

July 2024

## **IMPORTANT REGULATORY & ORDER HANDLING DISCLOSURES**

Macquarie Capital (USA) Inc. (“MCUSA” or the “Firm”) is a broker-dealer registered with the Securities & Exchange Commission (“SEC”) and Financial Industry Regulatory Authority (“FINRA”). This document is to advise clients of MCUSA transacting in equity securities of important regulatory and order handling disclosures. This and other important disclosures can be found at: <http://www.macquarie.com/us/about/disclosures/us-disclosures>.

### **CUSTOMER IDENTIFICATION NOTICE**

To assist in the fight against terrorism and money laundering activities, federal law requires financial institutions, including MCUSA, to obtain, verify and record information identifying each person or company who opens an account.

This means that when you open account, we will ask for information that will allow us to identify you, including the name of your entity, address and tax identification number. We may also ask you to provide your articles of incorporation, partnership agreement or other documents, as applicable.

### **SEC RULE 606**

US Securities and Exchange Commission (SEC) Rule 606(a) requires brokerage firms to make publicly available quarterly reports, containing certain required statistical information regarding the routing of held, non-directed customer orders in Regulation NMS stocks and listed options. Macquarie Capital (USA) Inc. (“MCUSA”) publishes a quarterly report in accordance with Rule 606(a) and will keep the report publicly available for a period of three years. For each section, the report identifies the venues to which MCUSA routed the relevant orders and, for each venue, the required statistical information. Each section of the report also contains information regarding the material aspects of MCUSA’s relationship, if any, with each venue.

Per FINRA Rule 6151, beginning July 1, 2024, Macquarie Capital (USA) Inc.’s public 606(a) Reports can be found in the FINRA Data Portal: [www.finra.org](http://www.finra.org)

Detailed information about the routing and execution of a customer’s orders, including the market centers to which a customer’s orders were routed is available upon request. If you wish to make a customer request for this information, please reach out to your contact at the Firm.

### **ELECTRONIC TRADING**

MCUSA or its affiliates may provide you with access to national securities exchanges, alternative trading systems or other market centers for the purpose of executing your orders. These services are provided through FIX connections or Macquarie’s products, including but not limited to, electronic algorithms. When these services are utilized in connection with your order, the relevant algorithmic trading technology may break down your order into smaller orders over a specified time period and route the resulting smaller orders to one or more national securities exchanges, alternative trading systems or other market centers, each according to the applicable embedded routing logic.

### **SEC RULE 15c3-5 AND MARKET ACCESS**

SEC Rule 15c3-5 (the “Market Access Rule”) provides that broker-dealers with access to trading securities on exchanges or alternative trading systems (“ATSs”), or who provide such access to clients, must establish, document and maintain appropriate risk management controls and supervisory procedures designed to oversee the financial and regulatory risks related to market access. MCUSA has developed controls and procedures that are reasonably designed to comply with the Market Access Rule, which will reject or block orders that are determined to exceed previously defined risk parameters.

## **PAYMENT FOR ORDER FLOW**

As of the date of this disclosure, MCUSA does not receive payments in return for directing client order flow to any specific broker-dealer or market center. MCUSA does not accept compensation for routing orders to any broker or market maker nor does MCUSA distribute payment for order flow to any such market venue; thus, there is no bias related to best execution for its clients. MCUSA acknowledges that it may receive standard fee credits for placing liquidity orders with exchanges, ECNs and ATSS but it is not direct payment for flow, immaterial in amount and has no impact on MCUSA's best execution obligations

## **FINRA RULE 5320 & HANDLING OF CLIENT ORDERS**

FINRA Rule 5320 generally prohibits a broker-dealer that accepts and holds a client order in an equity security from trading for its own account at a price that would satisfy the client order, unless the broker-dealer immediately executes the client's order at the same price or better than it traded for its own account. This disclosure outlines the Firm's order handling practices in relation to FINRA Rule 5320.

MCUSA's Cash Equities Desk trades principally for its own account in connection with principal trading activities, predominantly client facilitation, and may therefore trade principally for its own account at prices that would satisfy client orders. Consistent with the "No-Knowledge Exception," MCUSA has implemented controls, including information barriers, designed to prevent the Cash Equities Desk from obtaining knowledge of client orders received by other equities desks. Under certain circumstances, such as crossing opportunities, other MCUSA desks may route client orders to the Cash Equities Desk, which may trade as described above. **If you do not consent to the handling of your orders in this manner, please notify your MCUSA sales or trading representative.**

## **FINRA RULE 5270 - HANDLING OF CLIENT BLOCK TRANSACTIONS**

FINRA Rule 5270 generally prohibits a broker-dealer from trading for its own account while in possession of knowledge of an imminent customer block transaction. Supplementary Material .04 to FINRA Rule 5270 does, however, recognize certain permitted transactions, including (a) transactions unrelated to the customer order; (b) transactions undertaken for the purpose of fulfilling, or facilitating the execution of, the customer block order; and (c) transactions undertaken in compliance with the marketplace rules of a national securities exchange where at least one leg of the trading activity is executed on that exchange.

MCUSA may trade the same security and one or more related financial instruments for its own account while in possession or after completion of your block order, including trades undertaken to hedge the risk associated with facilitating your block order. Affiliates of MCUSA may also trade in this manner when facilitating your block orders in certain securities, such as ADRs. These activities, including anticipatory hedging or positioning transactions, may be at prices better than your transaction price and may adversely impact the price you receive in subsequent transactions in the security and the market price of the security generally; however, MCUSA and its affiliates will conduct these activities in a way that attempts to minimize their market impact. **If you do not consent to the handling of your block orders in this manner, please notify your MCUSA sales or trading representative.**

## **GUARANTEED BENCHMARK TRADES**

MCUSA may accept an order for execution from clients where both parties contractually agree to execute the order at a price that is tied to a particular benchmark or price level for certain transactions (e.g., the official closing price, or the Volume Weighted Average Price (VWAP) over an agreed upon interval). MCUSA may attempt to mitigate the risk associated with such orders by engaging in pre-hedging activities and/or trading principally for its own account in the benchmark security or related instruments, in which case MCUSA would assume any losses or gains. While MCUSA will utilize reasonable measures to minimize the impact of these hedging activities, they could affect the market price of the security and may influence the prices a client receives on a guaranteed benchmark trade. **If you do not consent to the handling of your orders in this manner, please notify your MCUSA sales or trading representative.**

## **NET TRANSACTIONS WITH CLIENTS**

At your request, MCUSA will execute your equity and/or ADR Conversion orders on a "net" basis. The net price at which MCUSA executes such orders will include compensation to MCUSA or its affiliates and differ from the price at which MCUSA or its affiliates traded principally for their own account or facilitated your order. To request that

MCUSA execute your equity and/or ADR Conversion orders on a “net” basis, please contact your MCUSA sales or trading representative and review MCUSA’s Net Trading disclosure, which is available at the link provided above.

#### **EXECUTION VENUES & COUNTERPARTIES**

MCUSA may be a market maker or otherwise transact principally on venues to which MCUSA routes client orders, and may therefore trade with client orders on or through such venues. Client orders may be routed to and/or executed by affiliates of MCUSA, who may act as agent or principal and therefore derive remuneration from client orders.

#### **EXTENDED HOURS TRADING**

Clients may transact or receive executions outside of normal market hours, which are generally from 9:30am to 4:00pm EST. Please review the Extended Hours Trading disclosure, also available on the Firm’s Regulatory Disclosures page <http://www.macquarie.com/us/about/disclosures/us-disclosures>.

#### **TRANSACTIONS EFFECTED BY NON-US AFFILIATES**

MCUSA serves as intermediary in connection with securities transactions effected by MCUSA’s non-U.S. affiliates for or with MCUSA’s U.S. clients when doing so is appropriate and in accordance with Rule 15a-6 of the Securities Exchange Act of 1934.

#### **NOT HELD ORDERS**

All orders transmitted to MCUSA are handled on a “not held” basis, which provides the Firm discretion in the handling and execution of your orders to seek best execution. **If you do not consent to the handling of your orders as “not held”, please notify your MCUSA sales or trading representative.**

#### **NON-REGULAR WAY SETTLEMENT**

In order to facilitate orders for non-regular way settlement, clients are asked to notify their MCUSA sales or trading representative at or prior to order transmission. MCUSA may not be able to facilitate requests for non-regular way settlement received post-execution.

#### **INDICATIONS OF INTEREST**

MCUSA disseminates indications of interest (“IOI”) through Bloomberg and other means. For IOIs disseminated through Bloomberg, MCUSA adheres to the AFME/IA Framework for IOIs by categorizing each IOI as client interest, house interest or potential interest and appending the applicable IOI qualifier to identify the sub-category the interest represents (i.e., C1/C2, H1/H2/H3 or P1). Clients wishing to receive IOIs through other means should contact their MCUSA sales or trading representative to discuss classification of IOIs.

#### **USE OF ORDER & TRADE INFORMATION**

MCUSA may disseminate indications of interest that are based, in whole or in part, on your orders or expressed interest, and may disseminate post-trade information in the form of “trade advertisements” that are based, in whole or in part, on the executed volume associated with your orders. MCUSA may use client order and trade information for other bona-fide business purposes, such as execution quality analysis. **If you do not consent to the handling of your information in this manner, please notify your MCUSA sales or trading representative.**

#### **ALPHA CAPTURE PLATFORMS**

MCUSA sales representatives communicate trade ideas to third-party alpha capture platforms (“ACPs”).

MCUSA sales representatives may, under certain circumstances, determine that it is appropriate to share trade ideas, in whole or in part, with you and other users on one or more ACPs. As a result, trade ideas provided to you through those platforms may also be shared with other customers that participate in those platforms.

In addition, as a registered broker-dealer, MCUSA reserves the right to review any trade idea submission and reject, close or modify such submission. **If you have any questions regarding, or to the extent that you object to the manner in which MCUSA is handling, the use of trade ideas that are submitted to ACPs, please contact your MCUSA sales representative.**

## **AVAILABILITY OF IEX RULEBOOK TO CUSTOMERS**

Pursuant IEX Rule 8.110, MCUSA makes available a current copy of the IEX Rulebook for examination by customers on its Regulatory Disclosures page <http://www.macquarie.com/us/about/disclosures/us-disclosures> with a direct link to the IEX [Rules](#). In addition, it provides notice of the rule book availability through its disclosures to its customers upon onboarding.

## **PRIVACY NOTICE**

MCUSA follow the same guidelines and principal of the Macquarie Group Privacy Policy which is <https://www.macquarie.com/us/about/disclosures/privacy-and-cookies>.

## **FINRA RULE 4370 - BUSINESS CONTINUITY MANAGEMENT**

Business Resilience (“BR”) planning is centrally managed across Macquarie by a dedicated team in furtherance of Macquarie’s global policy. MCUSA maintains Business Continuity Plan (“BCP”) procedures that identify a BR manager responsible for the coordination of communications and recovery in accordance with the relevant Business Resilience Plans (“BRP”) for each of MCUSA’s business and operational functions. Each plan identifies key personnel, their alternates and recovery strategies, including relevant alternate recovery facilities. MCUSA’s procedures are reviewed on a regular basis by management to ensure they reflect current operations, business structure, and location of key staff. Both the Macquarie global policy and MCUSA’s procedures are made available to regulators upon their request.

The primary objective of MCUSA’s BCP procedures is to ensure that Macquarie is adequately prepared to continue business critical functions in the event of an emergency or significant business disruption relating to MCUSA’s operations, so that MCUSA may meet its regulatory requirements and perform its contractual obligations to clients and third parties.

Testing of plans, systems and recovery facilities is an integral component of Macquarie’s BR program. Disaster Recovery plans for all critical technology applications and systems are tested on a regular basis. Servers for critical applications are backed up in alternate locations. Tests of primary and back-up servers are conducted on a periodic basis. Annual tests are conducted in all key locations, and test scopes include building evacuations, relocation to recovery facilities where appropriate, fail over of information technology systems/applications and general crisis management procedures. Test results are documented and reported to Macquarie senior management.

## **FINRA RULE 2267 - INVESTOR EDUCATION & PROTECTION**

Under the “BrokerCheck” program established by the Financial Industry Regulatory Authority (“FINRA”), records of securities firms and professionals are available to the public. This program is designed to help investors learn about the professional backgrounds, business practices and conduct of registered broker-dealers and their brokers. In connection with this program, FINRA has established a toll-free BrokerCheck hotline at (800) 289-9999 and a website that may be accessed at [brokercheck.finra.org](http://brokercheck.finra.org) or [www.finra.org](http://www.finra.org). An investor brochure that includes information describing FINRA BrokerCheck is available from either of these sources.

## **FINRA RULE 2266 - SECURITIES INVESTOR PROTECTION CORPORATION (“SIPC”)**

MCUSA is a member of SIPC. Clients may obtain information about SIPC, including the SIPC brochure, by contacting SIPC at [www.sipc.org](http://www.sipc.org) or (202) 371-8300.

## **FINRA RULE 2262 - DISCLOSURE OF CONTROL RELATIONSHIP WITH ISSUER**

MCUSA is controlled by or under common control with certain entities (parent and affiliated) that issue securities, such as Macquarie Group Limited (ASX: MQG / ADR: MQBKY). A complete list of these securities can be found at: [www.macquarie.us/confdiscl](http://www.macquarie.us/confdiscl).

## **STATEMENT OF FINANCIAL CONDITION – SEC RULE 17a-5(c)**

MCUSA makes available to customers its annual and semi-annual statements of financial condition. You may access such information for the most recent period by clicking <http://www.macquarie.com/us/about/disclosures/us-disclosures>. For additional information, please contact our Middle Office Operations hotline at (212) 231-2600.

A material weakness has been identified by the firm’s independent public accountant and has been addressed by the firm. A copy of the report of the independent public accountant is currently available for the customer’s inspection

at the principal office of the Commission in Washington, DC, and the regional office of the Commission in New York, NY.

**CLIENT COMPLAINTS**

Please be advised that complaints may be directed to the following address and telephone number: **Macquarie Capital (USA) Inc. | Attn: Compliance Department | 125 W. 55<sup>th</sup> Street, Level 22 | New York, NY 10019 | (212) 231-1571**

**Please contact your MCUSA sales or trading representative with any questions regarding the above disclosures.**

***These disclosures do not alter the terms or conditions of any contractual agreements you have with Macquarie.***