



Payment for Order Flow (SEC Rule 607)

In accordance with SEC Rule 607, Private Client Services LLC provides its customers with this annual notice regarding a customer's right to information on payment for order flow received from market centers and regional exchanges to which the Broker-Dealer routes for execution.

Rule 607 was amended by the SEC to enhance market transparency and provide descriptions of the terms of any payments received for order flow and any profit-sharing arrangements that may influence a Broker-Dealer's order routing decision.

Private Client Services, LLC does NOT receive payment for routing certain orders in equity securities to specialized market maker firms and alternative market centers for execution. The Firm does not receive incentives for trade volumes or have any agreements regarding minimum order flow. Additionally, PCS does not receive disincentives for failing to meet minimum order flow thresholds or participate in any volume-based tiered payment schedules.

For Order Routing through Pershing, LLC & Pershing Advisor Solutions:

Pershing sends certain equity orders to exchanges or broker-dealers during normal business hours and during extended trading sessions. Some of these market centers provide payments to Pershing or charge access fees depending upon the characteristics of the order and any subsequent execution.

In addition, Pershing may execute certain equity orders as principal or route orders to an affiliate, called BNY Mellon Capital Markets, LLC, which may also execute as principal while facilitating the trade as a market maker. The details of these payments and fees are available upon written request.

Pershing receives payments for directing listed options order flow to certain option exchanges through broker dealers, which allows Pershing to access price improvement auctions on the various options exchanges. Compensation is generally in the form of a per- option contract cash payment. For a list of organizations that pay Pershing for order flow, please refer to

<https://www.orderroutingdisclosure.com/>

For Order Routing through Fidelity:

Fidelity has an internal order flow management team responsible for directing order flow to the market makers and market centers who provide the best overall execution. The order flow management team uses both internal and external technology to generate reports that identify any orders that executes outside the National Best Bid or Offer (NBBO). To help ensure these standards are met, Fidelity's order flow management team has established policies and procedures to supervise order flow routing activities, define execution quality measure, monitor and evaluate completing market centers for order handling and execution

quality, identify and qualify orders executed outside the NBBO, and take corrective action for any failure to meet Fidelity's execution quality standards. Any customer inquiries or questions regarding payment for order flow should be directed to the Chief Compliance Officer (compliance@pcsbond.net). Additional information can also be found by visiting <https://clearingcustody.fidelity.com/trade-execution-quality>.

Schwab Order Routing

In arranging for the execution of Non-Directed Orders for equities and listed options, Schwab seeks out industry-leading execution services and access to the best-performing markets. Schwab routes orders for execution to unaffiliated broker-dealers, who may act as market maker or manage execution of the orders in other market venues and also routes orders directly to major exchanges.

Schwab considers a number of factors in evaluating execution quality among markets and firms, including execution price and opportunities for price improvement, market depth and order size, the trading characteristics of the security, speed and accuracy of executions, the availability of efficient and reliable order handling systems, liquidity and automatic execution guarantees, the likelihood of execution when limit orders become marketable, and service levels and the cost of executing orders at a particular market or firm. [Price improvement](#) occurs when an order is executed at a price more favorable than the displayed national best bid or offer. Schwab regularly monitors the execution quality obtained to ensure orders are routed to market venues that have provided high-quality executions over time.

Relationships with Market Venues

A principal benefit of executing orders through liquidity providers is the higher likelihood of price improvement such firms can provide, as well as enhanced liquidity or price protection for larger orders (i.e., executions at greater size than the limited size displayed at the current market quote). Schwab tracks execution data closely and maintains order routing arrangements with leading liquidity providers to maximize opportunities for price improvement and liquidity enhancement. On most Schwab platforms, clients can see the price improvement received on eligible equity orders on the Order Status page or in Order Messages. To find out the percentage of orders that have received price improvement and the average improvement amounts over the last quarter, visit our [Retail Execution Quality Statistics](#) page.

Payment for Order Flow

As part of a common industry practice known as Payment for Order Flow, Schwab receives rebates from liquidity providers and certain exchanges based upon the order flow executed at each destination. Some orders require us to pay associated transaction costs, but most orders result in rebates. Net rebates received by Schwab are used to offset transaction and order processing or handling costs and help us maintain very low commission rates for our clients. Rebate rates are substantially similar among the various securities exchanges and liquidity providers, although they vary based upon order characteristics (i.e., marketable vs. non-marketable).

At Schwab we put our clients' interests first. Therefore, best execution for our clients always takes priority when determining where to route orders. Any eligible rebates from a particular market center are not a consideration in order routing decisions.

Quarterly information regarding the market venues to which we route orders and remuneration we receive is at <https://www.schwab.com/legal/order-routing-1>. Information regarding the routing destination and time of execution of individual orders for up to a six-month period is also available.