exchange listed options to option exchanges. When the rebates 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 by the U.S. options exchanges are not passed through to MSSB or its customers. However, MSSB is an affiliated company of MS&Co, which is a market maker on various U.S. options exchanges and MS&Co may realize market-making profits from 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 profit as a result of the combination of such order flow and the incentives of such tiered pricing programs. As a result of MSSB's corporate affiliation with MS&Co, MSSB may share indirectly in any such profits (whether from market-making, from pricing programs, or otherwise) generated by MS&Co.

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 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 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/l/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 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. 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 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 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/l/quarterly-order-routing-report. MSSB does not route Full-Service Channel options orders to Dash.

Dash generates revenue from executing or facilitating the execution of MSSB customer orders. In exchange for such 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 $604,350 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 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 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 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 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 $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 Wolverine. 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/l/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 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 Wolverine with respect to Full-Service Channel order executions. Furthermore, MSSB and Wolverine do not have any arrangements:

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

In general, public, retail, or non-professional index options order execution fees range from $0.00 to $1.32 per contract, depending on the index option class and premium price, with Wolverine passing exchange fees for index option executions back to MSSB each month. For 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 among these three sub-categories, such that an increased allocation to any one sub-category will result in a decreased allocation to one or more of the other sub-categories. The allocation of resources between the three subcategories listed above, including the risk of overallocation to market maker profits at the expense of providing price improvement on Self-Directed Channel customer orders, is informed and mitigated by competition for Self-Directed Channel order flow amongst MSSB's market makers under the same general payment for order flow terms applicable to Wolverine.

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

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.

August 2023

S&P 500 Stocks

Summary

Non-Directed Orders as % of All Orders	Market Orders as % of Non-Directed Orders	Marketable Limit Orders as % of Non-Directed Orders	Non-Marketable Limit Orders as % of Non-Directed Orders	Other Orders as % of Non-Directed Orders
99.98	91.04	0.99	5.83	2.14

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 Market Orders(cents per hundred shares)	Net Payment Paid/ Received for Marketable Limit Orders(USD)	Net Payment Paid/ Received for 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 Other Orders(USD)	Net Payment Paid/ Received for Other Orders(cents per hundred shares)
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	6.9594
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	23.6020	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	0.00	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	0.00	0.0000	-5.26	-11.0157	932.37	31.8067	0.00	0.0000

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 Market Orders(cents per hundred shares)	Net Payment Paid/ Received for Marketable Limit Orders(USD)	Net Payment Paid/ Received for 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 Other Orders(USD)	Net Payment Paid/ Received for Other Orders(cents per hundred shares)
Members Exchange (MEMX)	0.11	0.00	0.12	1.82	0.05	0.00	0.0000	-0.76	-6.4736	388.67	33.6616	0.00	0.0000

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 $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). 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/l/quarterly-order-routing-report. Although the columns in the table above which set out the percentage of the various order types combine order flow from MSSB's Full-Service Channel and Self-Directed Channel, the payment figures in the table above reflect only Full-Service Channel order executions. Neither the Full-Service Channel nor the Self-Directed Channel generally receive payment for order flow on these orders (other than as described below).

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

Apart from a limited number of Self-Directed Channel directed equity orders, which MS&Co receives from MSSB or its affiliate broker-dealer E*TRADE Securities, LLC with customer instructions to route to directly to certain U.S. securities exchanges and a limited number of non-directed Self-Directed Channel equity orders that MSSB routes to Cboe EDGX Exchange, Inc. and the Members Exchange for execution through MS&Co, MSSB does not route Self-Directed Channel orders to MS&Co for execution directly. Self-Directed Channel equity orders that MSSB routes to the U.S. securities exchanges through MS&Co will be combined with any other order flow that MS&Co routes to the exchange for the purpose of determining the applicable pricing and rebates under exchange tiered pricing models. MS&Co either pays a fee or receives a rebate for each Self-Directed Channel customer order execution on those exchanges, depending on whether the order added to or subtracted from liquidity on the exchange, which are passed through to MSSB at the rates and amounts reflected in the applicable relationship disclosures and tables in this report. To the extent that MS&Co meets the execution volume thresholds necessary to qualify for preferred pricing under an exchange tiered pricing 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/l/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 $0 commission policy, pursuant to which customers generally do not pay base commissions for order handling and execution of their Self-Directed Channel NMS equities orders (subject to disclosed exceptions as described more fully at https://us.etrade.com/what-we-offer/pricing-and-rates). Because MSSB does not charge commissions on these Self-Directed Channel orders, MSSB seeks to be compensated, among other ways, through the receipt of payment for order flow from equity securities market makers, including Virtu. While the majority of Self-Directed Channel customers were customers of MSSB's affiliate broker-dealer, E*TRADE Securities LLC ("ETS") 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/l/quarterly-order-routing-report.

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

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

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

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

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

G1 Execution Services, LLC:

Morgan Stanley Smith Barney LLC ("MSSB") routes NMS equity orders to G1 Executions Services, LLC ("G1X") to facilitate liquidity provision and price improvement opportunities for its customers. MSSB operates two primary service channels for its wealth management customers, the Full-Service Channel and the 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 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/l/quarterly-order-routing-report.

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

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

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

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

C. for volume-based tiered payment schedules; or

D. that require MSSB to route any orders or a minimum number of orders to G1X.

There is a potential conflict for a market maker such as G1X both paying for order flow on applicable Self-Directed Channel orders and providing price improvement for such orders as the potential source of funds for each is the same, namely the anticipated profit the market maker seeks to earn from executing or facilitating the execution of Self-Directed Channel customer orders. Accordingly, from such anticipated profit, a market maker such as G1X can (i) forgo a portion of such anticipated profit to provide price improvement; (ii) forgo a portion of such anticipated profit to pay for order flow; or (iii) retain a larger portion of anticipated profit and not provide (or provide less) price improvement or not provide (or provide less) payment for order flow. A market maker's (such as G1X's) anticipated profit must be allocated among these three sub-categories, such that an increased allocation to any one sub-category will result in a decreased allocation to one or more of the other sub-categories. The allocation of resources between the three subcategories 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.

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/l/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.

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/l/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 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 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 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/l/quarterly-order-routing-report. MSSB does not route Full-Service Channel NMS equity orders to UBS.

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

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

A. that require MSSB to meet certain volume thresholds or that provide incentives to MSSB for meeting or exceeding certain volume thresholds;
B. that require MSSB to meet certain minimum volume thresholds or that provide disincentives to MSSB for failing to meet certain minimum volume thresholds;
C. for 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 subcategories listed above, including the risk of overallocation to market maker profits at the expense of providing price improvement on Self-Directed Channel customer orders, is informed and mitigated by competition for order flow amongst MSSB’s market makers under the same general payment for order flow terms applicable to UBS.

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

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 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, 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/l/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 rerouted 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 though MSSB may also benefit indirectly from profits realized from exchange rebates to MSSB's affiliate MS&Co for executing MSSB orders MS&Co receives in its capacity as market maker, which MS&Co. may also receive 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 meets the execution volume thresholds 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 rather than another venue in order to reach a higher tier. MSSB and NASDAQ, however, do not have any arrangements:

A. that require MSSB to meet certain volume thresholds;
B. that require MSSB to meet certain minimum volume thresholds or that provide disincentives to MSSB for failing to meet certain minimum volume thresholds;
C. for volume-based tiered payment schedules beyond the tiered volume model set forth in the 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 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=bx_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 $0.00325 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 $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 to participate in the NASDAQ retail order priority program. MSSB orders routed 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 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. Further disclosures regarding routing of orders through MS&Co, including to NASDAQ, are provided in the material aspect disclosure for MS&Co.

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 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 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 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/l/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 MSSB's affiliate MS&Co, which is market maker on EDGX.

MS&Co either pays a fee or receives a rebate on behalf of MSSB for each Self-Directed Channel customer order execution on EDGX, depending on whether the order added to or subtracted from liquidity on the exchange. For clarity, MSSB pays such fee or receives such rebate, as applicable, 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, 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 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. 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 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 MSSB 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 MSSB 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 MSSB was charged a $0.00275 per share fee for executions priced at $1.00 per share or more and a 0.28% fee of the total notional value on executions priced below $1.00 per share. For Q3 2023, MSSB received rebates (net of fees) from EDGX in the amount of $5,696 in July, $7,007 in August, and $76,649 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 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 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/l/quarterly-order-routing-report. MSSB does not route Full-Service Channel NMS equity orders to MEMX directly or indirectly through MS&Co, though depending on market conditions, order pricing, and the order handling practices of, and regulatory requirements applicable to the market-makers to which MSSB routes customer orders, some MSSB Full-Service Channel non-directed NMS equity orders may be indirectly routed to, and executed on MEMX, including through MSSB's affiliate MS&Co., which is a market maker on MEMX.

MS&Co either pays a fee or receives a rebate on behalf of MSSB for each Self-Directed Channel customer order execution on MEMX, depending on whether the order added to or subtracted from liquidity on the exchange. For clarity, MSSB pays such fee or receives such rebate, as applicable, for executions of Self-Directed Channel orders that MSSB routes to MEMX indirectly though MS&Co may also benefit indirectly from profits realized from exchange rebates to MS&Co for executing MSSB orders MS&Co receives in its capacity as market maker, which MS&Co may also receive from executions on MEMX. As a result of the corporate affiliation between MS&Co and MSSB, 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 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 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 determined by MS&Co. as described above.

MSSB is an affiliated company of Strategic Investments I, Inc., both of which are wholly owned subsidiaries of Morgan Stanley and investor-shareholders of MEMX. Accordingly, MSSB, both directly and indirectly through its parent company Morgan Stanley and/or its affiliates may share in profits realized by MEMX, which could, in theory, incentivize MSSB to route a higher percentages 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.

August 2023

Non-S&P 500 Stocks

Summary

Non-Directed Orders as % of All Orders	Market Orders as % of Non-Directed Orders	Marketable Limit Orders as % of Non-Directed Orders	Non-Marketable Limit Orders as % of Non-Directed Orders	Other Orders as % of Non-Directed Orders
99.90	74.92	3.33	17.87	3.88

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 Market Orders(cents per hundred shares)	Net Payment Paid/ Received for Marketable Limit Orders(USD)	Net Payment Paid/ Received for 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 Other Orders(USD)	Net Payment Paid/ Received for Other Orders(cents per hundred shares)
Morgan Stanley & Co., LLC	56.43	62.70	12.95	43.55	32.06	212.37	0.0072	-1,678.99	-0.2778	91,038.78	17.5017	-11,299.41	-3.8307

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 Market Orders(cents per hundred shares)	Net Payment Paid/ Received for Marketable Limit Orders(USD)	Net Payment Paid/ Received for 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 Other Orders(USD)	Net Payment Paid/ Received for Other Orders(cents per hundred shares)
CITADEL SECURITIES LLC	12.71	11.98	28.50	10.26	24.56	106,981.10	12.9256	17,140.64	4.6860	17,922.93	7.8356	9,275.23	7.7229
Virtu Americas, LLC	11.47	10.77	24.95	10.00	20.17	93,463.76	10.0307	13,598.77	3.8620	13,323.39	7.7862	7,239.41	1.9887
G1 Execution Services, LLC	8.56	5.82	14.74	18.42	10.74	37,281.59	10.0603	7,008.85	4.4180	30,103.46	10.3685	4,077.96	8.8896
Two Sigma Securities, LLC	5.02	4.61	3.71	7.33	3.58	5,255.55	2.3670	1,078.34	2.1351	12,651.66	6.0746	950.74	5.8025
Jane Street Capital	4.34	3.86	13.55	4.02	7.18	51,646.22	16.8395	8,577.04	4.5911	7,212.37	11.7523	3,681.53	12.0649
UBS Securities, LLC	0.48	0.26	1.12	1.08	1.44	2,515.62	16.2647	1,157.41	7.4952	2,520.86	5.6155	1,622.73	12.3306
Cboe EDGX Exchange, Inc.	0.36	0.00	0.18	1.98	0.10	0.00	0.0000	-195.43	-7.5873	6,275.05	10.2346	0.00	0.0000
The Nasdaq Stock Market	0.35	0.00	0.15	1.94	0.07	0.00	0.0000	-298.91	-18.9591	3,827.42	15.1589	-113.50	-11.2095
Members Exchange (MEMX)	0.26	0.00	0.15	1.42	0.07	0.00	0.0000	-102.37	-9.5872	4,957.95	15.4610	0.00	0.0000

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 $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). 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/l/quarterly-order-routing-report. Although the columns in the table above which set out the percentage of the various order types combine order flow from MSSB's Full-Service Channel and Self-Directed Channel, the payment figures in the table above reflect only Full-Service Channel order executions. Neither the Full-Service Channel nor the Self-Directed Channel generally receive payment for order flow on these orders (other than as described below).

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

Apart from a limited number of Self-Directed Channel directed equity orders, which MS&Co receives from MSSB or its affiliate broker-dealer E*TRADE Securities, LLC with customer instructions to route to directly to certain U.S. securities exchanges and a limited number of non-directed Self-Directed Channel equity orders that MSSB routes to Cboe EDGX Exchange, Inc. and the Members Exchange for execution through MS&Co, MSSB does not route Self-Directed Channel orders to MS&Co for execution directly. Self-Directed Channel equity orders that MSSB routes to the U.S. securities exchanges through MS&Co will be combined with any other order flow that MS&Co routes to the exchange for the purpose of determining the applicable pricing and rebates under exchange tiered pricing models. MS&Co either pays a fee or receives a rebate for each Self-Directed Channel customer order execution on those exchanges, depending on whether the order added to or subtracted from liquidity on the exchange, which are passed through to MSSB at the rates and amounts reflected in the applicable relationship disclosures and tables in this report. To the extent that MS&Co meets the execution volume thresholds necessary to qualify for preferred pricing under an exchange tiered pricing 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/l/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 $0 commission policy, pursuant to which customers generally do not pay base commissions for order handling and execution of their Self-Directed Channel NMS equities orders (subject to disclosed exceptions as described more fully at https://us.etrade.com/what-we-offer/pricing-and-rates). Because MSSB does not charge commissions on these Self-Directed Channel orders, MSSB seeks to be compensated, among other ways, through the receipt of payment for order flow from equity securities market makers, including Virtu. While the majority of Self-Directed Channel customers were customers of MSSB's affiliate broker-dealer, E*TRADE Securities LLC ("ETS") 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/l/quarterly-order-routing-report.

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

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

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

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

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

G1 Execution Services, LLC:

Morgan Stanley Smith Barney LLC ("MSSB") routes NMS equity orders to G1 Executions Services, LLC ("G1X") to facilitate liquidity provision and price improvement opportunities for its customers. MSSB operates two primary service channels for its wealth management customers, the Full-Service Channel and the 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 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/l/quarterly-order-routing-report.

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

To take advantage of rules adopted by the U.S. securities exchanges that allow retail orders to be eligible for certain potential benefits, including additional price improvement from retail liquidity programs and higher queue priority from retail attestation programs, and to allow G1X to access such potential benefits for Self-Directed Channel NMS equity orders, MSSB marks applicable orders as retail orders on an order-by-order basis. MSSB and G1X, however, do not have any arrangements:
A. that require MSSB to meet certain volume thresholds or that provide incentives to MSSB for meeting or exceeding certain volume thresholds;
B. that require MSSB to meet certain minimum volume thresholds or that provide disincentives to MSSB for failing to meet certain minimum volume thresholds;
C. for volume-based tiered payment schedules; or
D. that require MSSB to route any orders or a minimum number of orders to G1X.

There is a potential conflict for a market maker such as G1X both paying for order flow on applicable Self-Directed Channel orders and providing price improvement for such orders as the potential source of funds for each is the same, namely the anticipated profit the market maker seeks to earn from executing or facilitating the execution of Self-Directed Channel customer orders. Accordingly, from such anticipated profit, a market maker such as G1X can (i) forgo a portion of such anticipated profit to provide price improvement; (ii) forgo a portion of such anticipated profit to pay for order flow; or (iii) retain a larger portion of anticipated profit and not provide (or provide less) price improvement or not provide (or provide less) payment for order flow. A market maker's (such as G1X's) anticipated profit must be allocated among these three sub-categories, such that an increased allocation to any one sub-category will result in a decreased allocation to one or more of the other sub-categories. The allocation of resources between the three subcategories 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.

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/l/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.

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/l/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 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 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 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/l/quarterly-order-routing-report. MSSB does not route Full-Service Channel NMS equity orders to UBS.

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

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

A. that require MSSB to meet certain volume thresholds or that provide incentives to MSSB for meeting or exceeding certain volume thresholds;
B. that require MSSB to meet certain minimum volume thresholds or that provide disincentives to MSSB for failing to meet certain minimum volume thresholds;
C. for 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 subcategories listed above, including the risk of overallocation to market maker profits at the expense of providing price improvement on Self-Directed Channel customer orders, is informed and mitigated by competition for order flow amongst MSSB's market makers under the same general payment for order flow terms applicable to UBS.

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

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 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 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 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/l/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 MSSB's affiliate MS&Co, which is market maker on EDGX.

MS&Co either pays a fee or receives a rebate on behalf of MSSB for each Self-Directed Channel customer order execution on EDGX, depending on whether the order added to or subtracted from liquidity on the exchange. For clarity, MSSB pays such fee or receives such rebate, as applicable, 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, 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 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. 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 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 MSSB 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 MSSB 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 MSSB was charged a $0.00275 per share fee for executions priced at $1.00 per share or more and a 0.28% fee of the total notional value on executions priced below $1.00 per share. For Q3 2023, MSSB received rebates (net of fees) from EDGX in the amount of $5,696 in July, $7,007 in August, and $76,649 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 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.

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 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, 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/l/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 rerouted 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 though MSSB may also benefit indirectly from profits realized from exchange rebates to MSSB's affiliate MS&Co for executing MSSB orders MS&Co receives in its capacity as market maker, which MS&Co. may also receive 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 meets the execution volume thresholds 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 rather than another venue in order to reach a higher tier. MSSB and NASDAQ, however, do not have any arrangements:

A. that require MSSB to meet certain volume thresholds;
B. that require MSSB to meet certain minimum volume thresholds or that provide disincentives to MSSB for failing to meet certain minimum volume thresholds;
C. for volume-based tiered payment schedules beyond the tiered volume model set forth in the 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 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=bx_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 $0.00325 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 $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 to participate in the NASDAQ retail order priority program. MSSB orders routed 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 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. 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 & 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/l/quarterly-order-routing-report. MSSB does not route Full-Service Channel NMS equity orders to MEMX directly or indirectly through MS&Co, though depending on market conditions, order pricing, and the order handling practices of, and regulatory requirements applicable to the market-makers to which MSSB routes customer orders, some MSSB Full-Service Channel non-directed NMS equity orders may be indirectly routed to, and executed on MEMX, including through MSSB's affiliate MS&Co., which is a market maker on MEMX.

MS&Co either pays a fee or receives a rebate on behalf of MSSB for each Self-Directed Channel customer order execution on MEMX, depending on whether the order added to or subtracted from liquidity on the exchange. For clarity, MSSB pays such fee or receives such rebate, as applicable, for executions of Self-Directed Channel orders that MSSB routes to MEMX indirectly though MS&Co may also benefit indirectly from profits realized from exchange rebates to MS&Co for executing MSSB orders MS&Co receives in its capacity as market maker, which MS&Co may also receive from executions on MEMX. As a result of the corporate affiliation between MS&Co and MSSB, 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 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 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 determined by MS&Co. as described above.

MSSB is an affiliated company of Strategic Investments I, Inc., both of which are wholly owned subsidiaries of Morgan Stanley and investor-shareholders of MEMX. Accordingly, MSSB, both directly and indirectly through its parent company Morgan Stanley and/or its affiliates may share in profits realized by MEMX, which could, in theory, incentivize MSSB to route a higher percentages 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.

August 2023

Options

Summary

Non-Directed Orders as % of All Orders	Market Orders as % of Non-Directed Orders	Marketable Limit Orders as % of Non-Directed Orders	Non-Marketable Limit Orders as % of Non-Directed Orders	Other Orders as % of Non-Directed Orders
100.00	26.97	8.78	32.68	31.57

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 Market Orders(cents per hundred shares)	Net Payment Paid/ Received for Marketable Limit Orders(USD)	Net Payment Paid/ Received for 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 Other Orders(USD)	Net Payment Paid/ Received for Other Orders(cents per hundred shares)
Citadel Securities, LLC	27.91	26.61	31.23	31.24	24.65	87,134.60	29.5713	85,342.02	36.6261	50,247.51	31.1605	23,982.32	28.3506

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 Market Orders(cents per hundred shares)	Net Payment Paid/ Received for Marketable Limit Orders(USD)	Net Payment Paid/ Received for 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 Other Orders(USD)	Net Payment Paid/ Received for Other Orders(cents per hundred shares)
Morgan Stanley & Co., LLC	25.54	39.96	25.69	25.19	13.54	0.00	0.0000	0.00	0.0000	0.00	0.0000	0.00	0.0000
Global Execution Brokers LP	19.22	20.19	26.04	25.96	9.53	60,750.60	37.1046	43,580.04	40.1589	57,189.10	41.2123	8,855.71	18.3751
Dash/IMC Financial Markets	15.66	6.89	9.04	9.30	31.58	47,887.68	44.5251	18,972.48	45.9605	18,588.00	44.1112	70,190.88	33.2395
Wolverine Execution Services, LLC	11.66	6.35	7.99	8.31	20.69	20,007.36	28.9316	14,038.56	35.4008	14,760.48	35.1976	26,280.00	24.9929
Jane Street Execution Services	0.01	0.00	0.00	0.00	0.01	0.00	0.0000	0.00	0.0000	0.00	0.0000	0.00	0.0000
Citigroup Global Markets Inc. (ICG Markets)	0.00	0.00	0.00	0.00	0.00	0.00	0.0000	0.00	0.0000	0.00	0.0000	0.00	0.0000

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 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 Citadel.

Customers of the Full-Service Channel receive services from MSSB relating to the operation, servicing, and administration of their MSSB brokerage or advised accounts and the generation of orders for such accounts, including the services of an MSSB Financial Advisor. Among other things, MSSB receives compensation for customer Full-Service Channel orders from commissions on their brokerage account orders and fees on their advised accounts. As a result, MSSB does not seek or receive payment for order flow on such orders from Citadel. In addition, as more fully described below, Citadel executes MSSB customer orders on U.S. listed options exchanges from which Citadel may receive payment in the form of rebates. Conversely, customers of the Self-Directed Channel generally generate and enter orders themselves for their brokerage accounts based upon their own investment decision making and without the benefit of the services of a Financial Advisor. Self-Directed Channel orders in NMS securities that are options contracts are subject to the MSSB's $0 based commission policy, pursuant to which customers generally do not pay base commission for order handling and execution of Self-Directed Channel NMS options orders (subject to disclosed exceptions as described more fully at https://us.etrade.com/what-we-offer/pricing-and-rates). Because MSSB does not charge commission on these Self-Directed Channel orders, the Firm seeks to be compensated, among other ways, through the receipt of 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.etrade.com/l/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 $279,545 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 seeks to earn from executing or facilitating the execution of MSSB customer orders. Accordingly, from such anticipated profit, an options market maker such as Citadel can (i) forgo a portion of such anticipated profit to provide price improvement; (ii) forgo a portion of such anticipated profit to pay for order flow; or (iii) retain a larger portion of anticipated profit and not provide (or provide less) price improvement or not provide (or provide less) payment for order flow. An options market maker's (such as Citadel's) anticipated profit must be allocated among these three sub-categories, such that an increased allocation to any one sub-category will result in a decreased allocation to one or more of the other sub-categories. The allocation of resources between the three subcategories listed above, including the risk of overallocation to market maker profits at the expense of providing price improvement on Self-Directed Channel customer orders, is informed and mitigated by competition for Self-Directed Channel order flow amongst MSSB's market makers under the same general payment for order flow terms applicable to Citadel.

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

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 a U.S. options exchange to be either crossed or executed against MS&Co interest and/or other liquidity on such exchanges, subject to the principles of best execution. In general, MS&Co generates revenue from executing or facilitating the execution of MSSB customer orders. MSSB does not receive payment from MS&Co for the options orders it routes to MS&Co (i.e. payment for order flow), either for Full-Service Channel options orders or Self-Directed Channel options orders executed by MS&Co and MSSB and MS&Co do not have any arrangements:

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

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

MS&Co. receives rebates and pays fees for the routing of customer orders in exchange listed options to option exchanges. When the rebates 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 by the U.S. options exchanges are not passed through to MSSB or its customers. However, MSSB is an affiliated company of MS&Co, which is a market maker on various U.S. options exchanges and MS&Co may realize market-making profits from 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 profit as a result of the combination of such order flow and the incentives of such tiered pricing programs. As a result of MSSB's corporate affiliation with MS&Co, MSSB may share indirectly in any such profits (whether from market-making, from pricing programs, or otherwise) generated by MS&Co.

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 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 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/l/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 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. 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 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 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/l/quarterly-order-routing-report. MSSB does not route Full-Service Channel options orders to Dash.

Dash generates revenue from executing or facilitating the execution of MSSB customer orders. In exchange for such 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 $604,350 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 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 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 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 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 $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 Wolverine. 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/l/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 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 Wolverine with respect to Full-Service Channel order executions. Furthermore, MSSB and Wolverine do not have any arrangements:

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

In general, public, retail, or non-professional index options order execution fees range from $0.00 to $1.32 per contract, depending on the index option class and premium price, with Wolverine passing exchange fees for index option executions back to MSSB each month. For 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 among these three sub-categories, such that an increased allocation to any one sub-category will result in a decreased allocation to one or more of the other sub-categories. The allocation of resources between the three subcategories listed above, including the risk of overallocation to market maker profits at the expense of providing price improvement on Self-Directed Channel customer orders, is informed and mitigated by competition for Self-Directed Channel order flow amongst MSSB's market makers under the same general payment for order flow terms applicable to Wolverine.

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

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.

September 2023

S&P 500 Stocks

Summary

Non-Directed Orders as % of All Orders	Market Orders as % of Non-Directed Orders	Marketable Limit Orders as % of Non-Directed Orders	Non-Marketable Limit Orders as % of Non-Directed Orders	Other Orders as % of Non-Directed Orders
99.66	67.15	3.49	20.92	8.44

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 Market Orders(cents per hundred shares)	Net Payment Paid/ Received for Marketable Limit Orders(USD)	Net Payment Paid/ Received for 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 Other Orders(USD)	Net Payment Paid/ Received for Other Orders(cents per hundred shares)
Morgan Stanley & Co., LLC	29.36	41.93	2.88	3.33	4.87	0.00	0.0000	-282.22	-0.6457	16,334.96	24.4517	-8,424.40	-4.9586
CITADEL SECURITIES LLC	19.65	19.17	31.53	14.83	30.55	215,306.45	18.9253	34,029.49	19.8482	30,619.69	29.8464	47,453.80	19.2293
Virtu Americas, LLC	18.67	18.15	28.97	14.30	29.46	213,886.61	17.8945	30,585.60	15.6533	28,841.67	23.0726	39,926.82	13.1767
G1 Execution Services, LLC	14.98	8.32	15.83	35.49	16.74	81,364.75	17.6208	13,332.10	19.0274	66,562.36	29.1981	25,677.51	21.4037
Jane Street Capital	9.16	8.22	16.15	10.08	11.43	108,400.40	20.0034	15,517.53	19.4142	21,848.13	29.7142	20,191.53	20.3411
Two Sigma Securities, LLC	4.89	3.71	3.01	9.69	3.18	10,708.19	9.0104	2,049.21	12.9520	20,395.49	26.2210	4,473.68	17.3486
UBS Securities, LLC	0.92	0.48	1.13	1.90	1.95	5,718.27	20.0000	2,768.34	23.2683	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	14,063.00	31.3099	0.00	0.0000

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 Market Orders(cents per hundred shares)	Net Payment Paid/ Received for Marketable Limit Orders(USD)	Net Payment Paid/ Received for 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 Other Orders(USD)	Net Payment Paid/ Received for Other Orders(cents per hundred shares)
Members Exchange (MEMX)	0.63	0.00	0.12	2.76	0.56	0.00	0.0000	-145.00	-12.9228	12,359.00	33.9990	0.00	0.0000

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 $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). 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/l/quarterly-order-routing-report. Although the columns in the table above which set out the percentage of the various order types combine order flow from MSSB’s Full-Service Channel and Self-Directed Channel, the payment figures in the table above reflect only Full-Service Channel order executions. Neither the Full-Service Channel nor the Self-Directed Channel generally receive payment for order flow on these orders (other than as described below).

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

Apart from a limited number of Self-Directed Channel directed equity orders, which MS&Co receives from MSSB or its affiliate broker-dealer E*TRADE Securities, LLC with customer instructions to route to directly to certain U.S. securities exchanges and a limited number of non-directed Self-Directed Channel equity orders that MSSB routes to Cboe EDGX Exchange, Inc. and the Members Exchange for execution through MS&Co, MSSB does not route Self-Directed Channel orders to MS&Co for execution directly. Self-Directed Channel equity orders that MSSB routes to the U.S. securities exchanges through MS&Co will be combined with any other order flow that MS&Co routes to the exchange for the purpose of determining the applicable pricing and rebates under exchange tiered pricing models. MS&Co either pays a fee or receives a rebate for each Self-Directed Channel customer order execution on those exchanges, depending on whether the order added to or subtracted from liquidity on the exchange, which are passed through to MSSB at the rates and amounts reflected in the applicable relationship disclosures and tables in this report. To the extent that MS&Co meets the execution volume thresholds necessary to qualify for preferred pricing under an exchange tiered pricing 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/l/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 $0 commission policy, pursuant to which customers generally do not pay base commissions for order handling and execution of their Self-Directed Channel NMS equities orders (subject to disclosed exceptions as described more fully at https://us.etrade.com/what-we-offer/pricing-and-rates). Because MSSB does not charge commissions on these Self-Directed Channel orders, MSSB seeks to be compensated, among other ways, through the receipt of payment for order flow from equity securities market makers, including Virtu. While the majority of Self-Directed Channel customers were customers of MSSB's affiliate broker-dealer, E*TRADE Securities LLC ("ETS") 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/l/quarterly-order-routing-report.

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

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

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

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

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

G1 Execution Services, LLC:

Morgan Stanley Smith Barney LLC (“MSSB”) routes NMS equity orders to G1 Executions Services, LLC (“G1X”) to facilitate liquidity provision and price improvement opportunities for its customers. MSSB operates two primary service channels for its wealth management customers, the Full-Service Channel and the 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 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/l/quarterly-order-routing-report.

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

To take advantage of rules adopted by the U.S. securities exchanges that allow retail orders to be eligible for certain potential benefits, including additional price improvement from retail liquidity programs and higher queue priority from retail attestation programs, and to allow G1X to access such potential benefits for Self-Directed Channel NMS equity orders, MSSB marks applicable orders as retail orders on an order-by-order basis. MSSB and G1X, however, do not have any arrangements:
A. that require MSSB to meet certain volume thresholds or that provide incentives to MSSB for meeting or exceeding certain volume thresholds;
B. that require MSSB to meet certain minimum volume thresholds or that provide disincentives to MSSB for failing to meet certain minimum volume thresholds;
C. for volume-based tiered payment schedules; or
D. that require MSSB to route any orders or a minimum number of orders to G1X.

There is a potential conflict for a market maker such as G1X both paying for order flow on applicable Self-Directed Channel orders and providing price improvement for such orders as the potential source of funds for each is the same, namely the anticipated profit the market maker seeks to earn from executing or facilitating the execution of Self-Directed Channel customer orders. Accordingly, from such anticipated profit, a market maker such as G1X can (i) forgo a portion of such anticipated profit to provide price improvement; (ii) forgo a portion of such anticipated profit to pay for order flow; or (iii) retain a larger portion of anticipated profit and not provide (or provide less) price improvement or not provide (or provide less) payment for order flow. A market maker’s (such as G1X’s) anticipated profit must be allocated among these three sub-categories, such that an increased allocation to any one sub-category will result in a decreased allocation to one or more of the other sub-categories. The allocation of resources between the three subcategories 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/l/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 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 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/l/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 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/l/quarterly-order-routing-report. MSSB does not route Full-Service Channel NMS equity orders to UBS.

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

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

A. that require MSSB to meet certain volume thresholds or that provide incentives to MSSB for meeting or exceeding certain volume thresholds;
B. that require MSSB to meet certain minimum volume thresholds or that provide disincentives to MSSB for failing to meet certain minimum volume thresholds;
C. for 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 subcategories listed above, including the risk of overallocation to market maker profits at the expense of providing price improvement on Self-Directed Channel customer orders, is informed and mitigated by competition for order flow amongst MSSB's market makers under the same general payment for order flow terms applicable to UBS.

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

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 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, 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/l/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 rerouted 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 though MSSB may also benefit indirectly from profits realized from exchange rebates to MSSB's affiliate MS&Co for executing MSSB orders MS&Co receives in its capacity as market maker, which MS&Co. may also receive 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 meets the execution volume thresholds 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 rather than another venue in order to reach a higher tier. MSSB and NASDAQ, however, do not have any arrangements:

A. that require MSSB to meet certain volume thresholds;
B. that require MSSB to meet certain minimum volume thresholds or that provide disincentives to MSSB for failing to meet certain minimum volume thresholds;
C. for volume-based tiered payment schedules beyond the tiered volume model set forth in the 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 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=bx_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 $0.00325 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 $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 to participate in the NASDAQ retail order priority program. MSSB orders routed 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 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. Further disclosures regarding routing of orders through MS&Co, including to NASDAQ, are provided in the material aspect disclosure for MS&Co.

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 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 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 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/l/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 MSSB's affiliate MS&Co, which is market maker on EDGX.

MS&Co either pays a fee or receives a rebate on behalf of MSSB for each Self-Directed Channel customer order execution on EDGX, depending on whether the order added to or subtracted from liquidity on the exchange. For clarity, MSSB pays such fee or receives such rebate, as applicable, 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, 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 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. 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 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 MSSB 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 MSSB 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 MSSB was charged a $0.00275 per share fee for executions priced at $1.00 per share or more and a 0.28% fee of the total notional value on executions priced below $1.00 per share. For Q3 2023, MSSB received rebates (net of fees) from EDGX in the amount of $5,696 in July, $7,007 in August, and $76,649 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 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 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/l/quarterly-order-routing-report. MSSB does not route Full-Service Channel NMS equity orders to MEMX directly or indirectly through MS&Co, though depending on market conditions, order pricing, and the order handling practices of, and regulatory requirements applicable to the market-makers to which MSSB routes customer orders, some MSSB Full-Service Channel non-directed NMS equity orders may be indirectly routed to, and executed on MEMX, including through MSSB's affiliate MS&Co., which is a market maker on MEMX.

MS&Co either pays a fee or receives a rebate on behalf of MSSB for each Self-Directed Channel customer order execution on MEMX, depending on whether the order added to or subtracted from liquidity on the exchange. For clarity, MSSB pays such fee or receives such rebate, as applicable, for executions of Self-Directed Channel orders that MSSB routes to MEMX indirectly though MS&Co may also benefit indirectly from profits realized from exchange rebates to MS&Co for executing MSSB orders MS&Co receives in its capacity as market maker, which MS&Co may also receive from executions on MEMX. As a result of the corporate affiliation between MS&Co and MSSB, 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 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 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 determined by MS&Co. as described above.

MSSB is an affiliated company of Strategic Investments I, Inc., both of which are wholly owned subsidiaries of Morgan Stanley and investor-shareholders of MEMX. Accordingly, MSSB, both directly and indirectly through its parent company Morgan Stanley and/or its affiliates may share in profits realized by MEMX, which could, in theory, incentivize MSSB to route a higher percentages 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

Non-Directed Orders as % of All Orders	Market Orders as % of Non-Directed Orders	Marketable Limit Orders as % of Non-Directed Orders	Non-Marketable Limit Orders as % of Non-Directed Orders	Other Orders as % of Non-Directed Orders
99.51	52.39	8.21	31.80	7.61

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 Market Orders(cents per hundred shares)	Net Payment Paid/ Received for Marketable Limit Orders(USD)	Net Payment Paid/ Received for 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 Other Orders(USD)	Net Payment Paid/ Received for Other Orders(cents per hundred shares)
CITADEL SECURITIES LLC	22.00	23.14	32.94	15.18	30.83	808,058.76	14.5110	352,603.96	6.8631	202,435.12	14.9734	126,403.49	13.2142
Virtu Americas, LLC	20.61	22.08	29.70	13.93	28.63	789,771.88	13.9432	308,820.44	6.1548	123,340.72	11.6504	91,020.31	2.8233

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 Market Orders(cents per hundred shares)	Net Payment Paid/ Received for Marketable Limit Orders(USD)	Net Payment Paid/ Received for 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 Other Orders(USD)	Net Payment Paid/ Received for Other Orders(cents per hundred shares)
Morgan Stanley & Co., LLC	19.31	30.84	1.58	7.84	7.04	82.05	0.0033	-901.59	-0.1737	66,148.57	18.4631	-14,895.07	-4.7023
G1 Execution Services, LLC	17.68	9.38	14.81	32.36	16.59	300,660.99	13.8191	137,021.80	6.6654	407,538.39	17.8521	75,725.09	15.9024
Jane Street Capital	10.71	10.57	16.70	9.58	9.98	396,604.95	14.9620	171,543.10	6.5606	117,113.03	16.7497	45,597.96	16.3477
Two Sigma Securities, LLC	5.19	3.27	2.70	9.47	3.26	43,106.69	9.7407	22,981.53	5.8440	146,325.85	12.7184	15,136.44	16.6674
UBS Securities, LLC	1.23	0.68	1.14	1.95	2.10	22,008.90	15.1088	21,789.83	9.7624	27,827.86	12.5941	6,362.79	15.6993
Cboe EDGX Exchange, Inc.	1.20	0.00	0.14	3.57	0.63	0.00	0.0000	-2,622.00	-10.6878	65,368.00	17.8192	0.00	0.0000
The Nasdaq Stock Market	1.18	0.00	0.12	3.58	0.42	0.00	0.0000	-6,824.53	-22.9471	48,753.63	17.9020	-1,209.82	-12.1549
Members Exchange (MEMX)	0.85	0.00	0.09	2.54	0.46	0.00	0.0000	-984.00	-10.4725	35,210.00	22.1895	0.00	0.0000

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 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/l/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 $0 commission policy, pursuant to which customers generally do not pay base commissions for order handling and execution of their Self-Directed Channel NMS equities orders (subject to disclosed exceptions as described more fully at https://us.etrade.com/what-we-offer/pricing-and-rates). Because MSSB does not charge commissions on these Self-Directed Channel orders, MSSB seeks to be compensated, among other ways, through the receipt of payment for order flow from equity securities market makers, including Virtu. While the majority of Self-Directed Channel customers were customers of MSSB's affiliate broker-dealer, E*TRADE Securities LLC ("ETS") 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/l/quarterly-order-routing-report.

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

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

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

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

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

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 $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). 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/l/quarterly-order-routing-report. Although the columns in the table above which set out the percentage of the various order types combine order flow from MSSB's Full-Service Channel and Self-Directed Channel, the payment figures in the table above reflect only Full-Service Channel order executions. Neither the Full-Service Channel nor the Self-Directed Channel generally receive payment for order flow on these orders (other than as described below).

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

Apart from a limited number of Self-Directed Channel directed equity orders, which MS&Co receives from MSSB or its affiliate broker-dealer E*TRADE Securities, LLC with customer instructions to route to directly to certain U.S. securities exchanges and a limited number of non-directed Self-Directed Channel equity orders that MSSB routes to Cboe EDGX Exchange, Inc. and the Members Exchange for execution through MS&Co, MSSB does not route Self-Directed Channel orders to MS&Co for execution directly. Self-Directed Channel equity orders that MSSB routes to the U.S. securities exchanges through MS&Co will be combined with any other order flow that MS&Co routes to the exchange for the purpose of determining the applicable pricing and rebates under exchange tiered pricing models. MS&Co either pays a fee or receives a rebate for each Self-Directed Channel customer order execution on those exchanges, depending on whether the order added to or subtracted from liquidity on the exchange, which are passed through to MSSB at the rates and amounts reflected in the applicable relationship disclosures and tables in this report. To the extent that MS&Co meets the execution volume thresholds necessary to qualify for preferred pricing under an exchange tiered pricing 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.

G1 Execution Services, LLC:

Morgan Stanley Smith Barney LLC ("MSSB") routes NMS equity orders to G1 Executions Services, LLC ("G1X") to facilitate liquidity provision and price improvement opportunities for its customers. MSSB operates two primary service channels for its wealth management customers, the Full-Service Channel and the 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 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/l/quarterly-order-routing-report.

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

To take advantage of rules adopted by the U.S. securities exchanges that allow retail orders to be eligible for certain potential benefits, including additional price improvement from retail liquidity programs and higher queue priority from retail attestation programs, and to allow G1X to access such potential benefits for Self-Directed Channel NMS equity orders, MSSB marks applicable orders as retail orders on an order-by-order basis. MSSB and G1X, however, do not have any arrangements:
A. that require MSSB to meet certain volume thresholds or that provide incentives to MSSB for meeting or exceeding certain volume thresholds;
B. that require MSSB to meet certain minimum volume thresholds or that provide disincentives to MSSB for failing to meet certain minimum volume thresholds;
C. for volume-based tiered payment schedules; or
D. that require MSSB to route any orders or a minimum number of orders to G1X.

There is a potential conflict for a market maker such as G1X both paying for order flow on applicable Self-Directed Channel orders and providing price improvement for such orders as the potential source of funds for each is the same, namely the anticipated profit the market maker seeks to earn from executing or facilitating the execution of Self-Directed Channel customer orders. Accordingly, from such anticipated profit, a market maker such as G1X can (i) forgo a portion of such anticipated profit to provide price improvement; (ii) forgo a portion of such anticipated profit to pay for order flow; or (iii) retain a larger portion of anticipated profit and not provide (or provide less) price improvement or not provide (or provide less) payment for order flow. A market maker's (such as G1X's) anticipated profit must be allocated among these three sub-categories, such that an increased allocation to any one sub-category will result in a decreased allocation to one or more of the other sub-categories. The allocation of resources between the three subcategories 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/l/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 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 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/l/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 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/l/quarterly-order-routing-report. MSSB does not route Full-Service Channel NMS equity orders to UBS.

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

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

A. that require MSSB to meet certain volume thresholds or that provide incentives to MSSB for meeting or exceeding certain volume thresholds;
B. that require MSSB to meet certain minimum volume thresholds or that provide disincentives to MSSB for failing to meet certain minimum volume thresholds;
C. for 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 subcategories listed above, including the risk of overallocation to market maker profits at the expense of providing price improvement on Self-Directed Channel customer orders, is informed and mitigated by competition for order flow amongst MSSB's market makers under the same general payment for order flow terms applicable to UBS.

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

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 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 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 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/l/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 MSSB's affiliate MS&Co, which is market maker on EDGX.

MS&Co either pays a fee or receives a rebate on behalf of MSSB for each Self-Directed Channel customer order execution on EDGX, depending on whether the order added to or subtracted from liquidity on the exchange. For clarity, MSSB pays such fee or receives such rebate, as applicable, 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, 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 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. 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 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 MSSB 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 MSSB 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 MSSB was charged a $0.00275 per share fee for executions priced at $1.00 per share or more and a 0.28% fee of the total notional value on executions priced below $1.00 per share. For Q3 2023, MSSB received rebates (net of fees) from EDGX in the amount of $5,696 in July, $7,007 in August, and $76,649 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 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.

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 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, 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/l/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 rerouted 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 though MSSB may also benefit indirectly from profits realized from exchange rebates to MSSB's affiliate MS&Co for executing MSSB orders MS&Co receives in its capacity as market maker, which MS&Co. may also receive 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 meets the execution volume thresholds 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 rather than another venue in order to reach a higher tier. MSSB and NASDAQ, however, do not have any arrangements:

A. that require MSSB to meet certain volume thresholds;
B. that require MSSB to meet certain minimum volume thresholds or that provide disincentives to MSSB for failing to meet certain minimum volume thresholds;
C. for volume-based tiered payment schedules beyond the tiered volume model set forth in the 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 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=bx_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 $0.00325 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 $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 to participate in the NASDAQ retail order priority program. MSSB orders routed 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 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. 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 & 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/l/quarterly-order-routing-report. MSSB does not route Full-Service Channel NMS equity orders to MEMX directly or indirectly through MS&Co, though depending on market conditions, order pricing, and the order handling practices of, and regulatory requirements applicable to the market-makers to which MSSB routes customer orders, some MSSB Full-Service Channel non-directed NMS equity orders may be indirectly routed to, and executed on MEMX, including through MSSB's affiliate MS&Co., which is a market maker on MEMX.

MS&Co either pays a fee or receives a rebate on behalf of MSSB for each Self-Directed Channel customer order execution on MEMX, depending on whether the order added to or subtracted from liquidity on the exchange. For clarity, MSSB pays such fee or receives such rebate, as applicable, for executions of Self-Directed Channel orders that MSSB routes to MEMX indirectly though MS&Co may also benefit indirectly from profits realized from exchange rebates to MS&Co for executing MSSB orders MS&Co receives in its capacity as market maker, which MS&Co may also receive from executions on MEMX. As a result of the corporate affiliation between MS&Co and MSSB, 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 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 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 determined by MS&Co. as described above.

MSSB is an affiliated company of Strategic Investments I, Inc., both of which are wholly owned subsidiaries of Morgan Stanley and investor-shareholders of MEMX. Accordingly, MSSB, both directly and indirectly through its parent company Morgan Stanley and/or its affiliates may share in profits realized by MEMX, which could, in theory, incentivize MSSB to route a higher percentages 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

Options

Summary

Non-Directed Orders as % of All Orders	Market Orders as % of Non-Directed Orders	Marketable Limit Orders as % of Non-Directed Orders	Non-Marketable Limit Orders as % of Non-Directed Orders	Other Orders as % of Non-Directed Orders
100.00	17.21	9.49	34.12	39.17

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 Market Orders(cents per hundred shares)	Net Payment Paid/ Received for Marketable Limit Orders(USD)	Net Payment Paid/ Received for 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 Other Orders(USD)	Net Payment Paid/ Received for Other Orders(cents per hundred shares)
Citadel Securities, LLC	32.61	35.49	35.61	35.31	28.27	1,792,884.02	45.0371	1,972,247.65	45.9812	1,217,180.59	43.0622	848,237.58	37.6637
Global Execution Brokers LP	24.77	34.30	34.35	33.78	10.42	1,347,839.90	46.5535	1,166,919.85	46.7835	1,316,479.91	46.7413	405,513.05	39.3504
Dash/IMC Financial Markets	24.03	15.60	16.40	16.66	36.00	810,977.28	44.6943	713,257.44	43.7100	515,064.96	40.4182	1,647,832.80	40.3044
Wolverine Execution Services, LLC	17.04	11.31	12.30	12.91	24.31	424,933.44	39.7680	436,060.80	39.2757	327,363.36	33.8852	711,426.24	30.8392
Morgan Stanley & Co., LLC	1.54	3.29	1.34	1.35	1.00	0.00	0.0000	0.00	0.0000	0.00	0.0000	0.00	0.0000
Jane Street Execution Services	0.00	0.00	0.00	0.00	0.00	0.00	0.0000	0.00	0.0000	0.00	0.0000	0.00	0.0000
Citigroup Global Markets Inc. (ICG Markets)	0.00	0.00	0.00	0.00	0.00	0.00	0.0000	0.00	0.0000	0.00	0.0000	0.00	0.0000
NYSE American LLC	0.00	0.00	0.00	0.00	0.00	0.00	0.0000	0.00	0.0000	0.00	0.0000	0.00	0.0000

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 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 Citadel.

Customers of the Full-Service Channel receive services from MSSB relating to the operation, servicing, and administration of their MSSB brokerage or advised accounts and the generation of orders for such accounts, including the services of an MSSB Financial Advisor. Among other things, MSSB receives compensation for customer Full-Service Channel orders from commissions on their brokerage account orders and fees on their advised accounts. As a result, MSSB does not seek or receive payment for order flow on such orders from Citadel. In addition, as more fully described below, Citadel executes MSSB customer orders on U.S. listed options exchanges from which Citadel may receive payment in the form of rebates. Conversely, customers of the Self-Directed Channel generally generate and enter orders themselves for their brokerage accounts based upon their own investment decision making and without the benefit of the services of a Financial Advisor. Self-Directed Channel orders in NMS securities that are options contracts are subject to the MSSB's $0 based commission policy, pursuant to which customers generally do not pay base commission for order handling and execution of Self-Directed Channel NMS options orders (subject to disclosed exceptions as described more fully at https://us.etrade.com/what-we-offer/pricing-and-rates). Because MSSB does not charge commission on these Self-Directed Channel orders, the Firm seeks to be compensated, among other ways, through the receipt of 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.etrade.com/l/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 $279,545 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 seeks to earn from executing or facilitating the execution of MSSB customer orders. Accordingly, from such anticipated profit, an options market maker such as Citadel can (i) forgo a portion of such anticipated profit to provide price improvement; (ii) forgo a portion of such anticipated profit to pay for order flow; or (iii) retain a larger portion of anticipated profit and not provide (or provide less) price improvement or not provide (or provide less) payment for order flow. An options market maker's (such as Citadel's) anticipated profit must be allocated among these three sub-categories, such that an increased allocation to any one sub-category will result in a decreased allocation to one or more of the other sub-categories. The allocation of resources between the three subcategories listed above, including the risk of overallocation to market maker profits at the expense of providing price improvement on Self-Directed Channel customer orders, is informed and mitigated by competition for Self-Directed Channel order flow amongst MSSB's market makers under the same general payment for order flow terms applicable to Citadel.

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

Global Execution Brokers LP:

Morgan Stanley Smith Barney LLC ("MSSB") routes customer orders in NMS securities that are options contracts to Global Execution Brokers, 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 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 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/l/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 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. 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 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 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/l/quarterly-order-routing-report. MSSB does not route Full-Service Channel options orders to Dash.

Dash generates revenue from executing or facilitating the execution of MSSB customer orders. In exchange for such 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 $604,350 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 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 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 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 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 $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 Wolverine. 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/l/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 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 Wolverine with respect to Full-Service Channel order executions. Furthermore, MSSB and Wolverine do not have any arrangements:

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

In general, public, retail, or non-professional index options order execution fees range from $0.00 to $1.32 per contract, depending on the index option class and premium price, with Wolverine passing exchange fees for index option executions back to MSSB each month. For 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 among these three sub-categories, such that an increased allocation to any one sub-category will result in a decreased allocation to one or more of the other sub-categories. The allocation of resources between the three subcategories listed above, including the risk of overallocation to market maker profits at the expense of providing price improvement on Self-Directed Channel customer orders, is informed and mitigated by competition for Self-Directed Channel order flow amongst MSSB's market makers under the same general payment for order flow terms applicable to Wolverine.

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

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 a U.S. options exchange to be either crossed or executed against MS&Co interest and/or other liquidity on such exchanges, subject to the principles of best execution. In general, MS&Co generates revenue from executing or facilitating the execution of MSSB customer orders. MSSB does not receive payment from MS&Co for the options orders it routes to MS&Co (i.e. payment for order flow), either for Full-Service Channel options orders or Self-Directed Channel options orders executed by MS&Co and MSSB and MS&Co do not have any arrangements:

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

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

MS&Co. receives rebates and pays fees for the routing of customer orders in exchange listed options to option exchanges. When the rebates 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 by the U.S. options exchanges are not passed through to MSSB or its customers. However, MSSB is an affiliated company of MS&Co, which is a market maker on various U.S. options exchanges and MS&Co may realize market-making profits from 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 profit as a result of the combination of such order flow and the incentives of such tiered pricing programs. As a result of MSSB's corporate affiliation with MS&Co, MSSB may share indirectly in any such profits (whether from market-making, from pricing programs, or otherwise) generated by MS&Co.

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.