Macquarie Capital (USA) Inc.

Statement of Financial Condition (unaudited)

As of September 30, 2020

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	Note		
Assets			
Cash		$	7,073,535
Cash segregated under federal regulations	3		9,000,001
Receivable from broker-dealers and clearing organizations	4		40,846,469
Receivable from customers	5		784,749
Receivable from non-customers			4,729,405
Securities borrowed			30,514,372
Securities owned, at fair value	6		216,094,307
Fees receivable, net			21,352,850
Receivable from affiliates			5,001,069
Deferred tax assets			5,551,296
Other assets			2,062,704
Total assets		$	343,010,757
Liabilities and Stockholder's Equity			
Liabilities			
Payable to broker-dealers and clearing organizations	4	$	3,084,560
Payable to customers	5		1,091,735
Payable to non-customers			2,600,667
Securities sold, not yet purchased, at fair value	6		69,103,062
Payable to parent and affiliates			12,527,172
Accrued expenses and other liabilities			8,615,114
Total liabilities			97,022,310
Commitments and contingent liabilities	12		
Stockholder's Equity			
Common stock, $0.01 par value; authorized - 1,000,000 shares; issued and outstanding - 156,386 shares			1,564
Additional paid-in capital			681,554,677
Accumulated deficit			(435,567,794)
Total stockholder's equity			245,988,447
Total liabilities and stockholder's equity		$	343,010,757

The accompanying notes are an integral part of the Statement of Financial Condition.

Note 1. Organization

Macquarie Capital (USA) Inc. (the "Company") is a Delaware Corporation wholly owned by Macquarie Holdings (USA) Inc. (the "Parent"), which is an indirect wholly owned subsidiary of Macquarie Group Limited ("MGL"), a public non-operating holding company located in Sydney, Australia.

The Company is a broker-dealer registered with the Securities and Exchange Commission ("SEC"), is a member of the Financial Industry Regulatory Authority, Inc. ("FINRA"), and is a member of the Securities Investor Protection Corporation ("SIPC").

The Company acts as a broker of Australian, Asian, European, and U.S. equity and fixed income securities, global depository receipts, and credit products. These transactions are executed primarily with and on behalf of domestic financial institutions, including investment companies and investment advisors as well as MGL's subsidiaries. The Company self clears on behalf of institutional clients and its affiliates in U.S. markets. Through its affiliate, Macquarie Bank Limited ("MBL"), the Company also borrows stock to cover short positions and loans inventory for financing and collateral purposes. Additionally, the Company provides arrangement and advisory services on mergers and acquisitions, underwriting transactions, and project finance transactions with MGL and its subsidiaries as well as independent third parties.

The Company's headquarters and principal operations are located in New York, New York.

Note 2. Summary of Significant Accounting Policies

i) Basis of Accounting and the Use of Estimates

The preparation of the financial statement in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

ii) Cash

Cash consists of un-invested cash balances used in the daily operations of the business that are primarily maintained with one major bank.

iii) Securities Borrowing and Lending

The Company conducts securities borrowing and lending activities with MBL in order to fund securities owned assets and to source securities for delivery to counterparties for securities sold, not yet purchased liabilities. Under these transactions, the Company receives or posts collateral in connection with securities loaned or borrowed transactions. These transactions are collateralized by cash or securities. Under this agreement, the Company is permitted to sell or re-pledge the securities received. Securities borrowed or loaned are recorded based on the amount of cash collateral advanced or received. There were no non-cash collateral transactions outstanding as of September 30, 2020. The Company monitors the market value of securities borrowed and loaned and delivers or obtains additional collateral as appropriate.

iv) Fees Receivable, net

Fees receivable consist of investment banking and advisory service fees as well as underwriting fees. Fees receivable are presented net of an allowance for doubtful accounts of $0 as of September 30, 2020. Management monitors the fees receivables for aging debtors and reviews fees receivables balances on a quarterly basis to assess the need for a reserve based on collectability. The receivable balance is written off either partially or in full when management concludes that there is no reasonable expectation of recovery.

Note 2. Summary of Significant Accounting Policies (continued)

v) Translation of Foreign Currencies

The Company's financial statement is presented in United States dollars. Assets and liabilities denominated in foreign currencies are translated at period-end rates of exchange, while income statement items are translated at the spot exchange rate at the time of the transaction.

vi) Share Based Compensation

The Company participates in the share-based compensation plan of MGL, which include awards granted to employees under share acquisition plans, including those delivered through the Macquarie Employee Retained Equity Plan ("MEREP"). The MGL consolidated group recognizes an expense and a corresponding increase in equity in the case of equity settled awards granted to employees. The awards are measured at the grant dates based on their fair value and using the number of equity instruments expected to vest. The increase to equity is recognized within Additional paid-in capital within the Statement of Financial Condition.

vii) Income Taxes

The Company is a member of the Macquarie Holdings USA Inc. ("MHUSA") tax consolidated group ("consolidated group") for U.S. federal income tax purposes and a member of various unitary and combined filing groups for state and local income tax purposes. Where the consolidated group does not file a unitary or combined state and local income tax return, the Company must file on a standalone basis if it is deemed to have a presence in that state. The amount of current and deferred taxes payable or receivable is recognized as of the date of the Statement of Financial Condition utilizing currently enacted tax laws and rates.

Deferred income taxes are recorded for the effects of temporary differences between the reported assets and liabilities in the Statement of Financial Condition and the tax basis of those assets and liabilities that will result in taxable or deductible amounts in the future based on tax laws and rates applicable to the periods in which the differences are expected to reverse.

The Company follows accounting principles related to the accounting for uncertainty in income taxes. In this regard, the Company is required to determine whether a tax position is more likely than not to be sustained upon examination, including resolution of any related appeals or litigation process, based on the technical merits of the position. The tax expense (benefit) to be recognized is measured as the largest amount of expense (benefit) that is greater than fifty percent likely of being realized upon ultimate settlement, which could result in the Company recording a tax liability.

(viii) Recently Adopted Accounting Standards

In June 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-13, "Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments". This ASU amends several aspects of the measurement of credit losses on certain financial instruments, including replacing the existing incurred credit loss model and other models with the Current Expected Credit Losses (CECL) model. The main objective of this guidance is to provide financial statement users with more decision-useful information about the expected credit losses on financial instruments and other commitments to extend credit held by a reporting entity at each reporting date. The Company adopted this ASU on April 1, 2020 under a modified retrospective approach.

Note 3. Cash Segregated Under Federal Regulations
Cash has been segregated in a special reserve bank account for the exclusive benefit of customers in accordance with Rule 15c3-3 of the Securities Exchange Act of 1934 (the "SEC Act"). As at September 30, 2020, cash of $9,000,001 has been segregated.

Note 4. Receivable from and Payable to Broker-Dealers and Clearing Organizations
Amounts receivable from and payable to broker-dealers and clearing organizations as at September 30, 2020, consist of the following:

	Receivable	Payable
Securities failed to deliver/receive	$ 20,178	$ 595,646
Receivable from/payable to clearing organizations	40,826,291	2,488,914
	$ 40,846,469	$ 3,084,560

Note 5. Receivable from and Payable to Customers
Receivable from and payable to customers includes dollar amounts with U.S. clients for transactions that were not settled prior to or at settlement date. In addition, the Company's affiliates effect transactions in securities with or for U.S. investors through the Company. These affiliates are exempt from registration requirements under SEC Rule 15a-6. In order for affiliates to maintain their exemption, the Company, among other things, is responsible for receiving, delivering, and safeguarding funds and securities in connection with the transactions on behalf of U.S. investors in compliance with Rule 15c3-3 of the SEC Act. As such, the Company records receivables from and payables to customers for transactions past settlement date that were introduced to these affiliates.

Note 6. Fair Value of Financial Instruments
The Company is required to report the fair value of financial instruments, as defined. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements are not adjusted for transaction costs. The recognition of "block discounts" for large holdings of unrestricted financial instruments where quoted prices are readily and regularly available in an active market is prohibited. The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;

Level 2 Quoted prices in markets that are not active or financial instruments for which all significant inputs are observable, either directly or indirectly;

Level 3 Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Note 6. Fair Value of Financial Instruments (continued)

The following table summarizes financial instruments at fair value, within the fair value hierarchy levels, as of September 30, 2020:

	Level 1	Level 2	Level 3	Total
Assets				
Securities owned, at fair value				
Money market funds	$ 146,644,870	$ -	$ -	$ 146,644,870
Equity securities	69,181,903	267,534	-	69,449,437
Total assets	$ 215,826,773	$ 267,534	$ -	$ 216,094,307
Liabilities				
Securities sold, not yet purchased, at fair value				
Equity securities	$ 69,103,062	$ -	$ -	$ 69,103,062
Total liabilities	$ 69,103,062	$ -	$ -	$ 69,103,062

The following table summarizes financial assets and liabilities that are recorded at their contractual amounts which approximate their fair value, within the fair value hierarchy levels, as of September 30, 2020. Non-financial assets and liabilities, including tax credits and provision related payables, are excluded from the below:

	Carrying value	Level 1	Level 2	Level 3	Total estimated fair value
Assets					
Cash	$ 7,073,535	$ 7,073,535	$ -	$ -	$ 7,073,535
Cash segregated under federal regulations	9,000,001	9,000,001	-	-	9,000,001
Receivable from broker-dealers and clearing organizations	40,846,469	-	40,846,469	-	40,846,469
Receivable from customers	784,749	-	784,749	-	784,749
Receivable from non-customers	4,729,405	-	4,729,405	-	4,729,405
Securities borrowed	30,514,372	-	30,514,372	-	30,514,372
Fees receivable	19,790,753	-	19,790,753	-	19,790,753
Receivable from affiliates	5,001,069	-	5,001,069	-	5,001,069
Other assets	1,449,781	-	1,449,781	-	1,449,781
Total assets	$ 119,190,134	$ 16,073,536	$ 103,116,598	$ -	$ 119,190,134
Liabilities					
Payable to broker-dealers and clearing organizations	$ 3,084,560	$ -	$ 3,084,560	$ -	$ 3,084,560
Payable to customers	1,091,735	-	1,091,735	-	1,091,735
Payable to non-customers	2,600,667	-	2,600,667	-	2,600,667
Payable to parent and affiliates	12,527,172	-	12,527,172	-	12,527,172
Accrued expenses and other liabilities	2,186,328	-	2,186,328	-	2,186,328
Total liabilities	$ 21,490,462	$ -	$ 21,490,462	$ -	$ 21,490,462

Note 7. Offsetting Assets and Liabilities

The following table presents information about the offsetting of assets and liabilities on the Statement of Financial Condition as of September 30, 2020:

	Gross amounts	Amounts offset in Statement of Financial Condition	Net amounts presented in the Statement of Financial Condition	Collateral received	Net exposure
Assets					
Securities borrowed	$ 30,514,372	$ -	$ 30,514,372	$ (27,599,445)	$ 2,914,927

Note 8. Deferred Profit Share

The Company's compensation arrangement includes provisions for the retention and deferral of payment of a portion of an employee's bonus above certain amounts. For Non-Executive Directors of the Company, the deferred amount is paid to the employee 1/3rd in the second, third, and fourth years following the year of grant, subject to the employee's continued service to the Company.

For Executive Directors of the Company, the deferred amount vests 1/3rd in the third, fourth and fifth year following the year of grant except for Designated Executive Directors/Executive Committee members for whom it vest 1/5th from third to seventh year following the year of grant, subject to the employee's continued service to the Company. Such deferred amount is invested by MGL in Macquarie Funds and may be invested in MGL shares. The notional income of the portfolio is paid as additional compensation each year at the discretion of MGL's Executive Committee.

Note 9. Employee Benefit Plans

The Company participates in the Parent's 401(k) plan. Contributions to the 401(k) plan are matched by the Company, up to specific limits. The Company matches 100% of the first 3% plus 50% of the next 2% of the employee's pre-tax contributions with a maximum contribution of 4% up to the matching limit of $11,400 (based on the maximum IRS compensation limit of $285,000). A vesting schedule applies to all matched contributions based on the number of years of service with the Company. Substantially all employees are eligible to participate in the plan.

Note 10. Employee Share Based Compensation

Macquarie Group Employee Retained Equity Plan

The Macquarie Group Employee Retained Equity Plan ("MEREP") is a flexible plan structure that offers different types of equity grants. Participation in the MEREP is currently provided to Associate Directors and above. The plan includes a decrease in the portion of the staff profit share paid in cash, an increase in the portion delivered as equity and an increase in the proportion of deferred remuneration. In most cases the equity grants are in the form of restricted share units ("RSU") and deferred share units ("DSU"). A RSU is a beneficial interest in an MGL ordinary share held on behalf of a MEREP participant by the plan trustee (Trustee). The participant is entitled to receive dividends on the share and direct the trustee how to exercise voting rights in the share. The participant also has the right to request the release of the share from the MEREP Trust, subject to the vesting and forfeiture provisions of the MEREP. A DSU represents a right to receive on exercise of the DSU either an MGL share held in the Trust or a newly issued MGL share (as determined by MGL in its absolute discretion) for no cash payment, subject to the vesting and forfeiture provisions of the MEREP. A MEREP participant holding a DSU has no right or interest in any share until the DSU is exercised. MGL may issue shares to the Trustee or direct the Trustee to acquire shares on-market, or via a share acquisition arrangement for potential future allocations to holders of DSUs. The MEREP awards will vest over periods from three to five years for most Executive Directors, three to seven years for Designated Executive Directors (members of the Operations Review Committee and other Executive Directors with significant management or risk responsibility) and two to four years for other staff, including staff promoted to a Director level. Upon vesting, the shares issued will be fully paid ordinary Macquarie Group Limited shares (symbol: MQG, listed on the Australian Securities Exchange).

Note 11. Related Party Transactions

The Company has transactions with the Parent and its affiliates that arise from both the daily operations of the Company and specific transactions, including the performance of administrative services, allocation of expenses, and the execution of securities transactions.

Assets and receivables from the Parent and affiliated companies as of September 30, 2020 are comprised of the following:

Receivable from broker-dealers and clearing organizations	$	20,178
Receivable from customers		784,749
Receivable from non-customers		4,729,405
Securities borrowed		30,514,372
Receivable from affiliates		5,001,069
	$	41,049,773

Liabilities and payables to the Parent and affiliated companies as of September 30, 2020 are comprised of the following:

Payable to broker-dealers and clearing organizations	$	595,646
Payable to customers		20,178
Payable to non-customers		2,600,667
Payable to parent and affiliates		12,527,172
	$	15,743,663

Note 12. Risk, Commitments, and Contingencies

The Company acts as agent to execute and clear all of its Australian securities transactions through Macquarie Securities (Australia) Limited, Asian securities transactions through Macquarie Bank Limited Hong Kong branch, and European securities transactions through Macquarie Capital (Europe) Limited, all of which are affiliated entities. Pursuant to the terms of the agreements between the Company and its clearing brokers, the clearing brokers have the right to charge the Company for losses that result from a counterparty's failure to fulfill its obligations. As the right to charge the Company has no maximum amount and is applied to all trades executed through the clearing brokers, the Company believes there is no maximum amount assignable to this right. As the liability is not estimable at September 30, 2020, the Company did not record a liability with regard to this obligation. The Company has the ability to pursue collection from or performance of the counterparty. The Company's policy is to monitor the credit standing of the clearing brokers and all counterparties with which it conducts business.

The Company is a member of a U.S. clearinghouse and as a member may be required to pay a proportionate share of the financial obligations of another member should that member default on its obligations. The Company's potential obligation is not quantifiable and may exceed the value of cash and securities held at the clearinghouse. As the likelihood of this is remote, no liability has been recorded on the Statement of Financial Condition.

In the normal course of business the Company enters into contracts that contain a variety of representations and warranties, which provide general indemnifications. The Company's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Company that have not yet occurred. However, based on experience, the Company expects the risk of loss to be remote and has not recorded an associated liability as of September 30, 2020.

The Company may be exposed to credit risk regarding its cash and receivables, which are primarily receivable from financial institutions, including investment managers, banks and broker-dealers.

COVID-19 was declared a world-wide pandemic by the World Health Organization in March 2020. Although this pandemic has resulted in an increase in volatility within global markets, the Company did not experience material impacts to its financial position as of September 30. The Company is monitoring risks closely in accordance with its policies and governance.

Note 13. Legal and Regulatory Matters

The Company is routinely involved in a number of judicial, regulatory and arbitration proceedings concerning matters arising in connection with the conduct of the Company's businesses. Certain of the actual or threatened legal actions include claims for substantial compensatory and/or punitive damages or claims for indeterminate amounts of damages. The Company has established accruals for certain of its currently outstanding legal proceedings. In accordance with the provisions of U.S. GAAP for contingencies, the Company accrues for a litigation-related liability when a loss contingency is probable as of the balance sheet date and the amount of the loss can be reasonably estimated. The Company evaluates its outstanding legal proceedings periodically to assess the adequacy of its litigation accruals based on management's best estimate after consultation with counsel. Such accruals are adjusted from time to time as appropriate based on current developments.

In view of the inherent difficulty of predicting the outcome of legal proceedings, the Company cannot state what will be the eventual outcomes of the currently pending matters, the timing of their ultimate resolution or the eventual losses, fines, penalties or consequences related to those matters. The Company considers the accrued amount the best estimate based on the information available at this time. While the Company believes this estimate to be reasonable and probable, the final outcome may vary significantly from this estimate.

The Company records accruals based on management's estimate, taking into consideration current information and legal advice. Although it is reasonably possible that an incremental amount may arise which is higher than an accrual, an estimate of such incremental loss cannot be made.

Note 14. Regulatory Requirements

As a broker-dealer, the Company is subject to the Uniform Net Capital Rule ("Rule 15c3-1") under the SEC Act that requires the maintenance of minimum net capital in accordance with a formula set forth therein.

The Company calculates net capital under the alternative method permitted by Rule 15c3-1 which requires the Company to maintain net capital, as defined, of the greater of 2% of aggregate debit balances arising from customer transactions pursuant to Rule 15c3-3 under the SEC Act, or $250,000. At September 30, 2020, the Company had net capital of $180,031,117 which was $179,781,117 in excess of the required minimum net capital.

The Company is also subject to Rule 15c3-3 under the SEC Act, which requires the Company to maintain cash or qualified securities in a segregated reserve account for the exclusive benefit of customers. In accordance with Rule 15c3-3, the Company had cash and securities segregated for the exclusive benefit of customers of $9,000,001 at September 30, 2020.

During the period ended September 30, 2020, the Company did not have assets in the proprietary accounts of its introducing brokers ("PAB"). As such, no cash or securities were required to be held in the reserve bank account at September 30, 2020 for this purpose under Rule 15c3-3.

Note 15. Income Taxes

The Company is a member of the Parent's tax consolidated group ("consolidated group") for U.S. federal income tax purposes and a member of several unitary and combined groups for state and local income tax purposes. Federal and state income taxes as well as benefits for federal and state net operating losses are allocated based on a formal tax sharing agreement between the Company and the Parent. All balances are settled with the Parent.

The consolidated federal and combined state and local tax returns are subject to audits by relevant taxing authorities. As of the date of issuance of this financial statement, the Internal Revenue Service ("IRS") has completed its examination of the U.S. federal consolidated group for tax years ended March 31, 2012 and March 31, 2013.

There are also various state and city tax examinations underway. New York State is examining the combined group for tax years ended March 31, 2008 to March 31, 2011 and March 31, 2012 to March 31, 2015. New York City is examining the combined group for tax years ended March 31, 2011 to March 31, 2015. Pennsylvania is examining the MHUSA separate company return and Illinois is examining the combined group for tax years ended March 31, 2015 and March 31, 2016.

On March 27, 2020, the 'Coronavirus Aid, Relief, and Economic Security Act' was enacted and includes changes to US Federal Tax rules, especially as they relate to carry-back of tax losses and other tax administrative matters. Based on preliminary guidance from the Internal Revenue Service, the Company has included $1,854,578 tax benefit on the carry-back of Net Operating Losses to the fifth preceding tax year, a year in which the Federal tax rate was 35%. This benefit is included in the Receivable from affiliates on the Statement of Financial Condition.

Deferred taxes result from temporary differences between tax laws and financial accounting standards. Temporary differences primarily include goodwill, intangible amortization expenses and intercompany prepaid services expenses that are not currently realizable for tax purposes. These result in a net deferred tax asset of $5,551,296 which is included on the Statement of Financial Condition.

The Company uses the separate company method of tax allocation as modified for benefits-for-loss. This approach modifies the "separate return method", a method that allocates current and deferred taxes to members of the group by applying Accounting Standards Codification ("ASC") Topic 740, Income Taxes, to each member as if it were a separate taxpayer, so that net operating losses (or other current or deferred tax attributes) are characterized as realized (or realizable) by the subsidiary when those tax attributes are realized (or realizable) by the consolidated group even if the subsidiary would not otherwise have realized the attributes on a stand-alone basis.

Valuation allowance

The Company assesses its ability to realize deferred tax assets primarily based on the future earnings potential and the reversal of taxable temporary differences when recognizing deferred assets. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. The Company has determined that it is more likely than not that they will realize their deferred tax assets. Therefore, the Company does not have a valuation allowance.

Note 15. Income Taxes (continued)

Accounting for Uncertainty in Income Taxes

The Company accounts for uncertain tax positions by prescribing a recognition threshold and a measurement attribute for the financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more-likely-than-not to be sustained upon examination by taxing authorities for the period ended September 30, 2020.

The Company did not record any liability relating to potential exposure for tax, interest and penalties related to uncertain tax positions for the period ended September 30, 2020.

Note 16. Subsequent Events

The Company has evaluated subsequent events through November 23, 2020, the date this financial statement was available to be issued. The Company did not have any significant subsequent events to report.