

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

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1st Quarter, 2026

January 2026

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
92.89	60.67	6.56	25.38	7.39

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	28.76	41.01	1.18	10.80	14.38	-5,127.68	-0.1744	-634.79	-0.4814	28,699.10	13.7681	-11,035.97	-2.7235
CITADEL SECURITIES LLC	24.68	19.29	33.71	32.96	32.53	296,396.53	18.7151	69,533.75	19.6313	171,997.23	28.7861	53,827.35	21.1229
Hudson River Trading (HRT)	15.64	9.33	20.23	31.06	10.32	160,550.41	19.3832	34,845.83	19.9913	171,452.71	29.9095	30,739.32	20.9614
G1 Execution Services, LLC	11.05	13.15	21.18	1.00	19.31	197,076.50	18.5071	44,457.15	19.8255	14,663.07	26.0424	57,110.86	21.0546
Virtu Americas, LLC	9.18	10.23	14.47	3.65	14.86	141,861.86	15.9087	31,041.02	17.7685	19,660.25	19.4728	40,941.22	13.8913
Jane Street Capital	8.12	4.99	6.33	16.85	5.41	44,251.44	20.0050	12,084.25	9.6479	98,765.77	25.9844	16,003.07	20.6659
Two Sigma Securities, LLC	1.42	1.51	1.89	0.95	1.94	17,333.94	15.8651	3,927.40	17.7762	18,496.33	28.5237	6,291.48	19.8910
GTS SECURITIES LLC	0.66	0.50	0.99	0.89	0.89	9,475.04	20.0000	2,231.92	20.0000	8,706.54	31.0000	218.90	19.9896
MEMX LLC	0.24	0.00	0.01	0.91	0.19	0.00	0.0000	-50.08	-9.9135	9,481.30	34.0000	0.00	0.0000
Cboe EDGX Exchange, Inc.	0.24	0.00	0.01	0.91	0.18	0.00	0.0000	-32.72	-6.4349	12,909.83	31.2955	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 Full-Service Channel orders from commissions on customer brokerage account orders and fees on customer 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 us.etrade.com/what-we-offer/pricing-and-rates). The columns in the table above which set out the percentage of the various order types combine order flow from both MSSB's Full-Service Channel and Self-Directed Channel. 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 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 it does from Self-Directed Channel executions. MSSB receives and handles non-directed customer orders in NMS equity securities on a held and not held basis through both channels consistent with its duty of best execution, but there are differences in how MSSB is compensated for the services it performs, which, as described in detail below, can impact the price improvement opportunities and trade executions that MSSB customers receive from Citadel.

Customers of the Full-Service Channel receive services from MSSB relating to the operation, servicing, and administration of their MSSB brokerage or advised accounts and the generation of orders for such accounts, including the services of a Financial Advisor. Among other things, MSSB receives compensation for Full-Service Channel orders from commissions on customer brokerage account orders and fees on customer 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 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 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.

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.

Hudson River Trading (HRT):

Morgan Stanley Smith Barney LLC ("MSSB") routes NMS equity orders to Hudson River Trading LLC ("HRT") to facilitate liquidity provision and price improvement opportunities for its customers. MSSB operates two primary service channels for its wealth management customers including the Full-Service Channel and the E*TRADE from Morgan Stanley Self-Directed Channel ("Self-Directed Channel"). Customers of the Full-Service Channel receive services from MSSB relating to the operation, servicing, and administration of their MSSB brokerage or advised accounts and the generation of orders for such accounts, including the services of a Financial Advisor. Among other things, MSSB receives compensation for Full-Service Channel orders from commissions on their brokerage account orders and fees on their advised accounts. As a result, MSSB does not seek or receive payment for order flow on such orders. Conversely, customers of the Self-Directed Channel generally generate and enter orders 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 Full-Service Channel NMS equity orders to HRT. Accordingly, the columns in the table above set out the percentage of the various order types and payment figures for Self-Directed Channel order executions only as MSSB does not route Full-Service Channel NMS equity orders to HRT.

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 [us.etrade.com/what-we-offer/pricing-and-rates](https://www.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 HRT.

HRT 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 HRT 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 HRT 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 HRT.

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 HRT 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 HRT, 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 HRT.

There is a potential conflict for a market maker such as HRT 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 HRT 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 HRT'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 HRT.

In addition to revenues that HRT may collect for executing or facilitating the execution of Self-Directed Channel customer orders that MSSB routes to HRT, HRT 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 HRT to route higher percentages of MSSB customer orders to particular venues over others, subject to HRT's independent order routing and best execution obligations. Exchange rebates provided to HRT for MSSB customer executions are not passed through to MSSB or its customers, although HRT 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.

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 it does from Self-Directed Channel executions. MSSB receives and handles non-directed customer orders in NMS equity securities on a held and not held basis through both channels consistent with its duty of best execution, but there are differences in how MSSB is compensated for the services it performs, which, as described in detail below, can impact the price improvement opportunities and trade executions that MSSB customers receive from 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 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 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.

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, 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.

Virtu Americas, LLC:

Morgan Stanley Smith Barney LLC ("MSSB") routes NMS equity orders to Virtu Americas, LLC ("Virtu") to facilitate liquidity provision and price improvement opportunities for its customers. MSSB operates two primary service channels for its wealth management customers, the Full-Service Channel and the E*TRADE from Morgan Stanley Self-Directed Channel ("Self-Directed Channel"). The columns in the table above which set out the percentage of the various order types and payment figures combine order flow and payments from both MSSB's Full-Service Channel and Self-Directed Channel, although the payment figures in the table above reflect only Self-Directed Channel order executions since MSSB does not receive payment from Full-Service Channel executions whereas it does from Self-Directed Channel executions. 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 Full-Service Channel orders from commissions on customer brokerage account orders and fees on customer 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 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 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.

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.

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, the Full-Service Channel and the E*TRADE from Morgan Stanley Self-Directed Channel ("Self-Directed Channel"). The columns in the table above which set out the percentage of the various order types and payment figures combine order flow and payments from both MSSB's Full-Service Channel and Self-Directed Channel, although the payment figures in the table above reflect only Self-Directed Channel order executions since MSSB does not receive payment from Full-Service Channel executions whereas it does from Self-Directed Channel executions. MSSB receives and handles non-directed customer orders in NMS equity securities on a held and not held basis through both channels consistent with its duty of best execution, but there are differences in how MSSB is compensated for the services it performs, which, as described in detail below, can impact the price improvement opportunities and trade executions that MSSB customers receive from Jane Street.

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 Jane Street. In addition, as more fully described below, Jane Street may send certain MSSB customer orders to an exchange or other market center for execution, including to market centers from which Jane Street may receive payment in the form of rebates. Conversely, customers of the Self-Directed Channel generally generate and enter orders 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 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.

Jane Street generates revenue from executing or facilitating the execution of MSSB customer orders. In exchange for routing such orders to Jane Street, 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 (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 Jane Street 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 Jane Street 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 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 Self-Directed Channel order flow amongst MSSB's market makers under the same general payment for order flow terms applicable to Jane Street. A market maker such as Jane Street 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 Jane Street on these order executions and instead is compensated directly by MSSB's customers as described above.

In addition to revenues that Jane Street 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 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. MSSB does not share directly in any such rebates Jane Street receives for executions of MSSB customer orders, although Jane Street 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 it does from Self-Directed Channel executions. MSSB receives and handles non-directed customer orders in NMS equity securities on a held and not held basis through both channels consistent with its duty of best execution, but there are differences in how MSSB is compensated for the services it performs, which, as described in detail below, can impact the price improvement opportunities and trade executions that MSSB customers receive from 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 Full-Service Channel orders from commissions on customer brokerage account orders and fees on customer 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 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 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.

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.

GTS SECURITIES LLC:

Morgan Stanley Smith Barney LLC ("MSSB") routes NMS equity orders to GTS Securities LLC ("GTS") to facilitate liquidity provision and price improvement opportunities for its customers. MSSB operates two primary service channels for its wealth management customers including the Full-Service Channel and the E*TRADE from Morgan Stanley Self-Directed Channel ("Self-Directed Channel"). Customers of the Full-Service Channel receive services from MSSB relating to the operation, servicing, and administration of their MSSB brokerage or advised accounts and the generation of orders for such accounts, including the services of a Financial Advisor. Among other things, MSSB receives compensation for Full-Service Channel orders from commissions on customer brokerage account orders and fees on customer 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 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 Full-Service Channel NMS equity orders to GTS. Accordingly, the columns in the table above set out the percentage of the various order types and payment figures for Self-Directed Channel order executions only as MSSB does not route Full-Service Channel NMS equity orders to GTS.

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 [us.etrade.com/what-we-offer/pricing-and-rates](https://www.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 GTS.

GTS 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 GTS 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 GTS 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 GTS.

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 GTS 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 GTS, 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 GTS.

There is a potential conflict for a market maker such as GTS 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 GTS 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 GTS'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 GTS.

In addition to revenues that GTS may collect for executing or facilitating the execution of Self-Directed Channel customer orders that MSSB routes to GTS, GTS 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 GTS to route higher percentages of MSSB customer orders to particular venues over others, subject to GTS's independent order routing and best execution obligations. Exchange rebates provided to GTS for MSSB customer executions are not passed through to MSSB or its customers, although GTS 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.

MEMX LLC:

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 Full-Service Channel orders from commissions on customer brokerage account orders and fees on customer advised accounts. Conversely, customers of the Self-Directed Channel generally generate and enter orders 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 Full-Service Channel NMS equity orders to MEMX. Accordingly, the columns in the table above set out the percentage of the various order types and payment figures for Self-Directed Channel order executions only as MSSB does not route Full-Service Channel NMS equity orders to MEMX.

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 [us.etrade.com/what-we-offer/pricing-and-rates](https://www.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 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. Although MSSB does not route Full-Service Channel NMS equity orders to MEMX directly or indirectly through MS&Co, depending on market conditions, order pricing, and the order handling practices of, and regulatory requirements applicable to the market-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 outlined 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 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 Q1 2026, MEMX paid MSSB standard rebate rates of \$0.003 per share for Self-Directed Channel executions priced at \$1.00 per share or more and 0.15% 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 \$0.003 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 Q1 2026, MSSB received rebates (net of fees) from MEMX in the amount of \$47,067 in January, \$38,084 in February, and \$40,108 in March. 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.

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 Full-Service Channel orders from commissions on customer brokerage account orders and fees on customer advised accounts. Conversely, customers of the Self-Directed Channel generally generate and enter orders 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 Full-Service Channel NMS equity orders to EDGX. Accordingly, the columns in the table above set out the percentage of the various order types and payment figures for Self-Directed Channel order executions only as MSSB does not route Full-Service Channel NMS equity orders to EDGX for execution.

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 [us.etrade.com/what-we-offer/pricing-and-rates](https://www.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 indirectly through its affiliate 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. Although MSSB does not route Full-Service Channel NMS equity orders to EDGX directly or indirectly through MS&Co, depending on market conditions, order pricing, and the order handling practices of, and regulatory requirements applicable to the market-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 outlined 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 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 Q1 2026, EDGX paid MSSB rebate rates of \$0.0025 per share for Self-Directed Channel executions priced at \$1.00 per share or more and \$0.00003 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 \$0.003 per share fee for executions priced at \$1.00 per share or more and a 0.30% fee of the total notional value on executions priced below \$1.00 per share. For Q1 2026, MSSB received rebates (net of fees) from EDGX in the amount of \$76,092 in January, \$55,422 in February, and \$70,363 in March. 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.

January 2026

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
90.05	47.76	11.60	33.23	7.41

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	28.82	23.68	33.38	33.43	34.19	1,969,047.24	18.5889	1,462,395.04	16.3956	929,498.13	27.1808	300,539.08	22.5927

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)
Hudson River Trading (HRT)	19.75	12.21	19.78	32.04	13.17	1,077,775.64	18.8428	796,617.05	16.5474	1,238,771.00	25.3844	171,550.27	23.9248
Morgan Stanley & Co., LLC	16.69	27.83	0.65	7.86	9.59	-2,876.94	-0.0336	-2,052.59	-0.1839	106,678.81	10.7379	-14,938.04	-2.6342
G1 Execution Services, LLC	12.03	16.32	21.59	1.22	17.95	1,345,239.92	18.4103	986,803.50	16.4200	130,430.52	21.5812	202,696.72	17.9933
Virtu Americas, LLC	10.22	12.65	15.64	3.83	14.77	1,003,697.30	17.4262	663,343.98	14.6074	158,303.35	17.2218	141,692.84	6.3700
Jane Street Capital	9.38	4.99	5.99	17.43	6.85	295,502.13	19.0867	288,063.10	9.7249	638,705.76	21.3097	53,078.90	16.7324
Two Sigma Securities, LLC	1.60	1.67	1.94	1.29	2.00	113,879.38	16.9902	88,652.37	14.9859	206,720.73	20.7201	26,750.34	18.8556
GTS SECURITIES LLC	0.81	0.66	0.99	0.94	0.88	62,240.83	19.9961	58,462.10	20.0000	36,808.24	31.0000	1,855.94	17.8504
Cboe EDGX Exchange, Inc.	0.35	0.00	0.01	0.97	0.30	0.00	0.0000	-441.18	-11.6455	63,656.22	25.2053	0.00	0.0000
MEMX LLC	0.33	0.00	0.01	0.92	0.28	0.00	0.0000	-214.08	-6.9359	37,850.30	30.0184	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 it does from Self-Directed Channel executions. MSSB receives and handles non-directed customer orders in NMS equity securities on a held and not held basis through both channels consistent with its duty of best execution, but there are differences in how MSSB is compensated for the services it performs, which, as described in detail below, can impact the price improvement opportunities and trade executions that MSSB customers receive from Citadel.

Customers of the Full-Service Channel receive services from MSSB relating to the operation, servicing, and administration of their MSSB brokerage or advised accounts and the generation of orders for such accounts, including the services of a Financial Advisor. Among other things, MSSB receives compensation for Full-Service Channel orders from commissions on customer brokerage account orders and fees on customer 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 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 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.

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.

Hudson River Trading (HRT):

Morgan Stanley Smith Barney LLC ("MSSB") routes NMS equity orders to Hudson River Trading LLC ("HRT") to facilitate liquidity provision and price improvement opportunities for its customers. MSSB operates two primary service channels for its wealth management customers including the Full-Service Channel and the E*TRADE from Morgan Stanley Self-Directed Channel ("Self-Directed Channel"). Customers of the Full-Service Channel receive services from MSSB relating to the operation, servicing, and administration of their MSSB brokerage or advised accounts and the generation of orders for such accounts, including the services of a Financial Advisor. Among other things, MSSB receives compensation for Full-Service Channel orders from commissions on their brokerage account orders and fees on their advised accounts. As a result, MSSB does not seek or receive payment for order flow on such orders. Conversely, customers of the Self-Directed Channel generally generate and enter orders 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 Full-Service Channel NMS equity orders to HRT. Accordingly, the columns in the table above set out the percentage of the various order types and payment figures for Self-Directed Channel order executions only as MSSB does not route Full-Service Channel NMS equity orders to HRT.

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 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 HRT.

HRT 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 HRT 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 HRT 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 HRT.

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 HRT 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 HRT, 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 HRT.

There is a potential conflict for a market maker such as HRT 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 HRT 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 HRT's) anticipated profit must be allocated among these three sub-categories, such that an increased allocation to any one sub-category will result in a decreased allocation to one or more of the other sub-categories. The allocation of resources between the three subcategories listed above, including the risk of reallocation to market maker profits at the expense of providing price improvement on Self-Directed Channel customer orders, is informed and mitigated by competition for order flow amongst MSSB's market makers under the same general payment for order flow terms applicable to HRT.

In addition to revenues that HRT may collect for executing or facilitating the execution of Self-Directed Channel customer orders that MSSB routes to HRT, HRT 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 HRT to route higher percentages of MSSB customer orders to particular venues over others, subject to HRT's independent order routing and best execution obligations. Exchange rebates provided to HRT for MSSB customer executions are not passed through to MSSB or its customers, although HRT 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. Among other things, MSSB receives compensation for Full-Service Channel orders from commissions on customer brokerage account orders and fees on customer 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 us.etrade.com/what-we-offer/pricing-and-rates). The columns in the table above which set out the percentage of the various order types combine order flow from both MSSB's Full-Service Channel and Self-Directed Channel. 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 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 it does from Self-Directed Channel executions. MSSB receives and handles non-directed customer orders in NMS equity securities on a held and not held basis through both channels consistent with its duty of best execution, but there are differences in how MSSB is compensated for the services it performs, which, as described in detail below, can impact the price improvement opportunities and trade executions that MSSB customers receive from 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 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 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.

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, 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.

Virtu Americas, LLC:

Morgan Stanley Smith Barney LLC ("MSSB") routes NMS equity orders to Virtu Americas, LLC ("Virtu") to facilitate liquidity provision and price improvement opportunities for its customers. MSSB operates two primary service channels for its wealth management customers, the Full-Service Channel and the E*TRADE from Morgan Stanley Self-Directed Channel ("Self-Directed Channel"). The columns in the table above which set out the percentage of the various order types and payment figures combine order flow and payments from both MSSB's Full-Service Channel and Self-Directed Channel, although the payment figures in the table above reflect only Self-Directed Channel order executions since MSSB does not receive payment from Full-Service Channel executions whereas it does from Self-Directed Channel executions. 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 Full-Service Channel orders from commissions on customer brokerage account orders and fees on customer 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 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 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.

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.

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, the Full-Service Channel and the E*TRADE from Morgan Stanley Self-Directed Channel ("Self-Directed Channel"). The columns in the table above which set out the percentage of the various order types and payment figures combine order flow and payments from both MSSB's Full-Service Channel and Self-Directed Channel, although the payment figures in the table above reflect only Self-Directed Channel order executions since MSSB does not receive payment from Full-Service Channel executions whereas it does from Self-Directed Channel executions. MSSB receives and handles non-directed customer orders in NMS equity securities on a held and not held basis through both channels consistent with its duty of best execution, but there are differences in how MSSB is compensated for the services it performs, which, as described in detail below, can impact the price improvement opportunities and trade executions that MSSB customers receive from Jane Street.

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 Jane Street. In addition, as more fully described below, Jane Street may send certain MSSB customer orders to an exchange or other market center for execution, including to market centers from which Jane Street may receive payment in the form of rebates. Conversely, customers of the Self-Directed Channel generally generate and enter orders 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 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.

Jane Street generates revenue from executing or facilitating the execution of MSSB customer orders. In exchange for routing such orders to Jane Street, 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 (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 Jane Street 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 Jane Street 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 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 Self-Directed Channel order flow amongst MSSB's market makers under the same general payment for order flow terms applicable to Jane Street. A market maker such as Jane Street 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 Jane Street on these order executions and instead is compensated directly by MSSB's customers as described above.

In addition to revenues that Jane Street 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 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. MSSB does not share directly in any such rebates Jane Street receives for executions of MSSB customer orders, although Jane Street 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 it does from Self-Directed Channel executions. MSSB receives and handles non-directed customer orders in NMS equity securities on a held and not held basis through both channels consistent with its duty of best execution, but there are differences in how MSSB is compensated for the services it performs, which, as described in detail below, can impact the price improvement opportunities and trade executions that MSSB customers receive from 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 Full-Service Channel orders from commissions on customer brokerage account orders and fees on customer 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 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 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.

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.

GTS SECURITIES LLC:

Morgan Stanley Smith Barney LLC ("MSSB") routes NMS equity orders to GTS Securities LLC ("GTS") to facilitate liquidity provision and price improvement opportunities for its customers. MSSB operates two primary service channels for its wealth management customers including the Full-Service Channel and the E*TRADE from Morgan Stanley Self-Directed Channel ("Self-Directed Channel"). Customers of the Full-Service Channel receive services from MSSB relating to the operation, servicing, and administration of their MSSB brokerage or advised accounts and the generation of orders for such accounts, including the services of a Financial Advisor. Among other things, MSSB receives compensation for Full-Service Channel orders from commissions on customer brokerage account orders and fees on customer 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 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 Full-Service Channel NMS equity orders to GTS. Accordingly, the columns in the table above set out the percentage of the various order types and payment figures for Self-Directed Channel order executions only as MSSB does not route Full-Service Channel NMS equity orders to GTS.

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 [us.etrade.com/what-we-offer/pricing-and-rates](https://www.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 GTS.

GTS 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 GTS 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 GTS 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 GTS.

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 GTS 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 GTS, 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 GTS.

There is a potential conflict for a market maker such as GTS 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 GTS 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 GTS'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 GTS.

In addition to revenues that GTS may collect for executing or facilitating the execution of Self-Directed Channel customer orders that MSSB routes to GTS, GTS 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 GTS to route higher percentages of MSSB customer orders to particular venues over others, subject to GTS's independent order routing and best execution obligations. Exchange rebates provided to GTS for MSSB customer executions are not passed through to MSSB or its customers, although GTS 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.

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 Full-Service Channel orders from commissions on customer brokerage account orders and fees on customer advised accounts. Conversely, customers of the Self-Directed Channel generally generate and enter orders 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 Full-Service Channel NMS equity orders to EDGX. Accordingly, the columns in the table above set out the percentage of the various order types and payment figures for Self-Directed Channel order executions only as MSSB does not route Full-Service Channel NMS equity orders to EDGX for execution.

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 [us.etrade.com/what-we-offer/pricing-and-rates](https://www.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 indirectly through its affiliate 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. Although MSSB does not route Full-Service Channel NMS equity orders to EDGX directly or indirectly through MS&Co, depending on market conditions, order pricing, and the order handling practices of, and regulatory requirements applicable to the market-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 through MS&Co and may also benefit indirectly from profits realized from exchange rebates to MS&Co for executing MSSB orders MS&Co receives in its capacity as market maker, which MS&Co may also receive from executions on EDGX. As a result of the corporate affiliation between MS&Co and MSSB, MSSB may share indirectly in any such profits generated by MS&Co. The fees and rebates outlined 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 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 Q1 2026, EDGX paid MSSB rebate rates of \$0.0025 per share for Self-Directed Channel executions priced at \$1.00 per share or more and \$0.00003 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 \$0.003 per share fee for executions priced at \$1.00 per share or more and a 0.30% fee of the total notional value on executions priced below \$1.00 per share. For Q1 2026, MSSB received rebates (net of fees) from EDGX in the amount of \$76,092 in January, \$55,422 in February, and \$70,363 in March. 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.

MEMX LLC:

Channel NMS equity orders to MEMX. Accordingly, the columns in the table above set out the percentage of the various order types and payment figures for Self-Directed Channel order executions only as MSSB does not route Full-Service Channel NMS equity orders to MEMX.

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 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 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. Although MSSB does not route Full-Service Channel NMS equity orders to MEMX directly or indirectly through MS&Co, depending on market conditions, order pricing, and the order handling practices of, and regulatory requirements applicable to the market-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 outlined 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 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 Q1 2026, MEMX paid MSSB standard rebate rates of \$0.003 per share for Self-Directed Channel executions priced at \$1.00 per share or more and 0.15% 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 \$0.003 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 Q1 2026, MSSB received rebates (net of fees) from MEMX in the amount of \$47,067 in January, \$38,084 in February, and \$40,108 in March. 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.

January 2026

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
99.92	9.74	3.95	26.10	60.21

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)
Dash/IMC Financial Markets	35.85	28.51	29.31	29.03	40.43	1,538,809.61	41.3432	1,220,936.41	41.3769	1,642,552.27	40.5991	1,899,972.20	38.2098
CITADEL SECURITIES LLC	22.95	24.76	23.63	24.52	21.94	1,356,003.66	38.4984	1,332,338.44	41.0918	1,380,436.93	39.5406	1,099,699.15	40.4795
Wolverine Execution Services, LLC	21.16	13.19	14.45	13.13	26.37	413,229.98	26.2267	340,058.08	28.4417	410,530.92	23.1979	415,504.58	7.1617

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)
Global Execution Brokers LP	11.36	17.89	16.76	17.27	7.39	947,450.82	36.1088	780,889.54	39.6035	988,159.27	37.9025	290,158.19	26.4965
Jane Street Capital	8.62	15.60	15.74	15.90	3.86	883,662.47	42.0192	722,477.40	42.2413	990,506.29	41.9088	172,405.06	33.6539
Morgan Stanley & Co., LLC	0.06	0.05	0.12	0.15	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:

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. MSSB does not route Full-Service Channel NMS options orders to Dash. Accordingly, the columns in the table above set out the percentage of the various order types and payment figures for Self-Directed Channel order executions only as MSSB does not route Full-Service Channel NMS equity orders to Dash.

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 [us.etrade.com/what-we-offer/pricing-and-rates](https://www.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.

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 \$0.43 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 Q1 2026, MSSB paid total fees on customer index options executions of \$890,308 in January \$852,500 in February, and \$1,051,099 in March. MSSB also participates in Cboe's Select Customer Options Reduction ("SCORe") program, whereby MSSB receives discounts on Self-Directed Channel index options order executions in qualifying index options classes based on MSSB's aggregate Self-Directed Channel index options execution volumes in those classes.

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.

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 it does from Self-Directed Channel executions. MSSB receives and handles non-directed options orders on a held and not held basis through both channels consistent with its duty of best execution, but there are differences in how MSSB is compensated for the services it performs, which, as described in detail below, can impact the price improvement opportunities and trade executions that MSSB customers receive from Citadel.

Customers of the Full-Service Channel receive services from MSSB relating to the operation, servicing, and administration of their MSSB brokerage or advised accounts and the generation of orders for such accounts, including the services of an MSSB Financial Advisor. Among other things, MSSB receives compensation for Full-Service Channel orders from commissions on customer brokerage account orders and fees on customer 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 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 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.

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 \$0.43 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 Q1 2026, MSSB paid total fees on customer index options executions of \$28,667 in January, \$36,205 in February, and \$40,077 in March. . MSSB also participates in Cboe's Select Customer Options Reduction ("SCORe") program, whereby MSSB receives discounts on Self-Directed Channel index options order executions in qualifying index options classes based on MSSB's aggregate Self-Directed Channel index options execution volumes in those classes.

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.

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 it does from Self-Directed Channel executions. MSSB receives and handles non-directed options orders on a held and not held basis through both channels consistent with its duty of best execution, but there are differences in how MSSB is compensated for the services it performs, which, as described in detail below, can impact the price improvement opportunities and trade executions that MSSB customers receive from Wolverine.

Customers of the Full-Service Channel receive services from MSSB relating to the operation, servicing, and administration of their MSSB brokerage or advised accounts and the generation of orders for such accounts, including the services of an MSSB Financial Advisor. Among other things, MSSB receives compensation for Full-Service Channel orders from commissions on customer brokerage account orders and fees on customer 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 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 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.

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 \$0.43 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 Q1 2026, MSSB paid total fees on customer index options executions of \$1,577,874 in January, \$1,651,244 in February, and \$1,841,042 in March. MSSB also participates in Cboe's Select Customer Options Reduction ("SCORE") program, whereby MSSB receives discounts on Self-Directed Channel index options order executions in qualifying index options classes based on MSSB's aggregate Self-Directed Channel index options execution volumes in those classes.

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

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

Global Execution Brokers LP:

Morgan Stanley Smith Barney LLC ("MSSB") routes customer orders in NMS securities that are options contracts to Global Execution Brokers, LP ("GEB") 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 it does from Self-Directed Channel executions. MSSB receives and handles non-directed options orders on a held and not held basis through both channels consistent with its duty of best execution, but there are differences in how MSSB is compensated for the services it performs, which, as described in detail below, can impact the price improvement opportunities and trade executions that MSSB customers receive from GEB.

Customers of the Full-Service Channel receive services from MSSB relating to the operation, servicing, and administration of their MSSB brokerage or advised accounts and the generation of orders for such accounts, including the services of an MSSB Financial Advisor. Among other things, MSSB receives compensation for Full-Service Channel orders from commissions on customer brokerage account orders and fees on customer advised accounts. As a result, MSSB does not seek or receive payment for order flow on such orders from GEB. In addition, as more fully described below, GEB executes MSSB customer orders on U.S. listed options exchanges from which GEB may receive payment in the form of rebates. Conversely, customers of the Self-Directed Channel generally generate and enter orders 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 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 GEB.

GEB 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 GEB in the amounts outlined in the above Public Order Routing Report disclosures, calculated at a rate of \$0.43 per contract for simple and complex equity options orders. MSSB does not receive payment from GEB 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 GEB with respect to Full-Service Channel order executions. Furthermore, MSSB and GEB 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 GEB.

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 GEB passing exchange fees for index option executions back to MSSB each month. For Q1 2026, MSSB paid total fees on customer index options executions of \$78,264 in January, \$126,821 in February, and \$118,596 in March. MSSB also participates in Cboe's Select Customer Options Reduction ("SCORe") program, whereby MSSB receives discounts on Self-Directed Channel index options order executions in qualifying index options classes based on MSSB's aggregate Self-Directed Channel index options execution volumes in those classes.

There is a potential conflict to an options market maker such as GEB 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 GEB 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 GEB'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 GEB.

GEB 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, GEB can earn a profit from such market-making executions. In addition to revenues that GEB may collect for executing or facilitating the execution of MSSB customer orders, GEB 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 GEB to route higher percentages of MSSB customer orders to particular venues over others, subject to GEB's independent order routing and best execution obligations. GEB 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, GEB can earn a profit from such market-making executions. MSSB does not share directly in any rebates GEB receives for executions of MSSB customer orders, although GEB 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 Capital:

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"). The columns in the table above which set out the percentage of the various order types and payment figures combine order flow and payments from both MSSB's Full-Service Channel and Self-Directed Channel, although the payment figures in the table above reflect only Self-Directed Channel order executions since MSSB does not receive payment from Full-Service Channel executions whereas it does from Self-Directed Channel executions. MSSB receives and handles non-directed 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 Jane Street.

Customers of the Full-Service Channel receive services from MSSB relating to the operation, servicing, and administration of their MSSB brokerage or advised accounts and the generation of orders for such accounts, including the services of an MSSB Financial Advisor. Among other things, MSSB receives compensation for Full-Service Channel orders from commissions on customer brokerage account orders and fees on customer advised accounts. As a result, MSSB does not seek or receive payment for order flow on such orders from Jane Street. In addition, as more fully described below, Jane Street executes MSSB customer orders on U.S. listed options exchanges from which Jane Street may receive payment in the form of rebates. Conversely, customers of the Self-Directed Channel generally generate and enter orders 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 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 Jane Street.

Jane Street 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 Jane Street in the amounts outlined in the above Public Order Routing Report disclosures, calculated at a rate of \$0.43 per contract for simple and complex equity options orders. MSSB does not receive payment from Jane Street 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 Jane Street with respect to Full-Service Channel order executions. Furthermore, 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.

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 Jane Street passing exchange fees for index option executions back to MSSB each month. For Q1 2026, MSSB paid total fees on customer index options executions of \$118,978 in January, \$101,111 in February and \$107,748 in March. MSSB also participates in Cboe's Select Customer Options Reduction ("SCORe") program, whereby MSSB receives discounts on Self-Directed Channel index options order executions in qualifying index options classes based on MSSB's aggregate Self-Directed Channel index options execution volumes in those classes.

There is a potential conflict to an options 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 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 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. An options 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 Self-Directed Channel order flow amongst MSSB's market makers under the same general payment for order flow terms applicable to Jane Street.

Jane Street 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, Jane Street can earn a profit from such market-making executions. In addition to revenues that Jane Street may collect for executing or facilitating the execution of MSSB customer orders, Jane Street 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 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. Jane Street 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, Jane Street can earn a profit from such market-making executions. MSSB does not share directly in any rebates Jane Street receives for executions of MSSB customer orders, although Jane Street could potentially use these rebates to provide price improvement to MSSB customers, order flow payments to MSSB with respect to Self-Directed Channel orders, or both.

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 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. 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 pricing programs, or otherwise) generated by MS&Co.

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 Full-Service Channel orders from commissions on customer brokerage account orders and fees on customer 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 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.

February 2026

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
92.13	59.53	6.68	25.98	7.81

Venues

Venue - Non-directed Order Flow	Non-Directed Orders (%)	Market Orders (%)	Marketable Limit Orders (%)	Non-Marketable Limit Orders (%)	Other Orders (%)	Net Payment Paid/Received for Market Orders(USD)	Net Payment Paid/Received for Marketable Limit Orders(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	26.78	38.17	1.33	11.01	14.22	-6,502.10	-0.2384	-416.44	-0.2639	37,778.04	13.1169	-11,084.79	-2.5169
CITADEL SECURITIES LLC	25.67	20.60	34.25	32.90	32.94	266,961.73	18.6525	61,636.34	19.8062	159,606.37	28.4640	51,074.41	20.9301
Hudson River Trading (HRT)	15.84	9.61	19.46	30.91	10.00	135,457.30	19.3328	30,624.02	19.9972	149,396.51	29.9303	25,733.88	20.8736
G1 Execution Services, LLC	11.78	14.26	22.03	1.01	19.94	180,189.84	18.4232	39,272.32	19.7685	9,030.69	27.6636	54,861.81	20.6938
Virtu Americas, LLC	9.10	10.27	13.72	3.66	14.35	119,122.10	15.5211	23,007.15	16.3380	16,958.45	17.8859	36,515.00	13.0058
Jane Street Capital	8.19	5.02	6.28	16.83	5.33	38,928.66	20.0077	12,775.80	9.9163	92,454.85	25.0710	14,981.55	19.8443
Two Sigma Securities, LLC	1.45	1.55	1.92	0.95	1.95	14,993.99	15.6933	3,170.05	15.6990	13,211.31	25.7056	4,715.82	18.5274
GTS SECURITIES LLC	0.68	0.54	0.99	0.86	0.90	8,308.94	20.0000	2,218.52	20.0000	7,197.65	31.0000	345.31	19.9836
Cboe EDGX Exchange, Inc.	0.25	0.00	0.01	0.92	0.17	0.00	0.0000	-33.68	-7.1183	9,991.99	31.2017	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)
MEMX LLC	0.25	0.00	0.01	0.92	0.17	0.00	0.0000	-43.26	-8.7712	9,428.25	34.0000	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 Full-Service Channel orders from commissions on customer brokerage account orders and fees on customer 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 us.etrade.com/what-we-offer/pricing-and-rates). The columns in the table above which set out the percentage of the various order types combine order flow from both MSSB's Full-Service Channel and Self-Directed Channel. 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 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 it does from Self-Directed Channel executions. MSSB receives and handles non-directed customer orders in NMS equity securities on a held and not held basis through both channels consistent with its duty of best execution, but there are differences in how MSSB is compensated for the services it performs, which, as described in detail below, can impact the price improvement opportunities and trade executions that MSSB customers receive from Citadel.

Customers of the Full-Service Channel receive services from MSSB relating to the operation, servicing, and administration of their MSSB brokerage or advised accounts and the generation of orders for such accounts, including the services of a Financial Advisor. Among other things, MSSB receives compensation for Full-Service Channel orders from commissions on customer brokerage account orders and fees on customer 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 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 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.

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.

Hudson River Trading (HRT):

Morgan Stanley Smith Barney LLC ("MSSB") routes NMS equity orders to Hudson River Trading LLC ("HRT") to facilitate liquidity provision and price improvement opportunities for its customers. MSSB operates two primary service channels for its wealth management customers including the Full-Service Channel and the E*TRADE from Morgan Stanley Self-Directed Channel ("Self-Directed Channel"). Customers of the Full-Service Channel receive services from MSSB relating to the operation, servicing, and administration of their MSSB brokerage or advised accounts and the generation of orders for such accounts, including the services of a Financial Advisor. Among other things, MSSB receives compensation for Full-Service Channel orders from commissions on their brokerage account orders and fees on their advised accounts. As a result, MSSB does not seek or receive payment for order flow on such orders. Conversely, customers of the Self-Directed Channel generally generate and enter orders 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 Full-Service Channel NMS equity orders to HRT. Accordingly, the columns in the table above set out the percentage of the various order types and payment figures for Self-Directed Channel order executions only as MSSB does not route Full-Service Channel NMS equity orders to HRT.

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 [us.etrade.com/what-we-offer/pricing-and-rates](https://www.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 HRT.

HRT 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 HRT 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 HRT 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 HRT.

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 HRT 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 HRT, 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 HRT.

There is a potential conflict for a market maker such as HRT 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 HRT 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 HRT'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 HRT.

In addition to revenues that HRT may collect for executing or facilitating the execution of Self-Directed Channel customer orders that MSSB routes to HRT, HRT 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 HRT to route higher percentages of MSSB customer orders to particular venues over others, subject to HRT's independent order routing and best execution obligations. Exchange rebates provided to HRT for MSSB customer executions are not passed through to MSSB or its customers, although HRT 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.

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 it does from Self-Directed Channel executions. MSSB receives and handles non-directed customer orders in NMS equity securities on a held and not held basis through both channels consistent with its duty of best execution, but there are differences in how MSSB is compensated for the services it performs, which, as described in detail below, can impact the price improvement opportunities and trade executions that MSSB customers receive from 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 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 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.

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, 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.

Virtu Americas, LLC:

Morgan Stanley Smith Barney LLC ("MSSB") routes NMS equity orders to Virtu Americas, LLC ("Virtu") to facilitate liquidity provision and price improvement opportunities for its customers. MSSB operates two primary service channels for its wealth management customers, the Full-Service Channel and the E*TRADE from Morgan Stanley Self-Directed Channel ("Self-Directed Channel"). The columns in the table above which set out the percentage of the various order types and payment figures combine order flow and payments from both MSSB's Full-Service Channel and Self-Directed Channel, although the payment figures in the table above reflect only Self-Directed Channel order executions since MSSB does not receive payment from Full-Service Channel executions whereas it does from Self-Directed Channel executions. 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 Full-Service Channel orders from commissions on customer brokerage account orders and fees on customer 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 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 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.

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.

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, the Full-Service Channel and the E*TRADE from Morgan Stanley Self-Directed Channel ("Self-Directed Channel"). The columns in the table above which set out the percentage of the various order types and payment figures combine order flow and payments from both MSSB's Full-Service Channel and Self-Directed Channel, although the payment figures in the table above reflect only Self-Directed Channel order executions since MSSB does not receive payment from Full-Service Channel executions whereas it does from Self-Directed Channel executions. MSSB receives and handles non-directed customer orders in NMS equity securities on a held and not held basis through both channels consistent with its duty of best execution, but there are differences in how MSSB is compensated for the services it performs, which, as described in detail below, can impact the price improvement opportunities and trade executions that MSSB customers receive from Jane Street.

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 Jane Street. In addition, as more fully described below, Jane Street may send certain MSSB customer orders to an exchange or other market center for execution, including to market centers from which Jane Street may receive payment in the form of rebates. Conversely, customers of the Self-Directed Channel generally generate and enter orders 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 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.

Jane Street generates revenue from executing or facilitating the execution of MSSB customer orders. In exchange for routing such orders to Jane Street, 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 (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 Jane Street 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 Jane Street 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 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 Self-Directed Channel order flow amongst MSSB's market makers under the same general payment for order flow terms applicable to Jane Street. A market maker such as Jane Street 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 Jane Street on these order executions and instead is compensated directly by MSSB's customers as described above.

In addition to revenues that Jane Street 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 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. MSSB does not share directly in any such rebates Jane Street receives for executions of MSSB customer orders, although Jane Street 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 it does from Self-Directed Channel executions. MSSB receives and handles non-directed customer orders in NMS equity securities on a held and not held basis through both channels consistent with its duty of best execution, but there are differences in how MSSB is compensated for the services it performs, which, as described in detail below, can impact the price improvement opportunities and trade executions that MSSB customers receive from 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 Full-Service Channel orders from commissions on customer brokerage account orders and fees on customer 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 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 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.

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.

GTS SECURITIES LLC:

Morgan Stanley Smith Barney LLC ("MSSB") routes NMS equity orders to GTS Securities LLC ("GTS") to facilitate liquidity provision and price improvement opportunities for its customers. MSSB operates two primary service channels for its wealth management customers including the Full-Service Channel and the E*TRADE from Morgan Stanley Self-Directed Channel ("Self-Directed Channel"). Customers of the Full-Service Channel receive services from MSSB relating to the operation, servicing, and administration of their MSSB brokerage or advised accounts and the generation of orders for such accounts, including the services of a Financial Advisor. Among other things, MSSB receives compensation for Full-Service Channel orders from commissions on customer brokerage account orders and fees on customer 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 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 Full-Service Channel NMS equity orders to GTS. Accordingly, the columns in the table above set out the percentage of the various order types and payment figures for Self-Directed Channel order executions only as MSSB does not route Full-Service Channel NMS equity orders to GTS.

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 [us.etrade.com/what-we-offer/pricing-and-rates](https://www.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 GTS.

GTS 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 GTS 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 GTS 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 GTS.

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 GTS 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 GTS, 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 GTS.

There is a potential conflict for a market maker such as GTS 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 GTS 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 GTS'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 GTS.

In addition to revenues that GTS may collect for executing or facilitating the execution of Self-Directed Channel customer orders that MSSB routes to GTS, GTS 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 GTS to route higher percentages of MSSB customer orders to particular venues over others, subject to GTS's independent order routing and best execution obligations. Exchange rebates provided to GTS for MSSB customer executions are not passed through to MSSB or its customers, although GTS 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.

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 Full-Service Channel orders from commissions on customer brokerage account orders and fees on customer advised accounts. Conversely, customers of the Self-Directed Channel generally generate and enter orders 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 Full-Service Channel NMS equity orders to EDGX. Accordingly, the columns in the table above set out the percentage of the various order types and payment figures for Self-Directed Channel order executions only as MSSB does not route Full-Service Channel NMS equity orders to EDGX for execution.

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 [us.etrade.com/what-we-offer/pricing-and-rates](https://www.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 indirectly through its affiliate 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. Although MSSB does not route Full-Service Channel NMS equity orders to EDGX directly or indirectly through MS&Co, depending on market conditions, order pricing, and the order handling practices of, and regulatory requirements applicable to the market-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 through MS&Co and may also benefit indirectly from profits realized from exchange rebates to MS&Co for executing MSSB orders MS&Co receives in its capacity as market maker, which MS&Co may also receive from executions on EDGX. As a result of the corporate affiliation between MS&Co and MSSB, MSSB may share indirectly in any such profits generated by MS&Co. The fees and rebates outlined 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 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 Q1 2026, EDGX paid MSSB rebate rates of \$0.0025 per share for Self-Directed Channel executions priced at \$1.00 per share or more and \$0.00003 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 \$0.003 per share fee for executions priced at \$1.00 per share or more and a 0.30% fee of the total notional value on executions priced below \$1.00 per share. For Q1 2026, MSSB received rebates (net of fees) from EDGX in the amount of \$76,092 in January, \$55,422 in February, and \$70,363 in March. 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.

MEMX LLC:

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 Full-Service Channel orders from commissions on customer brokerage account orders and fees on customer advised accounts. Conversely, customers of the Self-Directed Channel generally generate and enter orders 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 Full-Service Channel NMS equity orders to MEMX. Accordingly, the columns in the table above set out the percentage of the various order types and payment figures for Self-Directed Channel order executions only as MSSB does not route Full-Service Channel NMS equity orders to MEMX.

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 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 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. Although MSSB does not route Full-Service Channel NMS equity orders to MEMX directly or indirectly through MS&Co, depending on market conditions, order pricing, and the order handling practices of, and regulatory requirements applicable to the market-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 outlined 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 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 Q1 2026, MEMX paid MSSB standard rebate rates of \$0.003 per share for Self-Directed Channel executions priced at \$1.00 per share or more and 0.15% 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 \$0.003 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 Q1 2026, MSSB received rebates (net of fees) from MEMX in the amount of \$47,067 in January, \$38,084 in February, and \$40,108 in March. 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.

February 2026

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
88.85	45.25	11.14	36.18	7.42

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	29.02	23.59	33.95	33.28	33.92	1,261,830.99	18.0437	1,398,769.26	16.8241	627,379.56	26.3987	170,816.30	20.0523
Hudson River Trading (HRT)	19.84	11.46	19.21	31.87	13.20	634,580.94	18.2337	726,219.30	16.8510	898,887.30	24.7581	85,878.25	21.1493

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	17.14	29.37	0.73	8.25	10.57	-3,838.78	-0.0492	-1,362.68	-0.1408	87,291.03	10.6398	-16,652.71	-2.6635
G1 Execution Services, LLC	11.59	16.27	22.06	1.23	17.86	837,726.58	17.7186	996,896.09	16.9689	90,395.58	21.4349	163,863.05	17.0644
Jane Street Capital	9.71	4.96	6.01	17.36	6.93	180,020.92	18.9076	283,665.58	10.6052	446,518.93	20.0697	40,498.04	16.7112
Virtu Americas, LLC	9.57	12.06	15.08	3.85	14.05	598,664.82	16.4651	568,329.24	14.6048	96,188.20	15.2820	106,464.84	5.6671
Two Sigma Securities, LLC	1.57	1.65	1.94	1.28	1.99	69,649.05	15.7773	84,717.30	16.1679	163,003.51	20.9206	17,498.07	17.8427
GTS SECURITIES LLC	0.81	0.64	0.99	0.95	0.85	39,658.57	20.0000	50,548.91	19.9998	30,750.41	31.0000	1,687.15	16.5326
Cboe EDGX Exchange, Inc.	0.37	0.00	0.01	0.95	0.32	0.00	0.0000	-419.28	-5.6300	45,882.62	24.5688	0.00	0.0000
MEMX LLC	0.35	0.00	0.01	0.90	0.30	0.00	0.0000	-117.86	-5.9307	28,816.37	29.0637	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 it does from Self-Directed Channel executions. MSSB receives and handles non-directed customer orders in NMS equity securities on a held and not held basis through both channels consistent with its duty of best execution, but there are differences in how MSSB is compensated for the services it performs, which, as described in detail below, can impact the price improvement opportunities and trade executions that MSSB customers receive from Citadel.

Customers of the Full-Service Channel receive services from MSSB relating to the operation, servicing, and administration of their MSSB brokerage or advised accounts and the generation of orders for such accounts, including the services of a Financial Advisor. Among other things, MSSB receives compensation for Full-Service Channel orders from commissions on customer brokerage account orders and fees on customer 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 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 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.

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.

Hudson River Trading (HRT):

Morgan Stanley Smith Barney LLC ("MSSB") routes NMS equity orders to Hudson River Trading LLC ("HRT") to facilitate liquidity provision and price improvement opportunities for its customers. MSSB operates two primary service channels for its wealth management customers including the Full-Service Channel and the E*TRADE from Morgan Stanley Self-Directed Channel ("Self-Directed Channel"). Customers of the Full-Service Channel receive services from MSSB relating to the operation, servicing, and administration of their MSSB brokerage or advised accounts and the generation of orders for such accounts, including the services of a Financial Advisor. Among other things, MSSB receives compensation for Full-Service Channel orders from commissions on their brokerage account orders and fees on their advised accounts. As a result, MSSB does not seek or receive payment for order flow on such orders. Conversely, customers of the Self-Directed Channel generally generate and enter orders 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 Full-Service Channel NMS equity orders to HRT. Accordingly, the columns in the table above set out the percentage of the various order types and payment figures for Self-Directed Channel order executions only as MSSB does not route Full-Service Channel NMS equity orders to HRT.

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 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 HRT.

HRT 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 HRT 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 HRT 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 HRT.

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 HRT 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 HRT, 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 HRT.

There is a potential conflict for a market maker such as HRT 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 HRT 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 HRT's) anticipated profit must be allocated among these three sub-categories, such that an increased allocation to any one sub-category will result in a decreased allocation to one or more of the other sub-categories. The allocation of resources between the three subcategories listed above, including the risk of reallocation to market maker profits at the expense of providing price improvement on Self-Directed Channel customer orders, is informed and mitigated by competition for order flow amongst MSSB's market makers under the same general payment for order flow terms applicable to HRT.

In addition to revenues that HRT may collect for executing or facilitating the execution of Self-Directed Channel customer orders that MSSB routes to HRT, HRT 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 HRT to route higher percentages of MSSB customer orders to particular venues over others, subject to HRT's independent order routing and best execution obligations. Exchange rebates provided to HRT for MSSB customer executions are not passed through to MSSB or its customers, although HRT 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. Among other things, MSSB receives compensation for Full-Service Channel orders from commissions on customer brokerage account orders and fees on customer 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 us.etrade.com/what-we-offer/pricing-and-rates). The columns in the table above which set out the percentage of the various order types combine order flow from both MSSB's Full-Service Channel and Self-Directed Channel. 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 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 it does from Self-Directed Channel executions. MSSB receives and handles non-directed customer orders in NMS equity securities on a held and not held basis through both channels consistent with its duty of best execution, but there are differences in how MSSB is compensated for the services it performs, which, as described in detail below, can impact the price improvement opportunities and trade executions that MSSB customers receive from 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 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 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.

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, 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, the Full-Service Channel and the E*TRADE from Morgan Stanley Self-Directed Channel ("Self-Directed Channel"). The columns in the table above which set out the percentage of the various order types and payment figures combine order flow and payments from both MSSB's Full-Service Channel and Self-Directed Channel, although the payment figures in the table above reflect only Self-Directed Channel order executions since MSSB does not receive payment from Full-Service Channel executions whereas it does from Self-Directed Channel executions. MSSB receives and handles non-directed customer orders in NMS equity securities on a held and not held basis through both channels consistent with its duty of best execution, but there are differences in how MSSB is compensated for the services it performs, which, as described in detail below, can impact the price improvement opportunities and trade executions that MSSB customers receive from Jane Street.

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 Jane Street. In addition, as more fully described below, Jane Street may send certain MSSB customer orders to an exchange or other market center for execution, including to market centers from which Jane Street may receive payment in the form of rebates. Conversely, customers of the Self-Directed Channel generally generate and enter orders 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 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.

Jane Street generates revenue from executing or facilitating the execution of MSSB customer orders. In exchange for routing such orders to Jane Street, 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 (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 Jane Street 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 Jane Street 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 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 Self-Directed Channel order flow amongst MSSB's market makers under the same general payment for order flow terms applicable to Jane Street. A market maker such as Jane Street 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 Jane Street on these order executions and instead is compensated directly by MSSB's customers as described above.

In addition to revenues that Jane Street 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 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. MSSB does not share directly in any such rebates Jane Street receives for executions of MSSB customer orders, although Jane Street could potentially use such rebates to provide price improvement to MSSB customers, order flow payments to MSSB with respect to Self-Directed Channel orders, or both.

Virtu Americas, LLC:

Morgan Stanley Smith Barney LLC ("MSSB") routes NMS equity orders to Virtu Americas, LLC ("Virtu") to facilitate liquidity provision and price improvement opportunities for its customers. MSSB operates two primary service channels for its wealth management customers, the Full-Service Channel and the E*TRADE from Morgan Stanley Self-Directed Channel ("Self-Directed Channel"). The columns in the table above which set out the percentage of the various order types and payment figures combine order flow and payments from both MSSB's Full-Service Channel and Self-Directed Channel, although the payment figures in the table above reflect only Self-Directed Channel order executions since MSSB does not receive payment from Full-Service Channel executions whereas it does from Self-Directed Channel executions. 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 Full-Service Channel orders from commissions on customer brokerage account orders and fees on customer 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 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 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.

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

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

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

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

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

Two Sigma Securities, LLC:

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

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.

GTS SECURITIES LLC:

Morgan Stanley Smith Barney LLC ("MSSB") routes NMS equity orders to GTS Securities LLC ("GTS") to facilitate liquidity provision and price improvement opportunities for its customers. MSSB operates two primary service channels for its wealth management customers including the Full-Service Channel and the E*TRADE from Morgan Stanley Self-Directed Channel ("Self-Directed Channel"). Customers of the Full-Service Channel receive services from MSSB relating to the operation, servicing, and administration of their MSSB brokerage or advised accounts and the generation of orders for such accounts, including the services of a Financial Advisor. Among other things, MSSB receives compensation for Full-Service Channel orders from commissions on customer brokerage account orders and fees on customer 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 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 Full-Service Channel NMS equity orders to GTS. Accordingly, the columns in the table above set out the percentage of the various order types and payment figures for Self-Directed Channel order executions only as MSSB does not route Full-Service Channel NMS equity orders to GTS.

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 [us.etrade.com/what-we-offer/pricing-and-rates](https://www.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 GTS.

GTS 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 GTS 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 GTS 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 GTS.

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 GTS 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 GTS, 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 GTS.

There is a potential conflict for a market maker such as GTS 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 GTS 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 GTS'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 GTS.

In addition to revenues that GTS may collect for executing or facilitating the execution of Self-Directed Channel customer orders that MSSB routes to GTS, GTS 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 GTS to route higher percentages of MSSB customer orders to particular venues over others, subject to GTS's independent order routing and best execution obligations. Exchange rebates provided to GTS for MSSB customer executions are not passed through to MSSB or its customers, although GTS 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.

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 Full-Service Channel orders from commissions on customer brokerage account orders and fees on customer advised accounts. Conversely, customers of the Self-Directed Channel generally generate and enter orders 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 Full-Service Channel NMS equity orders to EDGX. Accordingly, the columns in the table above set out the percentage of the various order types and payment figures for Self-Directed Channel order executions only as MSSB does not route Full-Service Channel NMS equity orders to EDGX for execution.

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 [us.etrade.com/what-we-offer/pricing-and-rates](https://www.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 indirectly through its affiliate 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. Although MSSB does not route Full-Service Channel NMS equity orders to EDGX directly or indirectly through MS&Co, depending on market conditions, order pricing, and the order handling practices of, and regulatory requirements applicable to the market-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 through MS&Co and may also benefit indirectly from profits realized from exchange rebates to MS&Co for executing MSSB orders MS&Co receives in its capacity as market maker, which MS&Co may also receive from executions on EDGX. As a result of the corporate affiliation between MS&Co and MSSB, MSSB may share indirectly in any such profits generated by MS&Co. The fees and rebates outlined 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 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 Q1 2026, EDGX paid MSSB rebate rates of \$0.0025 per share for Self-Directed Channel executions priced at \$1.00 per share or more and \$0.00003 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 \$0.003 per share fee for executions priced at \$1.00 per share or more and a 0.30% fee of the total notional value on executions priced below \$1.00 per share. For Q1 2026, MSSB received rebates (net of fees) from EDGX in the amount of \$76,092 in January, \$55,422 in February, and \$70,363 in March. 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.

MEMX LLC:

Channel NMS equity orders to MEMX. Accordingly, the columns in the table above set out the percentage of the various order types and payment figures for Self-Directed Channel order executions only as MSSB does not route Full-Service Channel NMS equity orders to MEMX.

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 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 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. Although MSSB does not route Full-Service Channel NMS equity orders to MEMX directly or indirectly through MS&Co, depending on market conditions, order pricing, and the order handling practices of, and regulatory requirements applicable to the market-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 outlined 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 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 Q1 2026, MEMX paid MSSB standard rebate rates of \$0.003 per share for Self-Directed Channel executions priced at \$1.00 per share or more and 0.15% 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 \$0.003 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 Q1 2026, MSSB received rebates (net of fees) from MEMX in the amount of \$47,067 in January, \$38,084 in February, and \$40,108 in March. 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.

February 2026

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
99.96	11.13	4.19	27.02	57.66

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)
Dash/IMC Financial Markets	35.49	28.59	29.22	28.97	40.33	1,548,722.40	41.1656	1,075,918.48	41.1318	1,456,029.02	40.2858	1,694,777.06	37.5892
CITADEL SECURITIES LLC	21.65	24.56	23.58	24.44	19.65	1,372,589.32	38.5389	1,141,422.14	40.8316	1,209,300.75	39.2766	854,311.93	39.0958
Wolverine Execution Services, LLC	21.36	13.45	14.70	13.34	27.13	415,614.17	25.5948	299,456.43	27.6386	358,189.20	21.9222	233,168.66	4.2497

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)
Global Execution Brokers LP	11.62	17.82	16.68	17.22	7.44	952,036.20	35.9757	705,485.23	39.3915	857,089.81	37.8719	250,447.26	25.1071
Jane Street Capital	9.83	15.54	15.75	15.91	5.44	893,578.70	41.0090	617,050.00	41.3422	869,205.44	40.7176	231,048.46	37.7967
Morgan Stanley & Co., LLC	0.05	0.04	0.08	0.12	0.02	0.00	0.0000	0.00	0.0000	0.00	0.0000	0.00	0.0000

Material Aspects:

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 a 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. MSSB does not route Full-Service Channel NMS options orders to Dash. Accordingly, the columns in the table above set out the percentage of the various order types and payment figures for Self-Directed Channel order executions only as MSSB does not route Full-Service Channel NMS equity orders to Dash.

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 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.

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 \$0.43 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 Q1 2026, MSSB paid total fees on customer index options executions of \$890,308 in January \$852,500 in February, and \$1,051,099 in March. MSSB also participates in Cboe's Select Customer Options Reduction ("SCORe") program, whereby MSSB receives discounts on Self-Directed Channel index options order executions in qualifying index options classes based on MSSB's aggregate Self-Directed Channel index options execution volumes in those classes.

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.

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 it does from Self-Directed Channel executions. MSSB receives and handles non-directed options orders on a held and not held basis through both channels consistent with its duty of best execution, but there are differences in how MSSB is compensated for the services it performs, which, as described in detail below, can impact the price improvement opportunities and trade executions that MSSB customers receive from Citadel.

Customers of the Full-Service Channel receive services from MSSB relating to the operation, servicing, and administration of their MSSB brokerage or advised accounts and the generation of orders for such accounts, including the services of an MSSB Financial Advisor. Among other things, MSSB receives compensation for Full-Service Channel orders from commissions on customer brokerage account orders and fees on customer 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 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 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.

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 \$0.43 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 Q1 2026, MSSB paid total fees on customer index options executions of \$28,667 in January, \$36,205 in February, and \$40,077 in March. . MSSB also participates in Cboe's Select Customer Options Reduction ("SCORe") program, whereby MSSB receives discounts on Self-Directed Channel index options order executions in qualifying index options classes based on MSSB's aggregate Self-Directed Channel index options execution volumes in those classes.

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.

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 it does from Self-Directed Channel executions. MSSB receives and handles non-directed options orders on a held and not held basis through both channels consistent with its duty of best execution, but there are differences in how MSSB is compensated for the services it performs, which, as described in detail below, can impact the price improvement opportunities and trade executions that MSSB customers receive from Wolverine.

Customers of the Full-Service Channel receive services from MSSB relating to the operation, servicing, and administration of their MSSB brokerage or advised accounts and the generation of orders for such accounts, including the services of an MSSB Financial Advisor. Among other things, MSSB receives compensation for Full-Service Channel orders from commissions on customer brokerage account orders and fees on customer 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 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 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.

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 \$0.43 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 Q1 2026, MSSB paid total fees on customer index options executions of \$1,577,874 in January, \$1,651,244 in February, and \$1,841,042 in March. MSSB also participates in Cboe's Select Customer Options Reduction ("SCORe") program, whereby MSSB receives discounts on Self-Directed Channel index options order executions in qualifying index options classes based on MSSB's aggregate Self-Directed Channel index options execution volumes in those classes.

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

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

Global Execution Brokers LP:

Morgan Stanley Smith Barney LLC ("MSSB") routes customer orders in NMS securities that are options contracts to Global Execution Brokers, LP ("GEB") 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 it does from Self-Directed Channel executions. MSSB receives and handles non-directed options orders on a held and not held basis through both channels consistent with its duty of best execution, but there are differences in how MSSB is compensated for the services it performs, which, as described in detail below, can impact the price improvement opportunities and trade executions that MSSB customers receive from GEB.

Customers of the Full-Service Channel receive services from MSSB relating to the operation, servicing, and administration of their MSSB brokerage or advised accounts and the generation of orders for such accounts, including the services of an MSSB Financial Advisor. Among other things, MSSB receives compensation for Full-Service Channel orders from commissions on customer brokerage account orders and fees on customer advised accounts. As a result, MSSB does not seek or receive payment for order flow on such orders from GEB. In addition, as more fully described below, GEB executes MSSB customer orders on U.S. listed options exchanges from which GEB may receive payment in the form of rebates. Conversely, customers of the Self-Directed Channel generally generate and enter orders 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 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 GEB.

GEB 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 GEB in the amounts outlined in the above Public Order Routing Report disclosures, calculated at a rate of \$0.43 per contract for simple and complex equity options orders. MSSB does not receive payment from GEB 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 GEB with respect to Full-Service Channel order executions. Furthermore, MSSB and GEB 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 GEB.

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 GEB passing exchange fees for index option executions back to MSSB each month. For Q1 2026, MSSB paid total fees on customer index options executions of \$78,264 in January, \$126,821 in February, and \$118,596 in March. MSSB also participates in Cboe's Select Customer Options Reduction ("SCORe") program, whereby MSSB receives discounts on Self-Directed Channel index options order executions in qualifying index options classes based on MSSB's aggregate Self-Directed Channel index options execution volumes in those classes.

There is a potential conflict to an options market maker such as GEB 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 GEB 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 GEB'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 GEB.

GEB 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, GEB can earn a profit from such market-making executions. In addition to revenues that GEB may collect for executing or facilitating the execution of MSSB customer orders, GEB 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 GEB to route higher percentages of MSSB customer orders to particular venues over others, subject to GEB's independent order routing and best execution obligations. GEB 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, GEB can earn a profit from such market-making executions. MSSB does not share directly in any rebates GEB receives for executions of MSSB customer orders, although GEB 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 Capital:

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"). The columns in the table above which set out the percentage of the various order types and payment figures combine order flow and payments from both MSSB's Full-Service Channel and Self-Directed Channel, although the payment figures in the table above reflect only Self-Directed Channel order executions since MSSB does not receive payment from Full-Service Channel executions whereas it does from Self-Directed Channel executions. MSSB receives and handles non-directed 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 Jane Street.

Customers of the Full-Service Channel receive services from MSSB relating to the operation, servicing, and administration of their MSSB brokerage or advised accounts and the generation of orders for such accounts, including the services of an MSSB Financial Advisor. Among other things, MSSB receives compensation for Full-Service Channel orders from commissions on customer brokerage account orders and fees on customer advised accounts. As a result, MSSB does not seek or receive payment for order flow on such orders from Jane Street. In addition, as more fully described below, Jane Street executes MSSB customer orders on U.S. listed options exchanges from which Jane Street may receive payment in the form of rebates. Conversely, customers of the Self-Directed Channel generally generate and enter orders 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 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 Jane Street.

Jane Street 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 Jane Street in the amounts outlined in the above Public Order Routing Report disclosures, calculated at a rate of \$0.43 per contract for simple and complex equity options orders. MSSB does not receive payment from Jane Street 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 Jane Street with respect to Full-Service Channel order executions. Furthermore, 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.

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 Jane Street passing exchange fees for index option executions back to MSSB each month. For Q1 2026, MSSB paid total fees on customer index options executions of \$118,978 in January, \$101,111 in February and \$107,748 in March. MSSB also participates in Cboe's Select Customer Options Reduction ("SCORe") program, whereby MSSB receives discounts on Self-Directed Channel index options order executions in qualifying index options classes based on MSSB's aggregate Self-Directed Channel index options execution volumes in those classes.

There is a potential conflict to an options 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 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 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. An options 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 Self-Directed Channel order flow amongst MSSB's market makers under the same general payment for order flow terms applicable to Jane Street.

Jane Street 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, Jane Street can earn a profit from such market-making executions. In addition to revenues that Jane Street may collect for executing or facilitating the execution of MSSB customer orders, Jane Street 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 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. Jane Street 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, Jane Street can earn a profit from such market-making executions. MSSB does not share directly in any rebates Jane Street receives for executions of MSSB customer orders, although Jane Street could potentially use these rebates to provide price improvement to MSSB customers, order flow payments to MSSB with respect to Self-Directed Channel orders, or both.

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 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. 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 pricing programs, or otherwise) generated by MS&Co.

March 2026

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
92.74	60.68	6.16	25.85	7.31

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	29.61	41.08	1.33	13.04	16.80	-3,724.88	-0.1346	-936.85	-0.7689	35,725.38	13.6066	-19,425.22	-2.8319
CITADEL SECURITIES LLC	23.50	19.05	33.12	29.67	30.51	254,552.89	18.3337	56,561.86	19.6033	135,576.20	28.5529	56,556.62	20.4776
Hudson River Trading (HRT)	15.39	9.01	19.90	30.82	9.94	134,666.02	19.2254	29,813.76	19.9985	150,927.58	29.8467	30,142.80	20.9178
G1 Execution Services, LLC	11.38	13.67	22.27	1.03	19.75	181,051.69	18.1689	40,213.00	19.6177	13,662.12	28.4298	54,441.09	20.1730
Virtu Americas, LLC	9.08	9.98	13.80	4.34	14.38	118,983.28	15.5009	24,401.46	17.1153	19,615.92	19.0307	39,084.35	13.3548
Jane Street Capital	8.27	5.18	6.52	16.77	5.30	39,631.93	20.0050	10,653.69	10.2916	94,757.10	25.3550	15,940.55	20.8807
Two Sigma Securities, LLC	1.44	1.52	1.95	0.96	1.97	14,428.13	15.1092	3,088.61	17.5103	18,781.36	28.0257	6,103.90	19.8561
GTS SECURITIES LLC	0.85	0.50	1.09	1.55	0.99	9,043.21	20.0000	2,369.99	20.0000	11,427.05	31.0000	347.97	19.9801
Cboe EDGX Exchange, Inc.	0.25	0.00	0.01	0.91	0.17	0.00	0.0000	-76.11	-11.1944	13,225.38	31.9548	0.00	0.0000
MEMX LLC	0.25	0.00	0.01	0.90	0.16	0.00	0.0000	-18.29	-5.2216	9,874.21	34.0000	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 Full-Service Channel orders from commissions on customer brokerage account orders and fees on customer 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 us.etrade.com/what-we-offer/pricing-and-rates). The columns in the table above which set out the percentage of the various order types combine order flow from both MSSB's Full-Service Channel and Self-Directed Channel. 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 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 it does from Self-Directed Channel executions. MSSB receives and handles non-directed customer orders in NMS equity securities on a held and not held basis through both channels consistent with its duty of best execution, but there are differences in how MSSB is compensated for the services it performs, which, as described in detail below, can impact the price improvement opportunities and trade executions that MSSB customers receive from Citadel.

Customers of the Full-Service Channel receive services from MSSB relating to the operation, servicing, and administration of their MSSB brokerage or advised accounts and the generation of orders for such accounts, including the services of a Financial Advisor. Among other things, MSSB receives compensation for Full-Service Channel orders from commissions on customer brokerage account orders and fees on customer 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 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 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.

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.

Hudson River Trading (HRT):

Morgan Stanley Smith Barney LLC ("MSSB") routes NMS equity orders to Hudson River Trading LLC ("HRT") to facilitate liquidity provision and price improvement opportunities for its customers. MSSB operates two primary service channels for its wealth management customers including the Full-Service Channel and the E*TRADE from Morgan Stanley Self-Directed Channel ("Self-Directed Channel"). Customers of the Full-Service Channel receive services from MSSB relating to the operation, servicing, and administration of their MSSB brokerage or advised accounts and the generation of orders for such accounts, including the services of a Financial Advisor. Among other things, MSSB receives compensation for Full-Service Channel orders from commissions on their brokerage account orders and fees on their advised accounts. As a result, MSSB does not seek or receive payment for order flow on such orders. Conversely, customers of the Self-Directed Channel generally generate and enter orders 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 Full-Service Channel NMS equity orders to HRT. Accordingly, the columns in the table above set out the percentage of the various order types and payment figures for Self-Directed Channel order executions only as MSSB does not route Full-Service Channel NMS equity orders to HRT.

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 [us.etrade.com/what-we-offer/pricing-and-rates](https://www.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 HRT.

HRT 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 HRT 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 HRT 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 HRT.

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 HRT 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 HRT, 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 HRT.

There is a potential conflict for a market maker such as HRT 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 HRT 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 HRT'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 HRT.

In addition to revenues that HRT may collect for executing or facilitating the execution of Self-Directed Channel customer orders that MSSB routes to HRT, HRT 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 HRT to route higher percentages of MSSB customer orders to particular venues over others, subject to HRT's independent order routing and best execution obligations. Exchange rebates provided to HRT for MSSB customer executions are not passed through to MSSB or its customers, although HRT 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.

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 it does from Self-Directed Channel executions. MSSB receives and handles non-directed customer orders in NMS equity securities on a held and not held basis through both channels consistent with its duty of best execution, but there are differences in how MSSB is compensated for the services it performs, which, as described in detail below, can impact the price improvement opportunities and trade executions that MSSB customers receive from 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 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 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.

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, 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.

Virtu Americas, LLC:

Morgan Stanley Smith Barney LLC ("MSSB") routes NMS equity orders to Virtu Americas, LLC ("Virtu") to facilitate liquidity provision and price improvement opportunities for its customers. MSSB operates two primary service channels for its wealth management customers, the Full-Service Channel and the E*TRADE from Morgan Stanley Self-Directed Channel ("Self-Directed Channel"). The columns in the table above which set out the percentage of the various order types and payment figures combine order flow and payments from both MSSB's Full-Service Channel and Self-Directed Channel, although the payment figures in the table above reflect only Self-Directed Channel order executions since MSSB does not receive payment from Full-Service Channel executions whereas it does from Self-Directed Channel executions. 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 Full-Service Channel orders from commissions on customer brokerage account orders and fees on customer 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 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 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.

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.

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, the Full-Service Channel and the E*TRADE from Morgan Stanley Self-Directed Channel ("Self-Directed Channel"). The columns in the table above which set out the percentage of the various order types and payment figures combine order flow and payments from both MSSB's Full-Service Channel and Self-Directed Channel, although the payment figures in the table above reflect only Self-Directed Channel order executions since MSSB does not receive payment from Full-Service Channel executions whereas it does from Self-Directed Channel executions. MSSB receives and handles non-directed customer orders in NMS equity securities on a held and not held basis through both channels consistent with its duty of best execution, but there are differences in how MSSB is compensated for the services it performs, which, as described in detail below, can impact the price improvement opportunities and trade executions that MSSB customers receive from Jane Street.

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 Jane Street. In addition, as more fully described below, Jane Street may send certain MSSB customer orders to an exchange or other market center for execution, including to market centers from which Jane Street may receive payment in the form of rebates. Conversely, customers of the Self-Directed Channel generally generate and enter orders 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 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.

Jane Street generates revenue from executing or facilitating the execution of MSSB customer orders. In exchange for routing such orders to Jane Street, 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 (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 Jane Street 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 Jane Street 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 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 Self-Directed Channel order flow amongst MSSB's market makers under the same general payment for order flow terms applicable to Jane Street. A market maker such as Jane Street 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 Jane Street on these order executions and instead is compensated directly by MSSB's customers as described above.

In addition to revenues that Jane Street 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 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. MSSB does not share directly in any such rebates Jane Street receives for executions of MSSB customer orders, although Jane Street 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 it does from Self-Directed Channel executions. MSSB receives and handles non-directed customer orders in NMS equity securities on a held and not held basis through both channels consistent with its duty of best execution, but there are differences in how MSSB is compensated for the services it performs, which, as described in detail below, can impact the price improvement opportunities and trade executions that MSSB customers receive from 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 Full-Service Channel orders from commissions on customer brokerage account orders and fees on customer 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 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 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.

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.

GTS SECURITIES LLC:

Morgan Stanley Smith Barney LLC ("MSSB") routes NMS equity orders to GTS Securities LLC ("GTS") to facilitate liquidity provision and price improvement opportunities for its customers. MSSB operates two primary service channels for its wealth management customers including the Full-Service Channel and the E*TRADE from Morgan Stanley Self-Directed Channel ("Self-Directed Channel"). Customers of the Full-Service Channel receive services from MSSB relating to the operation, servicing, and administration of their MSSB brokerage or advised accounts and the generation of orders for such accounts, including the services of a Financial Advisor. Among other things, MSSB receives compensation for Full-Service Channel orders from commissions on customer brokerage account orders and fees on customer 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 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 Full-Service Channel NMS equity orders to GTS. Accordingly, the columns in the table above set out the percentage of the various order types and payment figures for Self-Directed Channel order executions only as MSSB does not route Full-Service Channel NMS equity orders to GTS.

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 [us.etrade.com/what-we-offer/pricing-and-rates](https://www.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 GTS.

GTS 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 GTS 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 GTS 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 GTS.

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 GTS 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 GTS, 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 GTS.

There is a potential conflict for a market maker such as GTS 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 GTS 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 GTS'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 GTS.

In addition to revenues that GTS may collect for executing or facilitating the execution of Self-Directed Channel customer orders that MSSB routes to GTS, GTS 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 GTS to route higher percentages of MSSB customer orders to particular venues over others, subject to GTS's independent order routing and best execution obligations. Exchange rebates provided to GTS for MSSB customer executions are not passed through to MSSB or its customers, although GTS 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.

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 Full-Service Channel orders from commissions on customer brokerage account orders and fees on customer advised accounts. Conversely, customers of the Self-Directed Channel generally generate and enter orders 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 Full-Service Channel NMS equity orders to EDGX. Accordingly, the columns in the table above set out the percentage of the various order types and payment figures for Self-Directed Channel order executions only as MSSB does not route Full-Service Channel NMS equity orders to EDGX for execution.

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 [us.etrade.com/what-we-offer/pricing-and-rates](https://www.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 indirectly through its affiliate 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. Although MSSB does not route Full-Service Channel NMS equity orders to EDGX directly or indirectly through MS&Co, depending on market conditions, order pricing, and the order handling practices of, and regulatory requirements applicable to the market-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 through MS&Co and may also benefit indirectly from profits realized from exchange rebates to MS&Co for executing MSSB orders MS&Co receives in its capacity as market maker, which MS&Co may also receive from executions on EDGX. As a result of the corporate affiliation between MS&Co and MSSB, MSSB may share indirectly in any such profits generated by MS&Co. The fees and rebates outlined 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 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 Q1 2026, EDGX paid MSSB rebate rates of \$0.0025 per share for Self-Directed Channel executions priced at \$1.00 per share or more and \$0.00003 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 \$0.003 per share fee for executions priced at \$1.00 per share or more and a 0.30% fee of the total notional value on executions priced below \$1.00 per share. For Q1 2026, MSSB received rebates (net of fees) from EDGX in the amount of \$76,092 in January, \$55,422 in February, and \$70,363 in March. 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.

MEMX LLC:

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 Full-Service Channel orders from commissions on customer brokerage account orders and fees on customer advised accounts. Conversely, customers of the Self-Directed Channel generally generate and enter orders 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 Full-Service Channel NMS equity orders to MEMX. Accordingly, the columns in the table above set out the percentage of the various order types and payment figures for Self-Directed Channel order executions only as MSSB does not route Full-Service Channel NMS equity orders to MEMX.

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 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 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. Although MSSB does not route Full-Service Channel NMS equity orders to MEMX directly or indirectly through MS&Co, depending on market conditions, order pricing, and the order handling practices of, and regulatory requirements applicable to the market-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 outlined 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 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 Q1 2026, MEMX paid MSSB standard rebate rates of \$0.003 per share for Self-Directed Channel executions priced at \$1.00 per share or more and 0.15% 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 \$0.003 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 Q1 2026, MSSB received rebates (net of fees) from MEMX in the amount of \$47,067 in January, \$38,084 in February, and \$40,108 in March. 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.

March 2026

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
87.31	46.35	10.71	36.24	6.70

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	27.18	22.59	32.93	30.43	32.18	1,154,843.83	17.3111	1,605,727.24	16.7302	601,197.86	25.8103	136,536.62	18.1971
Hudson River Trading (HRT)	19.72	11.29	19.55	32.39	9.82	610,228.31	17.6785	872,938.05	16.8126	892,641.97	23.6684	63,082.53	21.4517

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	18.30	30.55	0.82	8.81	12.80	-3,833.92	-0.0452	-4,237.75	-0.3401	114,119.32	12.2127	-26,373.85	-2.6404
G1 Execution Services, LLC	11.71	16.21	22.26	1.26	20.13	805,263.69	17.0496	1,174,425.02	16.9708	86,558.53	19.5525	165,927.99	16.1376
Jane Street Capital	9.84	5.16	6.19	17.65	5.84	176,099.37	18.4643	322,897.81	10.3058	481,063.04	18.7663	37,614.96	15.8083
Virtu Americas, LLC	9.84	11.89	15.16	4.58	15.64	576,960.68	15.8822	685,363.94	14.7753	116,339.16	15.5663	108,030.87	5.1428
Two Sigma Securities, LLC	1.58	1.67	1.96	1.27	2.13	66,194.98	15.2296	95,853.45	15.3041	156,077.27	18.9433	14,421.47	15.8827
GTS SECURITIES LLC	1.06	0.63	1.06	1.63	1.00	40,130.01	19.9993	61,030.45	19.9985	54,732.58	30.9987	1,784.34	13.2060
Cboe EDGX Exchange, Inc.	0.37	0.00	0.01	0.96	0.24	0.00	0.0000	-302.12	-8.7836	57,516.06	23.7249	0.00	0.0000
MEMX LLC	0.35	0.00	0.01	0.92	0.22	0.00	0.0000	-127.97	-7.4007	30,380.22	27.7771	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 it does from Self-Directed Channel executions. MSSB receives and handles non-directed customer orders in NMS equity securities on a held and not held basis through both channels consistent with its duty of best execution, but there are differences in how MSSB is compensated for the services it performs, which, as described in detail below, can impact the price improvement opportunities and trade executions that MSSB customers receive from Citadel.

Customers of the Full-Service Channel receive services from MSSB relating to the operation, servicing, and administration of their MSSB brokerage or advised accounts and the generation of orders for such accounts, including the services of a Financial Advisor. Among other things, MSSB receives compensation for Full-Service Channel orders from commissions on customer brokerage account orders and fees on customer 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 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 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.

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.

Hudson River Trading (HRT):

Morgan Stanley Smith Barney LLC ("MSSB") routes NMS equity orders to Hudson River Trading LLC ("HRT") to facilitate liquidity provision and price improvement opportunities for its customers. MSSB operates two primary service channels for its wealth management customers including the Full-Service Channel and the E*TRADE from Morgan Stanley Self-Directed Channel ("Self-Directed Channel"). Customers of the Full-Service Channel receive services from MSSB relating to the operation, servicing, and administration of their MSSB brokerage or advised accounts and the generation of orders for such accounts, including the services of a Financial Advisor. Among other things, MSSB receives compensation for Full-Service Channel orders from commissions on their brokerage account orders and fees on their advised accounts. As a result, MSSB does not seek or receive payment for order flow on such orders. Conversely, customers of the Self-Directed Channel generally generate and enter orders 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 Full-Service Channel NMS equity orders to HRT. Accordingly, the columns in the table above set out the percentage of the various order types and payment figures for Self-Directed Channel order executions only as MSSB does not route Full-Service Channel NMS equity orders to HRT.

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 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 HRT.

HRT 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 HRT 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 HRT 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 HRT.

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 HRT 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 HRT, 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 HRT.

There is a potential conflict for a market maker such as HRT 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 HRT 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 HRT's) anticipated profit must be allocated among these three sub-categories, such that an increased allocation to any one sub-category will result in a decreased allocation to one or more of the other sub-categories. The allocation of resources between the three subcategories listed above, including the risk of reallocation to market maker profits at the expense of providing price improvement on Self-Directed Channel customer orders, is informed and mitigated by competition for order flow amongst MSSB's market makers under the same general payment for order flow terms applicable to HRT.

In addition to revenues that HRT may collect for executing or facilitating the execution of Self-Directed Channel customer orders that MSSB routes to HRT, HRT 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 HRT to route higher percentages of MSSB customer orders to particular venues over others, subject to HRT's independent order routing and best execution obligations. Exchange rebates provided to HRT for MSSB customer executions are not passed through to MSSB or its customers, although HRT 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. Among other things, MSSB receives compensation for Full-Service Channel orders from commissions on customer brokerage account orders and fees on customer 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 us.etrade.com/what-we-offer/pricing-and-rates). The columns in the table above which set out the percentage of the various order types combine order flow from both MSSB's Full-Service Channel and Self-Directed Channel. 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 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 it does from Self-Directed Channel executions. MSSB receives and handles non-directed customer orders in NMS equity securities on a held and not held basis through both channels consistent with its duty of best execution, but there are differences in how MSSB is compensated for the services it performs, which, as described in detail below, can impact the price improvement opportunities and trade executions that MSSB customers receive from 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 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 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.

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, 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, the Full-Service Channel and the E*TRADE from Morgan Stanley Self-Directed Channel ("Self-Directed Channel"). The columns in the table above which set out the percentage of the various order types and payment figures combine order flow and payments from both MSSB's Full-Service Channel and Self-Directed Channel, although the payment figures in the table above reflect only Self-Directed Channel order executions since MSSB does not receive payment from Full-Service Channel executions whereas it does from Self-Directed Channel executions. MSSB receives and handles non-directed customer orders in NMS equity securities on a held and not held basis through both channels consistent with its duty of best execution, but there are differences in how MSSB is compensated for the services it performs, which, as described in detail below, can impact the price improvement opportunities and trade executions that MSSB customers receive from Jane Street.

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 Jane Street. In addition, as more fully described below, Jane Street may send certain MSSB customer orders to an exchange or other market center for execution, including to market centers from which Jane Street may receive payment in the form of rebates. Conversely, customers of the Self-Directed Channel generally generate and enter orders 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 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.

Jane Street generates revenue from executing or facilitating the execution of MSSB customer orders. In exchange for routing such orders to Jane Street, 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 (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 Jane Street 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 Jane Street 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 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 Self-Directed Channel order flow amongst MSSB's market makers under the same general payment for order flow terms applicable to Jane Street. A market maker such as Jane Street 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 Jane Street on these order executions and instead is compensated directly by MSSB's customers as described above.

In addition to revenues that Jane Street 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 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. MSSB does not share directly in any such rebates Jane Street receives for executions of MSSB customer orders, although Jane Street could potentially use such rebates to provide price improvement to MSSB customers, order flow payments to MSSB with respect to Self-Directed Channel orders, or both.

Virtu Americas, LLC:

Morgan Stanley Smith Barney LLC ("MSSB") routes NMS equity orders to Virtu Americas, LLC ("Virtu") to facilitate liquidity provision and price improvement opportunities for its customers. MSSB operates two primary service channels for its wealth management customers, the Full-Service Channel and the E*TRADE from Morgan Stanley Self-Directed Channel ("Self-Directed Channel"). The columns in the table above which set out the percentage of the various order types and payment figures combine order flow and payments from both MSSB's Full-Service Channel and Self-Directed Channel, although the payment figures in the table above reflect only Self-Directed Channel order executions since MSSB does not receive payment from Full-Service Channel executions whereas it does from Self-Directed Channel executions. 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 Full-Service Channel orders from commissions on customer brokerage account orders and fees on customer 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 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 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.

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

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

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

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

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

Two Sigma Securities, LLC:

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

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.

GTS SECURITIES LLC:

Morgan Stanley Smith Barney LLC ("MSSB") routes NMS equity orders to GTS Securities LLC ("GTS") to facilitate liquidity provision and price improvement opportunities for its customers. MSSB operates two primary service channels for its wealth management customers including the Full-Service Channel and the E*TRADE from Morgan Stanley Self-Directed Channel ("Self-Directed Channel"). Customers of the Full-Service Channel receive services from MSSB relating to the operation, servicing, and administration of their MSSB brokerage or advised accounts and the generation of orders for such accounts, including the services of a Financial Advisor. Among other things, MSSB receives compensation for Full-Service Channel orders from commissions on customer brokerage account orders and fees on customer 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 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 Full-Service Channel NMS equity orders to GTS. Accordingly, the columns in the table above set out the percentage of the various order types and payment figures for Self-Directed Channel order executions only as MSSB does not route Full-Service Channel NMS equity orders to GTS.

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 [us.etrade.com/what-we-offer/pricing-and-rates](https://www.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 GTS.

GTS 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 GTS 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 GTS 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 GTS.

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 GTS 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 GTS, 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 GTS.

There is a potential conflict for a market maker such as GTS 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 GTS 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 GTS'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 GTS.

In addition to revenues that GTS may collect for executing or facilitating the execution of Self-Directed Channel customer orders that MSSB routes to GTS, GTS 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 GTS to route higher percentages of MSSB customer orders to particular venues over others, subject to GTS's independent order routing and best execution obligations. Exchange rebates provided to GTS for MSSB customer executions are not passed through to MSSB or its customers, although GTS 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.

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 Full-Service Channel orders from commissions on customer brokerage account orders and fees on customer advised accounts. Conversely, customers of the Self-Directed Channel generally generate and enter orders 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 Full-Service Channel NMS equity orders to EDGX. Accordingly, the columns in the table above set out the percentage of the various order types and payment figures for Self-Directed Channel order executions only as MSSB does not route Full-Service Channel NMS equity orders to EDGX for execution.

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 [us.etrade.com/what-we-offer/pricing-and-rates](https://www.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 indirectly through its affiliate 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. Although MSSB does not route Full-Service Channel NMS equity orders to EDGX directly or indirectly through MS&Co, depending on market conditions, order pricing, and the order handling practices of, and regulatory requirements applicable to the market-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 through MS&Co and may also benefit indirectly from profits realized from exchange rebates to MS&Co for executing MSSB orders MS&Co receives in its capacity as market maker, which MS&Co may also receive from executions on EDGX. As a result of the corporate affiliation between MS&Co and MSSB, MSSB may share indirectly in any such profits generated by MS&Co. The fees and rebates outlined 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 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 Q1 2026, EDGX paid MSSB rebate rates of \$0.0025 per share for Self-Directed Channel executions priced at \$1.00 per share or more and \$0.00003 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 \$0.003 per share fee for executions priced at \$1.00 per share or more and a 0.30% fee of the total notional value on executions priced below \$1.00 per share. For Q1 2026, MSSB received rebates (net of fees) from EDGX in the amount of \$76,092 in January, \$55,422 in February, and \$70,363 in March. 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.

MEMX LLC:

Channel NMS equity orders to MEMX. Accordingly, the columns in the table above set out the percentage of the various order types and payment figures for Self-Directed Channel order executions only as MSSB does not route Full-Service Channel NMS equity orders to MEMX.

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 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 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. Although MSSB does not route Full-Service Channel NMS equity orders to MEMX directly or indirectly through MS&Co, depending on market conditions, order pricing, and the order handling practices of, and regulatory requirements applicable to the market-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 outlined 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 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 Q1 2026, MEMX paid MSSB standard rebate rates of \$0.003 per share for Self-Directed Channel executions priced at \$1.00 per share or more and 0.15% 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 \$0.003 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 Q1 2026, MSSB received rebates (net of fees) from MEMX in the amount of \$47,067 in January, \$38,084 in February, and \$40,108 in March. 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.

March 2026

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
99.99	10.23	3.90	25.66	60.21

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)
Dash/IMC Financial Markets	35.62	28.89	29.43	29.08	39.95	1,585,227.25	41.2628	1,195,464.50	41.3035	1,570,294.21	40.2442	1,891,783.71	36.8172
Wolverine Execution Services, LLC	23.39	13.82	14.89	13.73	29.68	444,866.21	26.1168	348,222.22	28.5813	369,881.90	20.9657	378,709.83	5.8928
CITADEL SECURITIES LLC	19.67	23.14	22.37	23.15	17.42	1,367,872.50	38.7072	1,182,879.55	40.7585	1,272,303.05	39.2707	920,694.79	40.3111

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)
Global Execution Brokers LP	11.79	18.50	17.53	18.19	7.55	1,055,349.42	36.5823	835,370.70	40.1243	1,041,849.50	38.1691	293,963.13	26.2733
Jane Street Capital	9.51	15.61	15.72	15.82	5.38	926,487.03	41.0313	704,001.16	40.7424	942,037.12	40.5500	253,353.42	37.6729
Morgan Stanley & Co., LLC	0.03	0.04	0.06	0.03	0.02	0.00	0.0000	0.00	0.0000	0.00	0.0000	0.00	0.0000

Material Aspects:

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. MSSB does not route Full-Service Channel NMS options orders to Dash. Accordingly, the columns in the table above set out the percentage of the various order types and payment figures for Self-Directed Channel order executions only as MSSB does not route Full-Service Channel NMS equity orders to Dash.

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 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.

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 \$0.43 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 Q1 2026, MSSB paid total fees on customer index options executions of \$890,308 in January \$852,500 in February, and \$1,051,099 in March. MSSB also participates in Cboe's Select Customer Options Reduction ("SCORe") program, whereby MSSB receives discounts on Self-Directed Channel index options order executions in qualifying index options classes based on MSSB's aggregate Self-Directed Channel index options execution volumes in those classes.

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 it does from Self-Directed Channel executions. MSSB receives and handles non-directed options orders on a held and not held basis through both channels consistent with its duty of best execution, but there are differences in how MSSB is compensated for the services it performs, which, as described in detail below, can impact the price improvement opportunities and trade executions that MSSB customers receive from Wolverine.

Customers of the Full-Service Channel receive services from MSSB relating to the operation, servicing, and administration of their MSSB brokerage or advised accounts and the generation of orders for such accounts, including the services of an MSSB Financial Advisor. Among other things, MSSB receives compensation for Full-Service Channel orders from commissions on customer brokerage account orders and fees on customer 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 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 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.

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 \$0.43 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 Q1 2026, MSSB paid total fees on customer index options executions of \$1,577,874 in January, \$1,651,244 in February, and \$1,841,042 in March. MSSB also participates in Cboe's Select Customer Options Reduction ("SCORe") program, whereby MSSB receives discounts on Self-Directed Channel index options order executions in qualifying index options classes based on MSSB's aggregate Self-Directed Channel index options execution volumes in those classes.

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.

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 it does from Self-Directed Channel executions. MSSB receives and handles non-directed options orders on a held and not held basis through both channels consistent with its duty of best execution, but there are differences in how MSSB is compensated for the services it performs, which, as described in detail below, can impact the price improvement opportunities and trade executions that MSSB customers receive from Citadel.

Customers of the Full-Service Channel receive services from MSSB relating to the operation, servicing, and administration of their MSSB brokerage or advised accounts and the generation of orders for such accounts, including the services of an MSSB Financial Advisor. Among other things, MSSB receives compensation for Full-Service Channel orders from commissions on customer brokerage account orders and fees on customer 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 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 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.

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 \$0.43 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 Q1 2026, MSSB paid total fees on customer index options executions of \$28,667 in January, \$36,205 in February, and \$40,077 in March. MSSB also participates in Cboe's Select Customer Options Reduction ("SCOR") program, whereby MSSB receives discounts on Self-Directed Channel index options order executions in qualifying index options classes based on MSSB's aggregate Self-Directed Channel index options execution volumes in those classes.

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 ("GEB") 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 it does from Self-Directed Channel executions. MSSB receives and handles non-directed options orders on a held and not held basis through both channels consistent with its duty of best execution, but there are differences in how MSSB is compensated for the services it performs, which, as described in detail below, can impact the price improvement opportunities and trade executions that MSSB customers receive from GEB.

Customers of the Full-Service Channel receive services from MSSB relating to the operation, servicing, and administration of their MSSB brokerage or advised accounts and the generation of orders for such accounts, including the services of an MSSB Financial Advisor. Among other things, MSSB receives compensation for Full-Service Channel orders from commissions on customer brokerage account orders and fees on customer advised accounts. As a result, MSSB does not seek or receive payment for order flow on such orders from GEB. In addition, as more fully described below, GEB executes MSSB customer orders on U.S. listed options exchanges from which GEB may receive payment in the form of rebates. Conversely, customers of the Self-Directed Channel generally generate and enter orders 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 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 GEB.

GEB 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 GEB in the amounts outlined in the above Public Order Routing Report disclosures, calculated at a rate of \$0.43 per contract for simple and complex equity options orders. MSSB does not receive payment from GEB 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 GEB with respect to Full-Service Channel order executions. Furthermore, MSSB and GEB 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 GEB.

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 GEB passing exchange fees for index option executions back to MSSB each month. For Q1 2026, MSSB paid total fees on customer index options executions of \$78,264 in January, \$126,821 in February, and \$118,596 in March. MSSB also participates in Cboe's Select Customer Options Reduction ("SCORe") program, whereby MSSB receives discounts on Self-Directed Channel index options order executions in qualifying index options classes based on MSSB's aggregate Self-Directed Channel index options execution volumes in those classes.

There is a potential conflict to an options market maker such as GEB 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 GEB 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 GEB'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 GEB.

GEB 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, GEB can earn a profit from such market-making executions. In addition to revenues that GEB may collect for executing or facilitating the execution of MSSB customer orders, GEB 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 GEB to route higher percentages of MSSB customer orders to particular venues over others, subject to GEB's independent order routing and best execution obligations. GEB 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, GEB can earn a profit from such market-making executions. MSSB does not share directly in any rebates GEB receives for executions of MSSB customer orders, although GEB 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 Capital:

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"). The columns in the table above which set out the percentage of the various order types and payment figures combine order flow and payments from both MSSB's Full-Service Channel and Self-Directed Channel, although the payment figures in the table above reflect only Self-Directed Channel order executions since MSSB does not receive payment from Full-Service Channel executions whereas it does from Self-Directed Channel executions. MSSB receives and handles non-directed 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 Jane Street.

Customers of the Full-Service Channel receive services from MSSB relating to the operation, servicing, and administration of their MSSB brokerage or advised accounts and the generation of orders for such accounts, including the services of an MSSB Financial Advisor. Among other things, MSSB receives compensation for Full-Service Channel orders from commissions on customer brokerage account orders and fees on customer advised accounts. As a result, MSSB does not seek or receive payment for order flow on such orders from Jane Street. In addition, as more fully described below, Jane Street executes MSSB customer orders on U.S. listed options exchanges from which Jane Street may receive payment in the form of rebates. Conversely, customers of the Self-Directed Channel generally generate and enter orders 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 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 Jane Street.

Jane Street 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 Jane Street in the amounts outlined in the above Public Order Routing Report disclosures, calculated at a rate of \$0.43 per contract for simple and complex equity options orders. MSSB does not receive payment from Jane Street 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 Jane Street with respect to Full-Service Channel order executions. Furthermore, 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.

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 Jane Street passing exchange fees for index option executions back to MSSB each month. For Q1 2026, MSSB paid total fees on customer index options executions of \$118,978 in January, \$101,111 in February and \$107,748 in March. . MSSB also participates in Cboe's Select Customer Options Reduction ("SCORe") program, whereby MSSB receives discounts on Self-Directed Channel index options order executions in qualifying index options classes based on MSSB's aggregate Self-Directed Channel index options execution volumes in those classes.

There is a potential conflict to an options 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 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 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. An options 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 Self-Directed Channel order flow amongst MSSB's market makers under the same general payment for order flow terms applicable to Jane Street.

Jane Street 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, Jane Street can earn a profit from such market-making executions. In addition to revenues that Jane Street may collect for executing or facilitating the execution of MSSB customer orders, Jane Street 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 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. Jane Street 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, Jane Street can earn a profit from such market-making executions. MSSB does not share directly in any rebates Jane Street receives for executions of MSSB customer orders, although Jane Street could potentially use these rebates to provide price improvement to MSSB customers, order flow payments to MSSB with respect to Self-Directed Channel orders, or both.

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 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. 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 pricing programs, or otherwise) generated by MS&Co.