

Morgan Stanley

Morgan Stanley & Co. LLC

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New York, NY 10036

SEC-Required Report on Routing of Customer Orders For Quarter Ending September 30, 2020

The Securities and Exchange Commission ("SEC" or "Commission") Rule 606, as amended (the "Rule") requires all brokerage firms to make publicly available quarterly reports that present a general overview of the Firm's routing of non-directed customer orders in covered equity and option securities. Non-directed orders are orders that customers have not specifically instructed to be routed to a specific destination. For these non-directed orders, Morgan Stanley & Co. LLC ("Morgan Stanley") has selected the execution venue on behalf of its customers. In addition, Morgan Stanley must identify the significant venues to which it routed customer orders for execution during the applicable quarter. To obtain information about the rule, you may access the following web site addresses: <http://www.sec.gov/rules/final/34-43590.htm> and <http://www.sec.gov/interps/legal/mrslb13a.htm> and <https://www.sec.gov/rules/final/2018/34-84528.pdf>.

The report is divided into three sections: one for stocks included in the S&P 500 index; one for stocks not included in the S&P 500 index; and one for exchange-listed options. For each section, this report identifies the venues most often selected by Morgan Stanley, sets forth the percentage of various types of orders routed to the venues and associated fees and rebates. In addition, at the end of the report, there is a discussion of the material aspects, if any, of Morgan Stanley's relationship with the venues and General Disclosure section that provides additional information relevant to Morgan Stanley's order routing and handling practices.

Morgan Stanley & Co. - Held NMS Stocks and Options Order Routing Public Report

3rd Quarter, 2020

July 2020

S&P 500 Stocks

No Covered Orders.

Morgan Stanley & Co. - Held NMS Stocks and Options Order Routing Public Report

3rd Quarter, 2020

July 2020

Non-S&P 500 Stocks

No Covered Orders.

Morgan Stanley & Co. - Held NMS Stocks and Options Order Routing Public Report

3rd Quarter, 2020

July 2020

Option Contracts

Summary

Non-Directed Orders as % of All Orders	Market Orders as % of Non-Directed Orders	Marketable Limit Orders	Non-Marketable Limit Orders	Other Orders as % of Non-Directed Orders
88.38	0.00	0.00	0.00	100.00

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)
NYSE ARCA OPTIONS (ARCO)	63.35	0.00	0.00	0.00	63.35	0.00	0.0000	0.00	0.0000	0.00	0.0000	191,478.80	16.1403
CBOE BZX OPTIONS EXCHANGE (BATO)	11.39	0.00	0.00	0.00	11.39	0.00	0.0000	0.00	0.0000	0.00	0.0000	-251,406.44	-12.6041
CHICAGO BOARD OPTIONS EXCHANGE (XCBO)	4.61	0.00	0.00	0.00	4.61	0.00	0.0000	0.00	0.0000	0.00	0.0000	221,074.46	15.2578
NASDAQ OPTIONS MARKET (XNDQ)	3.73	0.00	0.00	0.00	3.73	0.00	0.0000	0.00	0.0000	0.00	0.0000	-390,096.30	-46.6298
INTERNATIONAL SECURITIES EXCHANGE, LLC (XISX)	3.55	0.00	0.00	0.00	3.55	0.00	0.0000	0.00	0.0000	0.00	0.0000	73,881.04	10.8266
PHILADELPHIA OPTIONS EXCHANGE (XPHO)	3.50	0.00	0.00	0.00	3.50	0.00	0.0000	0.00	0.0000	0.00	0.0000	107,970.07	19.8684

Morgan Stanley & Co. - Held NMS Stocks and Options Order Routing Public Report

3rd Quarter, 2020

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)
MIAMI INTERNATIONAL SECURITIES EXCHANGE - OPTIONS (XMIO)	3.30	0.00	0.00	0.00	3.30	0.00	0.0000	0.00	0.0000	0.00	0.0000	238,746.82	31.1902
ISE GEMINI (GMNI)	3.28	0.00	0.00	0.00	3.28	0.00	0.0000	0.00	0.0000	0.00	0.0000	703,565.05	43.3111
NYSE AMEX OPTIONS (AMXO)	2.88	0.00	0.00	0.00	2.88	0.00	0.0000	0.00	0.0000	0.00	0.0000	79,649.63	29.9939
C2 OPTIONS EXCHANGE INC. (C2OX)	0.14	0.00	0.00	0.00	0.14	0.00	0.0000	0.00	0.0000	0.00	0.0000	-163,227.77	-43.3947

Material Aspects:

NYSE Options Exchanges - Morgan Stanley is a Market Maker on these exchanges (including ARCO and AMXO) and may realize profits from these orders.

Chicago Board Options Exchanges - Morgan Stanley is a Market Maker on these exchanges (including BATO, XCBO, and C2OX) and may realize profits from these orders.

Nasdaq Options Exchanges - Morgan Stanley is a Market Maker on these exchanges (including XNDQ, XISX, XPHO and GMNI) and may realize profits from these orders.

MIAX Options Exchange - an affiliate of Morgan Stanley holds an indirect minority ownership interest in MIAX, MIAX Pearl, and MIAX Emerald. An affiliate of Morgan Stanley also holds an indirect minority ownership interest in MIAX International Holdings, Inc. (and therefore additional indirect ownership interest in MIAX, MIAX Pearl, and MIAX Emerald), which become exercisable in the event that Morgan Stanley meets certain order execution thresholds on MIAX and MIAX Pearl options exchanges. Morgan Stanley is a Market Maker on MIAX and may realize profits from these orders.

MIAX Pearl Options Exchange - an affiliate of Morgan Stanley holds an indirect minority ownership interest in MIAX, MIAX Pearl, and MIAX Emerald. An affiliate of Morgan Stanley also holds an indirect minority ownership interest in MIAX International Holdings, Inc. (and therefore additional indirect ownership interest in MIAX, MIAX Pearl, and MIAX Emerald), which become exercisable in the event that Morgan Stanley meets certain order execution thresholds on MIAX and MIAX Pearl options exchanges. Morgan Stanley is a Market Maker on MIAX Pearl and may realize profits from these orders.

Morgan Stanley & Co. - Held NMS Stocks and Options Order Routing Public Report

3rd Quarter, 2020

August 2020

S&P 500 Stocks

No Covered Orders.

Morgan Stanley & Co. - Held NMS Stocks and Options Order Routing Public Report

3rd Quarter, 2020

August 2020

Non-S&P 500 Stocks

No Covered Orders.

Morgan Stanley & Co. - Held NMS Stocks and Options Order Routing Public Report

3rd Quarter, 2020

August 2020

Option Contracts

Summary

Non-Directed Orders as % of All Orders	Market Orders as % of Non-Directed Orders	Marketable Limit Orders	Non-Marketable Limit Orders	Other Orders as % of Non-Directed Orders
96.59	0.00	0.00	0.00	100.00

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)
NYSE ARCA OPTIONS (ARCO)	60.88	0.00	0.00	0.00	60.88	0.00	0.0000	0.00	0.0000	0.00	0.0000	215,064.19	16.8900
CBOE BZX OPTIONS EXCHANGE (BATO)	13.48	0.00	0.00	0.00	13.48	0.00	0.0000	0.00	0.0000	0.00	0.0000	-258,592.48	-15.2701
ISE GEMINI (GMNI)	4.73	0.00	0.00	0.00	4.73	0.00	0.0000	0.00	0.0000	0.00	0.0000	473,074.06	31.5585
CHICAGO BOARD OPTIONS EXCHANGE (XCBO)	4.56	0.00	0.00	0.00	4.56	0.00	0.0000	0.00	0.0000	0.00	0.0000	176,897.72	13.1047
NASDAQ OPTIONS MARKET (XNDQ)	3.33	0.00	0.00	0.00	3.33	0.00	0.0000	0.00	0.0000	0.00	0.0000	-363,380.12	-46.7999
MIAMI INTERNATIONAL SECURITIES EXCHANGE - OPTIONS (XMIO)	3.26	0.00	0.00	0.00	3.26	0.00	0.0000	0.00	0.0000	0.00	0.0000	223,682.79	32.7779

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3rd Quarter, 2020

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)
INTERNATIONAL SECURITIES EXCHANGE, LLC (XISX)	3.22	0.00	0.00	0.00	3.22	0.00	0.0000	0.00	0.0000	0.00	0.0000	88,152.09	13.2283
PHILADELPHIA OPTIONS EXCHANGE (XPHO)	3.20	0.00	0.00	0.00	3.20	0.00	0.0000	0.00	0.0000	0.00	0.0000	97,604.22	19.1887
NYSE AMEX OPTIONS (AMXO)	2.88	0.00	0.00	0.00	2.88	0.00	0.0000	0.00	0.0000	0.00	0.0000	73,204.69	29.6298
C2 OPTIONS EXCHANGE INC. (C2OX)	0.12	0.00	0.00	0.00	0.12	0.00	0.0000	0.00	0.0000	0.00	0.0000	-155,564.15	-44.4177

Material Aspects:

NYSE Options Exchanges - Morgan Stanley is a Market Maker on these exchanges (including ARCO and AMXO) and may realize profits from these orders.

Chicago Board Options Exchanges - Morgan Stanley is a Market Maker on these exchanges (including BATO, XCBO, and C2OX) and may realize profits from these orders.

Nasdaq Options Exchanges - Morgan Stanley is a Market Maker on these exchanges (including XNDQ, XISX, XPHO and GMNI) and may realize profits from these orders.

MIAX Options Exchange - an affiliate of Morgan Stanley holds an indirect minority ownership interest in MIAX, MIAX Pearl, and MIAX Emerald. An affiliate of Morgan Stanley also holds an indirect minority ownership interest in MIAX International Holdings, Inc. (and therefore additional indirect ownership interest in MIAX, MIAX Pearl, and MIAX Emerald), which become exercisable in the event that Morgan Stanley meets certain order execution thresholds on MIAX and MIAX Pearl options exchanges. Morgan Stanley is a Market Maker on MIAX and may realize profits from these orders.

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Morgan Stanley & Co. - Held NMS Stocks and Options Order Routing Public Report

3rd Quarter, 2020

September 2020

S&P 500 Stocks

No Covered Orders.

Morgan Stanley & Co. - Held NMS Stocks and Options Order Routing Public Report

3rd Quarter, 2020

September 2020

Non-S&P 500 Stocks

No Covered Orders.

Morgan Stanley & Co. - Held NMS Stocks and Options Order Routing Public Report

3rd Quarter, 2020

September 2020

Option Contracts

Summary

Non-Directed Orders as % of All Orders	Market Orders as % of Non-Directed Orders	Marketable Limit Orders	Non-Marketable Limit Orders	Other Orders as % of Non-Directed Orders
92.33	0.00	0.00	0.00	100.00

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)
NYSE ARCA OPTIONS (ARCO)	59.50	0.00	0.00	0.00	59.50	0.00	0.0000	0.00	0.0000	0.00	0.0000	209,640.36	14.8892
CBOE BZX OPTIONS EXCHANGE (BATO)	11.75	0.00	0.00	0.00	11.75	0.00	0.0000	0.00	0.0000	0.00	0.0000	-233,941.11	-12.7869
ISE GEMINI (GMNI)	6.20	0.00	0.00	0.00	6.20	0.00	0.0000	0.00	0.0000	0.00	0.0000	821,219.65	43.0939
CHICAGO BOARD OPTIONS EXCHANGE (XCBO)	4.85	0.00	0.00	0.00	4.85	0.00	0.0000	0.00	0.0000	0.00	0.0000	289,834.25	16.4290
INTERNATIONAL SECURITIES EXCHANGE, LLC (XISX)	3.69	0.00	0.00	0.00	3.69	0.00	0.0000	0.00	0.0000	0.00	0.0000	186,357.45	22.4109
PHILADELPHIA OPTIONS EXCHANGE (XPHO)	3.65	0.00	0.00	0.00	3.65	0.00	0.0000	0.00	0.0000	0.00	0.0000	134,372.61	19.4974
NASDAQ OPTIONS MARKET (XNDQ)	3.46	0.00	0.00	0.00	3.46	0.00	0.0000	0.00	0.0000	0.00	0.0000	-382,546.24	-45.0139

Morgan Stanley & Co. - Held NMS Stocks and Options Order Routing Public Report

3rd Quarter, 2020

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)
MIAMI INTERNATIONAL SECURITIES EXCHANGE - OPTIONS (XMIO)	3.29	0.00	0.00	0.00	3.29	0.00	0.0000	0.00	0.0000	0.00	0.0000	275,050.02	33.0404
NYSE AMEX OPTIONS (AMXO)	3.11	0.00	0.00	0.00	3.11	0.00	0.0000	0.00	0.0000	0.00	0.0000	87,042.29	29.0693
C2 OPTIONS EXCHANGE INC. (C2OX)	0.21	0.00	0.00	0.00	0.21	0.00	0.0000	0.00	0.0000	0.00	0.0000	-167,529.07	-43.9622

Material Aspects:

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General Disclosures

Equities

Morgan Stanley routes customer equity orders to national securities exchanges, alternative trading systems (ATSS), including electronic communications networks (ECNs), and other venues. Certain venues offer cash credits for orders that provide liquidity to their books and charge explicit fees for orders that extract liquidity from their books (and certain venues invert this practice). The amount of credits that Morgan Stanley receives from one or more venues may exceed the amount that Morgan Stanley is charged. Morgan Stanley may also receive incremental pricing benefits from certain venues if certain volume thresholds are met. Such payments constitute payment for order flow.

For other disclosures regarding equity order practices please refer to the following link: [U.S. Cash Equity Order Handling and Routing FAQs](#)

Options

Morgan Stanley participates in Exchange-sponsored listed options payment for order flow programs and accepts payment for order flow for certain listed options orders. In the course of providing liquidity, Morgan Stanley may preference certain options orders to the Firm's options market maker, or third party market makers for execution.

Based on client configurations and/or instructions for non-marketable option orders, Morgan Stanley may send orders to one or multiple exchanges and may consider availability of its registered options market-maker to provide price-improvement and/or enhanced liquidity in an automated and anonymous manner via an exchange-sponsored price improvement offering. Subject to the above, Morgan Stanley considers opportunities for price-improvement, fill-rates, type of venue, exchange fees, rebates, and/or tiers when deciding where to route orders.

Ownership Interests

In addition to the ownership interests disclosed in the prior sections, Morgan Stanley or certain affiliates also hold minority stakes in other venues which stand to appreciate as a result of any profits generated from the execution of customer orders.

Customer Requests for Information

In accordance with SEC Rule 606, upon written request, Morgan Stanley & Co. LLC will disclose to clients the identity of the venue to which clients orders were routed for execution, whether the orders were directed or non-directed, and the time of the executions, if any, that resulted from such orders.

Disclaimer

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Morgan Stanley has prepared the Reports solely for informational purposes and consistent with Rules 605 and 606 (formerly Rules 11Ac1-5 and 11Ac1-6), as amended, under Regulation NMS (the "Disclosure Rules"). The information provided in the Reports is not intended to, and does not, encompass all the factors to be considered in a best execution analysis and related order routing determinations.

The disclosures required by Rule 605 do not encompass all of the factors that may be important to investors in evaluating the order routing services of a broker-dealer. In addition, any particular market center's statistics will encompass varying types of orders routed by different broker-dealers on behalf of customers with a wide range of objectives. Accordingly, the statistical information required by Rule 605 alone does not create a reliable basis to address whether any particular broker-dealer obtained the most favorable terms reasonably available under the circumstances for customer orders.

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