

**NATIONAL FINANCIAL SERVICES LLC**  
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**SEC Rule 606 Quarterly Report for the Quarter Ending March 31, 2018**

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	13.57%
Market orders as percentage of total non-directed orders	8.43%
Limit orders as percentage of total non-directed orders	90.64%
Other orders as percentage of total non-directed orders	0.93%

### 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	39.78%	5.84%	42.71%	61.92%
2. Investors Exchange	11.79%	0.48%	12.92%	4.36%
3. Citigroup Global Markets, Inc.	8.29%	0.00%	9.15%	0.01%
4. National Financial Services LLC	7.53%	2.76%	7.99%	5.77%
5. VIRTU Americas LLC	4.30%	41.29%	0.83%	7.99%
6. Cboe EDGX U.S. Equities Exchange	3.55%	0.09%	3.89%	1.78%
7. NYSE Arca	3.52%	0.04%	3.87%	0.78%
8. Citadel Securities LLC	3.22%	37.21%	0.08%	1.24%
9. NASDAQ Execution Services, LLC	2.99%	0.18%	3.26%	2.19%
10. Cboe BYX U.S. Equities Exchange	2.79%	1.01%	2.98%	0.01%
11. Cboe BZX U.S. Equities Exchange	1.95%	0.19%	2.12%	1.26%
12. BIDS Trading L.P.	1.77%	0.10%	1.93%	0.82%

### Material Aspect of Relationship with Venue

\* NFS received a credit on average of \$0.0012 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 \$0.0011 per share for each share that removed liquidity from the New York Stock Exchange.

\* National Financial Services (NFS) operates a registered ATS for crossing opportunities.

\* NFS received a credit on average of \$0.0029 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 \$0.0029 per share for each order that removed liquidity from to Cboe EDGX U.S. Equities Exchange.

- \* NFS received a credit on average of \$0.0019 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 \$0.0026 per share for each order that removed liquidity from NYSE ARCA.
- \* 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 \$0.0029 per share for each order that removed liquidity from Nasdaq Execution Services, LLC.
- \* NFS was charged a fee on average of \$0.000065 per share for each order routed by it to Cboe BYX U.S. Equities Exchange that removed liquidity and which subsequently executed. NFS was charged fees on average of \$0.0019 per share for each order that added liquidity to the Cboe BYX U.S. Equities Exchange.
- \* 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.

## 2. Nasdaq Stock Market

### NASDAQ Summary Statistics:

Non-directed orders as percentage of total customer orders	9.68%
Market orders as percentage of total non-directed orders	8.63%
Limit orders as percentage of total non-directed orders	90.38%
Other orders as percentage of total non-directed orders	0.99%

### 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	27.46%	5.85%	29.18%	58.36%
2. Investors Exchange	19.55%	0.59%	21.52%	5.21%
3. Citigroup Global Markets, Inc.	12.55%	0.00%	13.88%	0.01%
4. National Financial Services LLC	9.99%	2.38%	10.72%	9.59%
5. Cboe BYX U.S. Equities Exchange	4.41%	0.99%	4.79%	0.02%
6. VIRTU Americas LLC	4.08%	41.77%	0.44%	8.19%
7. Citadel Securities LLC	3.24%	37.34%	0.02%	0.90%
8. Cboe BZX U.S. Equities Exchange	2.58%	0.17%	2.83%	1.37%
9. BIDS Trading L.P.	2.44%	0.07%	2.68%	0.95%
10. NYSE Arca	2.09%	0.05%	2.30%	0.74%
11. Cboe EDGA U.S. Equities Exchange	1.85%	0.00%	2.05%	0.01%

### Material Aspect of Relationship with Venue

\* NFS received a credit on average of \$0.0030 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 \$0.0022 per share for each order that removed liquidity from Nasdaq Execution Services, LLC.

\* National Financial Services (NFS) operates a registered ATS for crossing opportunities.

\* NFS was charged a fee on average of \$0.000065 per share for each order routed by it to Cboe BYX U.S. Equities Exchange that removed liquidity and which subsequently executed. NFS was charged fees on average of \$0.0019 per share for each order that added liquidity to the Cboe BYX U.S. Equities Exchange.

\* 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 received a credit on average of \$0.0020 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 \$0.0022 per share for each order that removed liquidity from NYSE ARCA.

\* NFS was charged a fee on average of \$0.0002 per share for each order routed by it to Cboe EDGA U.S. Equities Exchange that added liquidity and which subsequently executed. NFS was charged fees on average of \$0.0017 per share for each order that removed liquidity from Cboe EDGA U.S. Equities Exchange.

### 3. NYSE American or Regional Exchanges

#### NYSE American Summary Statistics:

Non-directed orders as percentage of total customer orders	29.06%
Market orders as percentage of total non-directed orders	35.16%
Limit orders as percentage of total non-directed orders	64.08%
Other orders as percentage of total non-directed orders	0.75%

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

Venue	Total	Total Market Orders	Total Limit Orders	Total Other Orders
1. VIRTU Americas LLC	22.33%	41.32%	11.87%	26.37%
2. Cboe EDGX U.S. Equities Exchange	16.57%	0.03%	25.83%	0.74%
3. Citadel Securities LLC	13.99%	39.17%	0.30%	3.47%
4. NYSE American	13.22%	0.00%	20.61%	0.46%
5. NASDAQ Execution Services, LLC	5.14%	0.22%	7.86%	3.91%
6. Cboe BZX U.S. Equities Exchange	4.53%	0.19%	6.94%	2.40%
7. Morgan Stanley & Co. Incorporated	4.42%	0.86%	6.31%	9.62%
8. NYSE Arca	3.89%	0.18%	5.81%	14.00%
9. National Financial Services LLC	3.51%	1.39%	4.52%	16.56%
10. Investors Exchange	3.02%	0.38%	4.42%	7.38%

#### Material Aspect of Relationship with Venue

\* NFS received a credit on average of \$0.0029 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 \$0.0029 per share for each order that removed liquidity from to Cboe EDGX U.S. Equities Exchange.

\* NFS received a credit on average of \$0.0000 per share for each order routed by it NYSE American that added liquidity and which subsequently executed. NFS was charged fees on average of \$0.0005 per share for each order that removed liquidity from NYSE American.

\* NFS received a credit on average of \$0.0030 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 \$0.0022 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 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 received a credit on average of \$0.0020 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.

\* National Financial Services (NFS) operates a registered ATS for crossing opportunities.

## 4. Exchange Listed Options

### Exchange Listed Options Summary Statistics:

Non-directed orders as percentage of total customer orders	72.52%
Market orders as percentage of total non-directed orders	8.22%
Limit orders as percentage of total non-directed orders	91.78%
Other orders as percentage of total non-directed orders	0.00%

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

Venue	Total	Total Market Orders	Total Limit Orders	Total Other Orders
1. NASDAQ Options Market	21.36%	0.98%	23.19%	0.00%
2. NYSE Arca Options	13.42%	0.49%	14.58%	0.00%
3. ISE Gemini Options Exchange	12.49%	1.47%	13.48%	0.00%
4. NASDAQ PHLX Options	11.81%	22.06%	10.89%	0.00%
5. Cboe BZX Options Exchange, Inc.	11.37%	1.96%	12.21%	0.00%
6. Cboe Options Exchange	9.88%	35.29%	7.60%	0.00%
7. The MIAX Options Exchange	6.73%	7.35%	6.68%	0.00%
8. Cboe EDGX Option Exchange	3.91%	3.92%	3.91%	0.00%

### 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.