



Macquarie Commodities and Global Markets

Costs and Charges Disclosure
Statement for Professional
Clients and Eligible
Counterparties

May 2020



1. Introduction

This disclosure statement contains appropriate information on costs and charges related to certain financial instruments and investment and ancillary services recommended or marketed by Macquarie's Commodities and Global Markets Group, acting through Macquarie Capital (Europe) Limited, Macquarie Bank International Limited, Macquarie Bank Limited (London Branch) and Macquarie Bank Europe Designated Activity Company (in each case "Macquarie").

2. Scope of Disclosure Statement

The financial instruments covered by this disclosure statement are

- cash equities,
- bonds (secondary market trading) and repos thereof,
- futures (exchange-traded derivatives)
- and transactions resulting from client orders related to MTF/OTF products,
- and over-the-counter ("OTC") derivatives.

This disclosure statement is not exhaustive, and is supplementary to any additional information on costs and charges that may be provided to you, as well as any particular trading terms or agreement, including the [Terms and Conditions of Investment Business](#), which you may receive on occasion from Macquarie. This disclosure statement may be amended by Macquarie as necessary.

Where Macquarie provides you with additional information on costs and charges in relation to particular products or services - for example in a specific cost schedule, a term sheet, or a transaction document - the costs and charges information for those products or services will be as set out in such other documents. If there is a conflict between the provisions of such document and these terms, clients should use the costs and charges information in that bespoke disclosure.

When transacting in the financial instruments covered by this disclosure with you, you may incur:

- costs or charges related to investment services provided to you by Macquarie (e.g. commissions);
- the price of the financial instrument; and
- payments to third parties (e.g. exchange fees).

For the products covered herein, this disclosure statement sets out the methodology used to calculate applicable costs and charges. On your request, and where required by applicable law, Macquarie will provide an itemised breakdown of such costs and charges to you.

3. Methodology to calculate costs or charges related to investment services:

3.1 Commissions and Fees

Transaction Fees and Commissions

For some types of transactions, for example cash equities, bonds (secondary market trading), and futures (exchange-traded derivatives), Macquarie charges a commission or fee, which it agrees with you in advance of trading, as set out in documentation with you (e.g. fee schedules). These commissions or fees may be amended periodically in future. These commissions and fees will be reflected in relevant transaction documentation with you (e.g. a trade confirmation). If you are unsure of the amount, or how this commission is applied, please contact your Macquarie business contact for further details.

Clearing Service Fees

Our pricing structure for the provision of clearing services for OTC and exchange traded derivatives can be found under EMIR disclosures [here](#) on our website.

3.2 Payments to a Third Party

Third Party Fees

Depending on the transaction Macquarie undertakes with you, it may as a result incur a number of third-party costs or fees, such as exchange or venue fees, broker fees, or clearing fees. Macquarie may pass these costs onto you. These costs will be set out in relevant transaction documentation, such as confirmations.

You may be required to make payments directly to third parties (e.g. venue or exchange fees or software service provider fees) in order to enter into the relevant transaction with or benefit from the relevant service provided by Macquarie.

Taxes

There may be taxes or other public charges applied to your transaction. These may include, but are not limited to, Stamp Duty, UK PTM Levy, any Financial Transaction Tax (applied in certain applicable markets), or similar. For Macquarie Capital (Ireland) Designated Activity Company, this may include applicable Irish tax regulations. Any such charges are publicly available and may be reflected in transaction documentation depending on the tax or charge.

3.3 Price of Financial Instrument

All asset classes

This section applies to all financial instruments including exchange and OTC traded derivatives, cash equities bonds and fixed income transactions. The price of the financial instrument we execute with you will depend on the particular product. For example, the price of an option may be reflected in the premium paid and the strike price. For a swap, the price may be reflected in the agreed fixed or floating prices.

When calculating the price of a financial instrument, Macquarie takes into consideration:

- the value of the credit risk through the life of the derivative,
- the value of market instruments Macquarie will use to manage the market risk inherent in the derivative,
- and other costs and liabilities that Macquarie may incur in relation to the financial instrument.

The exact amount Macquarie will charge for these elements is not known until the point of entering into the transaction.

The amount may vary across asset classes and will be dependent on a number of factors, including but not limited to:

- market volatility and liquidity,
- market conditions,
- time of execution,
- the creditworthiness of the client,
- the nature and characteristics of the transaction including its duration or asset class (i.e. interest rates, commodities, foreign exchange, credit, equity, or other),
- currency of transaction (which may involve a currency conversation cost),
- our cost of funding and capital, or size, type and direction of the transaction. These amounts will be embedded within the price of the financial instrument and payments required under it.

Stock lending and Repo Transactions

When we enter into stock lending and repo transactions with you, we are dealing as principal on risk by committing our own capital. Therefore, we will agree with you a repo rate (for repos) or borrowing fee (for stock loans) in advance which represents our remuneration.

3.4 Costs Related to Ancillary or Other Services

Macquarie may charge you for ancillary or other services we provide you, such as research services, prime brokerage, clearing, and settlement. Any such fees will be agreed with you prior to us providing you such services and will be set out in a fee or pricing schedule. These fees may be amended periodically, and you will be notified of any changes.

4. Further Information

If you would like to discuss any questions you have in relation to this costs and charges disclosure statement, or wish to request further information on this topic, please contact your regular Macquarie commercial contact