

NATIONAL FINANCIAL SERVICES LLC
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SEC Rule 606 Quarterly Report for the Quarter Ending March 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	11.20%
Market orders as percentage of total non-directed orders	11.50%
Limit orders as percentage of total non-directed orders	86.71%
Other orders as percentage of total non-directed orders	1.79%

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	46.06%	0.45%	51.69%	66.32%
2. Cboe EDGX U.S. Equities Exchange	9.07%	0.06%	10.40%	2.36%
3. Investors Exchange	8.08%	0.43%	9.20%	3.25%
4. Citadel Securities LLC	5.98%	48.12%	0.51%	0.01%
5. NASDAQ Execution Services, LLC	5.65%	0.27%	6.41%	3.80%
6. VIRTU Americas LLC	3.93%	25.99%	0.91%	8.27%
7. NYSE Arca	3.91%	0.04%	4.46%	1.73%
8. Credit Suisse Securities (USA) LLC	3.66%	0.86%	4.01%	4.58%
9. National Financial Services LLC	2.01%	2.81%	1.92%	1.48%
10. Cboe BZX U.S. Equities Exchange	1.87%	0.33%	2.09%	0.94%

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.
- NFS received a credit on average of \$0.0028 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 \$0.0030 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 \$0.0018 per share for each order that removed liquidity from Nasdaq Execution Services, LLC.
- 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 \$0.0026 per share for each order that removed liquidity from NYSE ARCA.

- National Financial Services (NFS) operates a registered ATS for crossing opportunities.
- 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	7.10%
Market orders as percentage of total non-directed orders	14.53%
Limit orders as percentage of total non-directed orders	84.30%
Other orders as percentage of total non-directed orders	1.16%

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	24.42%	0.72%	28.29%	39.61%
2. Investors Exchange	17.31%	0.41%	20.37%	6.85%
3. Cboe EDGX U.S. Equities Exchange	13.00%	0.08%	15.33%	5.39%
4. Citadel Securities LLC	7.26%	48.90%	0.18%	0.06%
5. NYSE Arca	5.96%	0.06%	7.01%	3.62%
6. VIRTU Americas LLC	4.54%	25.24%	0.84%	14.30%
7. Credit Suisse Securities (USA) LLC	4.33%	0.82%	4.87%	9.37%
8. National Financial Services LLC	3.89%	2.38%	4.16%	3.24%
9. Barclays Capital, Inc.	2.45%	0.08%	2.85%	3.17%
10. Cboe BZX U.S. Equities Exchange	2.23%	0.20%	2.58%	2.18%
11. Morgan (J.P.) Securities Inc.	2.07%	0.00%	2.45%	0.14%
12. G1 Execution Services, LLC	2.00%	13.59%	0.03%	0.05%
13. Morgan Stanley	1.89%	0.00%	2.23%	0.24%

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 \$0.0018 per share for each order that removed liquidity from Nasdaq Execution Services, LLC.
- NFS received a credit on average of \$0.0028 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 \$0.0020 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 \$0.0018 per share for each order that removed liquidity from NYSE ARCA.
- National Financial Services (NFS) operates a registered ATS for crossing opportunities.
- 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.

3. NYSE American or Regional Exchanges

NYSE American Summary Statistics:

Non-directed orders as percentage of total customer orders	42.03%
Market orders as percentage of total non-directed orders	33.97%
Limit orders as percentage of total non-directed orders	65.21%
Other orders as percentage of total non-directed orders	0.83%

Venues Receiving Significant Percentage of Total Non-Directed Orders:

Venue	Total	Total Market Orders	Total Limit Orders	Total Other Orders
1. Citadel Securities LLC	18.34%	52.51%	0.76%	1.69%
2. NYSE American	15.91%	0.06%	24.09%	22.06%
3. NYSE Arca	11.32%	0.10%	17.02%	23.40%
4. Credit Suisse Securities (USA) LLC	9.10%	0.90%	13.38%	8.47%
5. VIRTU Americas LLC	7.24%	19.06%	1.07%	8.09%
6. Cboe BZX U.S. Equities Exchange	6.83%	0.38%	10.22%	4.10%
7. Cboe EDGX U.S. Equities Exchange	6.71%	0.01%	10.28%	0.60%
8. G1 Execution Services, LLC	5.30%	15.39%	0.11%	0.00%
9. NASDAQ Execution Services, LLC	5.10%	0.18%	7.70%	2.36%
10. Investors Exchange	4.55%	0.38%	6.72%	4.37%

Material Aspect of Relationship with Venue

- NFS received a credit on average of \$0.0019 per share for each order routed by it NYSE American that added liquidity and which subsequently executed. NFS was charged fees on average of \$0.0001 per share for each order that removed liquidity from NYSE American.
- 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 \$0.0019 per share for each order that removed liquidity from NYSE ARCA.
- 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 \$0.0028 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 \$0.0030 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 \$0.0018 per share for each order that removed liquidity from Nasdaq Execution Services, LLC.

4. Exchange Listed Options

Exchange Listed Options Summary Statistics:

Non-directed orders as percentage of total customer orders	13.47%
Market orders as percentage of total non-directed orders	2.10%
Limit orders as percentage of total non-directed orders	97.85%
Other orders as percentage of total non-directed orders	0.05%

Venues Receiving Significant Percentage of Total Non-Directed Orders:

Venue	Total	Total Market Orders	Total Limit Orders	Total Other Orders
1. NYSE Arca Options	61.69%	2.44%	62.99%	0.00%
2. Cboe BZX Options Exchange, Inc.	18.52%	2.44%	18.87%	0.00%
3. NASDAQ Options Market	15.45%	2.44%	15.73%	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 \$0.23 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.