

**NATIONAL FINANCIAL SERVICES LLC**  
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**SEC Rule 606 Quarterly Report for the Quarter Ending December 31, 2019**

National Financial Services LLC (NFS) has prepared this report pursuant to U.S Securities and Exchange Commission Rule 606 which requires broker-dealer firms to make publicly available quarterly reports on their routing practices. This report provides information on the routing of "non-directed orders" -any order that the customer has not specifically instructed to be routed to a particular venue for execution. For these non-directed orders, NFS has selected the execution venue on behalf of its customers.

The report is divided into four sections:

1. Securities listed on the New York Stock Exchange;
2. Securities listed on the Nasdaq Stock Market;
3. Securities listed on the NYSE American or regional exchanges; and
4. Exchange listed options

For each section, this report identifies the venues most often selected by NFS, sets forth the percentage of various types of orders routed to the venues and discusses the material aspects of the broker-dealer's relationship with the venues.

## 1. New York Stock Exchange

### NYSE Summary Statistics:

Non-directed orders as percentage of total customer orders	9.75%
Market orders as percentage of total non-directed orders	4.18%
Limit orders as percentage of total non-directed orders	8.63%
Other orders as percentage of total non-directed orders	87.20%

### Venues Receiving Significant Percentage of Total Non-Directed Orders:

Venue	Total	Total Market Orders	Total Limit Orders	Total Other Orders
1. New York Stock Exchange	42.62%	0.01%	0.01%	48.88%
2. Investors Exchange	8.81%	0.00%	18.61%	8.26%
3. Cboe EDGX U.S. Equities Exchange	7.62%	0.00%	0.06%	8.74%
4. Citadel Securities LLC	6.50%	53.19%	0.11%	4.89%
5. VIRTU Americas LLC	5.48%	35.40%	2.37%	4.35%
6. NASDAQ Execution Services, LLC	4.41%	0.00%	0.29%	5.03%
7. Credit Suisse Securities (USA) LLC	4.01%	0.00%	3.93%	4.21%
8. National Financial Services LLC	2.94%	2.71%	0.52%	3.19%
9. Barclays Capital, Inc.	2.93%	0.00%	28.15%	0.57%
10. NYSE Arca	2.89%	0.00%	0.01%	3.32%
11. MORGAN STANLEY & CO. LLC	1.93%	0.00%	2.39%	1.98%

### Material Aspect of Relationship with Venue

- NFS received a credit on average of \$0.0011 per share for each order routed by it to the New York Stock Exchange that added liquidity and which subsequently executed. NFS was charged fees on average of \$0.0010 per share for each share that removed liquidity from the New York Stock Exchange.
- NFS was charged fees on average of \$0.0009 per share for each share that executed on the Investors Exchange. NFS was charged fees on average of \$0.0027 per share for each share that was routed by the Investors Exchange.
- NFS received a credit on average of \$0.0026 per share for each order routed by it to Cboe EDGX U.S. Equities Exchange that added liquidity and which subsequently executed. NFS was charged fees on average of \$0.0027 per share for each order that removed liquidity from to Cboe EDGX U.S. Equities Exchange.
- NFS does not receive a credit or pay a fee for orders that execute with VIRTU Americas LLC's market maker. NFS is charged fees for orders that executed with VIRTU Americas LLC's ATS and smart order router.

- NFS received a credit on average of \$0.0029 per share for each order routed by it to Nasdaq Execution Services, LLC that added liquidity and which subsequently executed. NFS was charged fees on average of \$0.0018 per share for each order that removed liquidity from Nasdaq Execution Services, LLC.
- NFS is charged fees for orders that executed with Credit Suisse Securities (USA) LLC's Alternative Trading System (ATS) and smart order router.
- National Financial Services (NFS) operates a registered ATS for crossing opportunities.
- NFS is charged fees for orders that executed with Barclays Capital, Inc's Alternative Trading System (ATS).
- NFS received a credit on average of \$0.0015 per share for each order routed by it to NYSE ARCA that added liquidity and which subsequently executed. NFS was charged fees on average of \$0.0031 per share for each order that removed liquidity from NYSE ARCA.
- NFS is charged fees for orders that executed with Morgan Stanley & Co. LLC's Alternative Trading System (ATS) and smart order router.

## 2. Nasdaq Stock Market

### NASDAQ Summary Statistics:

Non-directed orders as percentage of total customer orders	7.48%
Market orders as percentage of total non-directed orders	3.51%
Limit orders as percentage of total non-directed orders	18.28%
Other orders as percentage of total non-directed orders	78.21%

### Venues Receiving Significant Percentage of Total Non-Directed Orders:

Venue	Total	Total Market Orders	Total Limit Orders	Total Other Orders
1. NASDAQ Execution Services, LLC	20.98%	0.05%	0.19%	26.77%
2. Investors Exchange	20.50%	0.00%	12.68%	23.25%
3. Cboe EDGX U.S. Equities Exchange	10.57%	0.00%	0.04%	13.50%
4. Barclays Capital, Inc.	6.32%	0.00%	31.59%	0.70%
5. Citadel Securities LLC	5.39%	53.47%	0.03%	4.49%
6. National Financial Services LLC	4.69%	2.44%	0.31%	5.81%
7. VIRTU Americas LLC	4.58%	35.44%	1.69%	3.87%
8. Credit Suisse Securities (USA) LLC	4.37%	0.00%	3.27%	4.82%
9. NYSE Arca	4.11%	0.00%	0.01%	5.25%
10. Liquidnet, Inc.	3.20%	0.00%	17.44%	0.02%
11. MORGAN STANLEY & CO. LLC	3.00%	0.00%	1.88%	3.39%
12. Morgan (J.P.) Securities Inc.	2.31%	0.00%	8.57%	0.95%

### Material Aspect of Relationship with Venue

- NFS received a credit on average of \$0.0029 per share for each order routed by it to Nasdaq Execution Services, LLC that added liquidity and which subsequently executed. NFS was charged fees on average of \$0.0018 per share for each order that removed liquidity from Nasdaq Execution Services, LLC.
- NFS was charged fees on average of \$0.0009 per share for each share that executed on the Investors Exchange. NFS was charged fees on average of \$0.0027 per share for each share that was routed by the Investors Exchange.
- NFS received a credit on average of \$0.0026 per share for each order routed by it to Cboe EDGX U.S. Equities Exchange that added liquidity and which subsequently executed. NFS was charged fees on average of \$0.0027 per share for each order that removed liquidity from to Cboe EDGX U.S. Equities Exchange.
- NFS is charged fees for orders that executed with Barclays Capital, Inc's Alternative Trading System (ATS).
- National Financial Services (NFS) operates a registered ATS for crossing opportunities.
- NFS does not receive a credit or pay a fee for orders that execute with VIRTU Americas LLC's market maker. NFS is charged fees for orders that executed with VIRTU Americas LLC's ATS and smart order router.
- NFS is charged fees for orders that executed with Credit Suisse Securities (USA) LLC's Alternative Trading System (ATS) and smart order router.
- NFS received a credit on average of \$0.0013 per share for each order routed by it to NYSE ARCA that added liquidity and which subsequently executed. NFS was charged fees on average of \$0.0025 per share for each order that removed liquidity from NYSE ARCA.
- NFS is charged fees for orders that executed Liquidnet, Inc's Alternative Trading System (ATS).
- NFS is charged fees for orders that executed with Morgan Stanley & Co. LLC's Alternative Trading System (ATS) and smart order router.
- NFS is charged fees for orders that executed with Morgan (J.P.) Securities Inc's Alternative Trading System (ATS).

### 3. NYSE American or Regional Exchanges

#### NYSE American Summary Statistics:

Non-directed orders as percentage of total customer orders	32.72%
Market orders as percentage of total non-directed orders	14.06%
Limit orders as percentage of total non-directed orders	4.25%
Other orders as percentage of total non-directed orders	81.69%

#### Venues Receiving Significant Percentage of Total Non-Directed Orders:

Venue	Total	Total Market Orders	Total Limit Orders	Total Other Orders
1. NYSE American	16.11%	0.00%	0.02%	19.72%
2. Citadel Securities LLC	15.03%	56.04%	0.34%	8.74%
3. NYSE Arca	12.04%	0.01%	0.00%	14.73%
4. VIRTU Americas LLC	10.09%	33.31%	2.74%	6.47%
5. Cboe BZX U.S. Equities Exchange	8.53%	0.10%	0.56%	10.39%
6. Credit Suisse Securities (USA) LLC	8.27%	0.00%	2.99%	9.97%
7. NASDAQ Execution Services, LLC	6.05%	0.00%	0.56%	7.37%
8. Cboe EDGX U.S. Equities Exchange	4.41%	0.00%	0.12%	5.39%
9. Investors Exchange	4.39%	0.00%	4.22%	5.15%
10. MORGAN STANLEY & CO. LLC	2.73%	0.00%	1.55%	3.26%
11. Barclays Capital, Inc.	2.69%	0.00%	43.84%	1.01%

#### Material Aspect of Relationship with Venue

- NFS received a credit on average of \$0.0020 per share for each order routed by it to NYSE American that added liquidity and which subsequently executed. NFS was charged fees on average of \$0.0006 per share for each order that removed liquidity from NYSE American.
- NFS received a credit on average of \$0.0017 per share for each order routed by it to NYSE ARCA that added liquidity and which subsequently executed. NFS was charged fees on average of \$0.0021 per share for each order that removed liquidity from NYSE ARCA.
- NFS does not receive a credit or pay a fee for orders that execute with VIRTU Americas LLC's market maker. NFS is charged fees for orders that executed with VIRTU Americas LLC's ATS and smart order router.
- NFS received a credit on average of \$0.0026 per share for each order routed by it to Cboe BZX U.S. Equities Exchange that added liquidity and which subsequently executed. NFS was charged fees on average of \$0.0029 per share for each order that removed liquidity from Cboe BZX U.S. Equities Exchange.
- NFS is charged fees for orders that executed with Credit Suisse Securities (USA) LLC's Alternative Trading System (ATS) and smart order router.
- NFS received a credit on average of \$0.0029 per share for each order routed by it to Nasdaq Execution Services, LLC that added liquidity and which subsequently executed. NFS was charged fees on average of \$0.0018 per share for each order that removed liquidity from Nasdaq Execution Services, LLC.
- NFS received a credit on average of \$0.0026 per share for each order routed by it to Cboe EDGX U.S. Equities Exchange that added liquidity and which subsequently executed. NFS was charged fees on average of \$0.0027 per share for each order that removed liquidity from to Cboe EDGX U.S. Equities Exchange.
- NFS was charged fees on average of \$0.0009 per share for each share that executed on the Investors Exchange. NFS was charged fees on average of \$0.0027 per share for each share that was routed by the Investors Exchange.
- NFS is charged fees for orders that executed with Morgan Stanley & Co. LLC's Alternative Trading System (ATS) and smart order router.
- NFS is charged fees for orders that executed with Barclays Capital, Inc's Alternative Trading System (ATS).

## 4. Exchange Listed Options

### Exchange Listed Options Summary Statistics:

Non-directed orders as percentage of total customer orders	27.57%
Market orders as percentage of total non-directed orders	0.33%
Limit orders as percentage of total non-directed orders	1.88%
Other orders as percentage of total non-directed orders	97.79%

### Venues Receiving Significant Percentage of Total Non-Directed Orders:

Venue	Total	Total Market Orders	Total Limit Orders	Total Other Orders
1. NYSE Arca Options	68.90%	0.00%	2.17%	70.42%
2. Cboe BZX Options Exchange, Inc.	19.23%	0.00%	8.70%	19.50%
3. NASDAQ Options Market	10.02%	0.00%	10.87%	10.04%

### Material Aspect of Relationship with Venue

- National Financial Services LLC (NFS) routes orders in exchange listed options directly to exchanges or via one or more broker-dealer intermediaries, which in turn use smart order routing technology to seek the best execution available in the market. The information in this report regarding the venues at which NFS' non-directed orders in exchange-listed options were executed based on information supplied to NFS by the broker-dealer intermediaries in addition to payments received by NFS directly from the options exchanges. Payments received averaged \$0.22 per contract.

### Note: Column Heading Definitions

**Venue** - Routing destination to which a significant percentage of total non-directed orders are sent.

**Total** - Total percent of all non-directed orders routed to this venue.

**Total Market Orders** - Percent of all non-directed market orders routed to this venue.

**Total Limit Orders** - Percent of all non-directed limit orders routed to this venue.

**Total Other Orders** - Percent of all non-directed other orders routed to this venue. Other orders are orders not specifically designated market or limit, such as stop orders.

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