

December 2023

Dear Client:

The purpose of this document is to provide you with several important disclosures regarding trading with Barclays Bank PLC (“BBPLC”), Barclays Capital Inc. (“BCI”), and their respective affiliates (collectively with BBPLC and BCI, “Barclays”). While we recognize that not all of these disclosures will be applicable to your specific trading activities, we ask that you read this letter carefully and in conjunction with any applicable FAQs or further disclosures provided by Barclays. Please contact your Barclays sales representative if you have any questions.

## **I. Disclosures Applicable to All Barclays Trading Clients**

### **Capital Commitment**

FINRA Rule 5270 generally prohibits a broker dealer, such as BCI, from trading for its own account when in possession of material, non-public market information concerning an imminent client block transaction. The rule’s front running prohibitions apply to transactions in securities, to trades in related financial instruments<sup>1</sup> and to securities underlying related financial instruments. FINRA provides an exemption to the rule within three broad categories of permitted transactions. Rule 5270 does not preclude transactions that: (1) a firm can demonstrate are unrelated to the customer block order, (2) are undertaken to fulfill or facilitate the execution of the customer block order, or (3) are executed on a national securities exchange and comply with the marketplace rules of that exchange.

Barclays’ cash equities and fixed income franchises maintain an inventory of securities and related financial instrument positions to provide you with the opportunity to execute your trades via capital commitment. In order to provide you with immediate liquidity and to effectively manage our risk, Barclays may trade as principal in fulfilling your order. In order to manage our risk, as well as to provide liquidity to other clients, Barclays may trade at the same time and at the same price level that we may be handling your orders. Barclays will trade along with your order in these products to the extent that our principal trading activity hedges or liquidates risk. In these situations, Barclays will follow customer instructions, honor best execution obligations, and seek fair and equitable allocations between client and principal orders. In addition, principal transactions executed within Barclays equities and fixed income franchises are subject to internal supervision and surveillance. If you have any questions on these practices, please contact your Barclays sales representative.

### **Pre-Hedging and Hedging Global Disclosure**

Barclays transacts and makes markets in multiple financial products and instruments. Unless otherwise expressly agreed or provided for in other applicable Barclays disclosures or required by law or regulation, Barclays conducts these activities as principal. When Barclays executes its principal transactions with you, it does so as an arm’s length counterparty and not as an agent. Barclays does not act as a fiduciary or financial or other advisor, or in any similar capacity, on your behalf in relation to these transactions. When you provide Barclays with specific information for the purpose of obtaining a quote or request Barclays to enter into a transaction as your counterparty, such information, along with all other information available to Barclays, may (subject to applicable law) be used by Barclays to engage in its trading, market-making and risk management

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<sup>1</sup> For further information on “related financial instruments”, see FINRA Rule §5270(c).

activities, including pre-hedging and hedging activities, without further disclosure to you. Any pre-hedging or hedging transactions will be entered into with a view to managing Barclay's risk and facilitating your transaction and may be executed before, during and/or after receiving a pricing request or order from you from you. Any pre-hedging and hedging transactions entered into by Barclays could be at different prices from the price at which Barclays executes your transaction, may affect the market prices or rates of, or liquidity for, the financial products or instruments you are buying or selling which may result in profit or loss to you or a profit or loss to Barclays.

### **Financial Benchmark Reform**

We may transact in or clear products that are linked to USD LIBOR, EURIBOR or other similar interest rate benchmarks. These benchmarks are subject to regulatory scrutiny and reform, with the effect that they may cease to be calculated during the term of any relevant products or may be replaced with another rate. Noting that USD LIBOR will cease to be published in its current form end June 2023.

During this period of transition, liquidity of impacted products may vary. For example, new reference rates may be less liquid, particularly for some currencies, as trading volumes may be lower compared to the historic volumes of the benchmarks they replace. Products linked to USD LIBOR, EURIBOR or other similar interest rate benchmarks may be less liquid in circumstances where the broader market moves to the new replacement rates.

Whilst global regulators and industry bodies have aimed to minimise value transfer in the transition process, the consequences of transition are still unpredictable and may have an adverse impact on any products linked to or referencing any of these benchmarks or their replacement rates, which is why actively negotiated transition of contracts ahead of the respective cessation dates and signing up to relevant industry negotiated protocols have been encouraged by the global regulators.

If you are entering into or clearing transactions referencing a benchmark to hedge another product, there is no guarantee that the impact or timing of reform will be the same for each product. In addition, methodologies for adjusting spreads and/or determining a replacement rate may vary. You bear the risk of a mismatch.

We currently still make submissions and contribute to or participate in certain interest rate benchmarks including USD LIBOR (until June 30, 2023) and EURIBOR. While we may enter into transactions linked to or referencing those benchmarks (in the case of USD LIBOR, in line with allowable use cases set out under the UK Financial Conduct Authority's prohibition notice), we make no commitment to you that we will continue to contribute to an interest rate benchmark for the life of any transaction we have with you.

You will find additional information (including about the potential risks of using benchmarks subject to reform or cessation) and useful links available through our [Preparing for benchmark interest rate reform](#) website, which we update regularly.

### **Central Securities Depositories Regulation – Settlement Discipline Penalty Regime**

The EU Central Securities Depositories Regulation regime on settlement discipline has come into effect. To the extent that you settle in-scope transactions that are (i) admitted for trading on a trading venue in the European Economic Area ("EEA") or (ii) cleared through an EEA CCP on an EEA CSD, settlement failures may now accrue cash penalties as set out under the settlement discipline regime. Barclays may pass such penalties onto you where it deems, in its reasonable discretion, that the settlement failure was as a result of your actions.

### **Rule 15c3-5 and Market Access**

Rule 15c3-5 requires broker-dealers with or providing access to trading securities on exchanges or alternative trading systems (“ATSs”) to establish, document, and maintain a system of risk management controls and supervisory procedures reasonably designed to manage the financial, regulatory and other risks in connection with market access. BCI has developed controls which will reject or block orders that exceed previously defined risk parameters.

### **Phone Recording**

Barclays may record live phone conversations involving our sales and trading personnel. Please note that your employees’ participation in such calls constitutes consent to such recording where consent is required under applicable law.

### **Investor Education and Protection**

BrokerCheck provides investors with the ability to research the professional backgrounds, business practices and conduct of FINRA-registered brokerage firms and brokers. In connection with this program, investors may call the BrokerCheck Hotline at (800) 289-9999 and visit the FINRA website at: <http://www.finra.org/Investors/ToolsCalculators/BrokerCheck/>. An investor brochure that includes information describing the FINRA BrokerCheck program is available from either of these sources.

### **Barclays Client Relationship**

Barclays views each client relationship holistically, across the entire range of products and services that Barclays provides. Our return objectives are often set on the entirety of this activity, rather than on the returns for a single product or service. As such, while it is possible that one or more of a client’s activities or transactions with a given Barclays business line could be conducted at prices more or less favorable than what other market participants might be showing at that time, we strive to ensure that the overall relationship is one that meets the client’s and our expectations.

### **Barclays Data Analysis**

Barclays’ personnel may have access to, and use information, including, but not limited to, your orders (i.e., orders executed in full or part, cancelled, or expired), indications of interest, quotes, request for quotes, positions, trade and other data and analytics (collectively, “Data”). This Data may be used for market color reports, analytical tools, trade idea generators, risk management strategies, liquidity provision and other Barclays’ products and services. The nature of any Data provided to you may differ from that provided to others in terms of quantity, scope, methodology or otherwise and may be changed from time to time without notice to you. Barclays maintains a “need to know” standard, which provides that access to client specific information that is not anonymous is limited to those employees who have a “need to know” such information to perform their duties and to carry out the purpose for which the information is provided to them. Clients have the ability to opt out of having Data included in certain types of analysis. For additional information regarding Barclays’ use of Data, please contact your Barclays sales representative. For information regarding Barclays’ privacy practices with respect to personal information, please see Barclays’ Privacy Notice located at <https://home.barclays/privacy-policy/>.

Barclays may utilize third-party vendors for data storage, analysis and back office functions. These third parties may store data at Barclays’ locations, at a third-party location or on a cloud.

### **Barclays Market Analysis**

Barclays may provide certain business information to third parties that Barclays appoints to conduct market analysis and research for Barclays. We use these studies to assist us to understand our position in the market and tailor the service we provide to our clients. They are one of a number of tools which we use to monitor our performance. The information provided may include the identity of a client and Barclays’ revenue (including without limitation sales credits, commissions, commission equivalents and spreads) arising from business with that client on a product line or other basis over various time periods. The third parties may combine the

information they receive from Barclays with similar information received from other brokers and provide that combined information back to participating brokers on an aggregated basis. Barclays requires such third parties to enter into confidentiality agreements with Barclays requiring them to keep any information we disclose to them confidential and not to disclose it to any other party except in accordance with the rules of the relevant study. For additional information regarding Barclays' use of third-party marketing and research services or if you would like to opt out of having such business information included, please contact your Barclays sales representative. If you do not tell us that you wish to opt out, then by continuing to transact with Barclays you are deemed to have provided consent (on your own and your affiliates' behalf).

### **Securities Investor Protection Corporation ("SIPC") Notification**

All customers are advised that information about SIPC, including the SIPC brochure, may be obtained by contacting SIPC. SIPC may be contacted by phone, email or regular mail:

Securities Investor Protection Corporation  
1667 K St. N.W. Suite 1000  
Washington, D.C. 20006-1620  
Tel: (202) 371-8300  
Fax: (202) 223 -1679  
Email: asksipc@sipc.org

For more detailed information, please visit the SIPC website at [www.sipc.org](http://www.sipc.org).

### **Availability of FINRA Manual to Customers**

FINRA Rule 8110 requires that BCI make available to customers a current copy of the FINRA Manual for examination upon request. BCI may comply with this rule by maintaining electronic access to the FINRA Manual and providing customers with such access upon request. The FINRA Manual is available on the FINRA website at <https://www.finra.org/rules-guidance/rulebooks>.

## **II. Disclosures Applicable to BCI's Equities Clients**

BCI is registered as a broker-dealer with the United States Securities and Exchange Commission (the "SEC"). BCI is a member of the Financial Industry Regulatory Authority, Inc. ("FINRA") and is subject to the regulation of the SEC, FINRA and other SROs. While we recognize that not all of these disclosures will be applicable to your specific trading activities, we ask that you read this letter carefully and in conjunction with the documents provided at <http://www.barx.com/eqdisclosures>.<sup>2</sup>

### **Margin Disclosure**

<https://www.cib.barclays/content/dam/barclaysmicrosites/ibpublic/documents/investment-bank/margin-disclosure.pdf>

### **Options Disclosure**

<https://www.theocc.com/getmedia/a151a9ae-d784-4a15-bdeb-23a029f50b70/riskstoc.pdf>

### **Accessing Liquidity in the U.S. Equity Markets**

In today's increasingly fragmented U.S. equity markets, it is essential to have the ability to access multiple pools of liquidity quickly and efficiently. When executing orders on your behalf, BCI may utilize our order router and algorithms to access liquidity in both displayed and non-displayed venues, which include U.S. exchanges, ATSs, electronic communication networks ("ECNs"), single dealer platforms, internal desks within BCI and other broker-dealers. To improve overall execution quality, orders may be crossed anonymously with other client orders or a BCI's principal order in our ATS (discussed below) or our single dealer platform. When executing on your behalf, BCI may utilize our order router and various algorithms to fulfil your order, including

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<sup>2</sup> Please note that the information provided at [www.barx.com/eqdisclosures](http://www.barx.com/eqdisclosures) will be updated periodically. Clients should check back on a regular basis for the most up-to-date information.

algorithms that employ automated capital commitment to source liquidity. Given the variety of means that BCI may employ to provide your orders with any required best execution, and absent specific instructions to the contrary, your transactions may be executed on an agency basis, agency cross basis, riskless principal basis, principal basis or a combination of these. Specific information related to any order handled by Barclays is available upon request from your Barclays sales representative.

We are pleased to offer this full suite of order routing capabilities to further provide our clients with fast and efficient access to liquidity. For more information regarding our order handling and routing practices, we welcome you to review our disclosures at <http://www.barx.com/eqdisclosures>.

### **The Barclays ATS**

The Barclays ATS (“LX”) is the firm’s SEC-registered ATS in the United States. LX offers continuous and anonymous matching of orders. All orders executed by LX are executed at or within the National Best Bid or Offer (“NBBO”), with the exception of certain Inter-market Sweep Orders (“ISOs”) and other permitted exceptions under Regulation NMS.

For more information regarding LX, please see the Form ATS-N filed with the U.S. Securities and Exchange Commission (“SEC”), our Barclays ATS-LX FAQs and LX FIX Specification. A link to Barclays ATS-N filing and electronic copies of our LX FAQs and FIX Spec are available at <http://www.barx.com/eqdisclosures> or [www.fcc.gov](http://www.fcc.gov).

### **The Barclays Single Dealer Platform**

BARX Book is a single dealer platform (“SDP”) owned by BCI and hosted by Nasdaq’s Operations and Compliance Network (“Ocean”). BARX Book has been designed to allow clients access to Barclays’ principal liquidity. BARX Book is not an ATS as defined by SEC Regulation ATS.

### **Indications of Interest**

From time to time, clients may receive indications of interest (“IOIs”) from BCI. For information on how BCI categorizes its IOIs it sends to customers, please refer to the Indications of Interest disclosures located at <http://www.barx.com/eqdisclosures>.

### **SEC Rule 605 – Disclosure of Order Execution Information**

In accordance with SEC Rule 605, BCI publishes a monthly report regarding the execution quality of “covered orders” it receives in NMS stocks. This report is available at <http://vrs.vista-one-solutions.com> within one month after the end of the month addressed in the report. These statistics represent only a portion of our executed order flow, and as such, investors should take into account a variety of factors in evaluating execution quality.

### **SEC Rule 606 – Disclosure of Order Routing Information**

In accordance with SEC Rule 606(a), BCI publishes a quarterly report regarding its routing of non-directed customer orders in national market system securities and listed options. To obtain a copy of BCI’s SEC Rule 606(a) report, please use this link : [SEC Rule 606\(a\)](#).

Pursuant to SEC Rule 606(b)(1) and SEC Rule 606(b)(3), a customer may request information relating to BCI’s handling of orders submitted by that customer. These reports are provided free of charge. These reports include, without limitation, information identifying the venues to which the customer’s orders in national market system securities and listed options were routed for execution in the six months prior to the request and whether the orders were directed orders or non-directed orders.

For additional information regarding BCI’s compliance with SEC Rule 606 and to request a copy of the BCI’s SEC Rule 606(b)(1) and/or SEC Rule 606(b)(3) reports, please see : [Barclays Capital, Inc. Disclosure for SEC Rule 606.](#)

**Additional information regarding SEC Rule 606, including a link to the final rule adopting release, can be found on the SEC website, available here: [SEC Rule 606](#).**

#### **Regulation NMS - Rule 611 – The Order Protection Rule**

Rule 611 of Regulation NMS, the “Order Protection Rule” requires trading centers to establish, maintain and enforce written policies and procedures reasonably designed to prevent the execution of trades (“trading-through”) at prices which are inferior to “protected quotes” subject to certain exceptions. The Order Protection Rule applies to all NMS stocks.

The Order Protection Rule allows for certain exemptions which permit the execution of trades at prices that would otherwise constitute a trade-through. In cases where no exemption is available, BCI will generally employ an “intermarket sweep order” (“ISO”) to sweep the market and execute any better-priced quotations.

With regard to your orders that BCI executes on any principal, agency or riskless principal basis, BCI routes any required ISOs as immediate-or-cancel (“IOC”) orders. Unless otherwise agreed or as described in the following paragraph, BCI will pass through to your order all timely ISO fills priced better than the agreed-upon trade price and reduce the order quantity by such amount.

For certain client block facilitations where BCI simultaneously routes ISOs to execute against any protected quotation with a superior price, we *may* keep the better executions to help offset our risk. If you do not consent to BCI keeping these ISO executions, please contact your sales representative to opt out. This may limit BCI’s ability to offer block-sized facilitations.

#### **Regulation SHO – Unconditional Binding Contract**

For purposes of Regulation SHO, Barclays will treat client sell orders with guaranteed price commitments as an unconditional binding contract.

#### **SEC Rule 607 – Disclosure of Payment for Order Flow**

BCI may route customer equity orders to various exchanges, ATSS, including ECNs, and other market centers. Certain market centers offer cash credits/rebates for orders that provide or take liquidity to their books and inversely, there are market centers that charge explicit fees for orders that provide or take liquidity from their books. Periodically, the amount of credits/rebates that BCI receives from one or more such market centers may exceed the amount that BCI is charged. Under these limited circumstances, such payments would constitute payment for order flow.

For options flow, BCI may make a profit or lose money while fulfilling its market-making obligations on certain U.S. options exchanges. BCI may collect payment on options orders received from U.S. options exchanges via the SEC-approved marketing fee programs mandated by those exchanges.

#### **BCI relationship with DASH ATS**

BCI may utilize logic provided by DASH Financial Technologies to route customer equity listed options orders to U.S. options market centers. Certain market centers offer cash credits/rebates for orders that provide or take liquidity to their books; inversely, there are market centers which charge explicit fees for orders that provide or take liquidity from their books. Where the amount of credits/rebates that DASH receives from one or more such market centers based upon Barclays-related activity exceeds the amount DASH is charged for BCI-related activity, DASH may pass along the excess rebates/credits to BCI. Under these limited circumstances, such payments would constitute payment for order flow.

#### **FINRA Rule 5320 Disclosure - “Not Held” or “Held” Orders**

FINRA Rule 5320 generally prohibits a firm that accepts and holds a customer order that is eligible for protection from receiving executions for its own account at prices that would satisfy the customer order

without either providing the executions to the customer order or immediately thereafter executing the customer order up the size and at the same or better price at which the firm traded for its own account.

When you place an order with BCI for execution in the equities markets, you may specify that BCI handle your order on either a “not held” or a “held” basis. A “held” order means BCI does not exercise its professional judgment in handling your order and that you are expecting the order to be immediately executed. In designating your orders as “not held,” we will exercise our reasonable trading judgment with respect to the time and the price of execution consistent with any required duty of best execution. “Not held” orders are not afforded the protections of the rule. BCI may trade for its own account at prices equal to, or better than, those of a “not held” order. In general, unless explicitly agreed with BCI or as described in the following paragraph, BCI does not accept “held” orders from its institutional clients. BCI will systematically designate your orders as “not held” unless you advise us, and Barclays agrees, otherwise on an order-by-order basis.

SEC Rule 605 requires market centers trading NMS securities to make certain reports containing statistical information about “covered order” executions and routing. Within those reports, a market center must provide statistics related to “held” orders. Certain orders which are not considered “held” for purposes of FINRA Rule 5320 are treated by Barclays as “held” solely for purposes of SEC Rule 605. Specifically, all orders placed in LX by customers with a direct connection to LX (“direct-to-LX”) are included in Barclays’ Rule 605 Reports as “held” orders.

Not all “held” order flow is afforded protection under FINRA Rule 5320. BCI is permitted to receive executions for its own account at prices that would satisfy orders issued by “institutional accounts” (as defined in FINRA Rule 4512(c)). BCI is also permitted to receive such executions for its own account at prices that would satisfy large client orders (defined as an order for 10,000 shares or more with a value of \$100,000 or more). In either case, a client may override these exclusions by “opting in” to protection afforded by FINRA Rule 5320 by contacting your Barclays sales representative. Please contact your Barclays sales representative if you have questions regarding this provision.

Additionally, BCI has implemented and utilizes a system of internal information barriers that operate to prevent certain trading desks and/or aggregation units from obtaining knowledge of customer orders held by separate trading desks and/or aggregation units. Under FINRA Rule 5320, the trading desks and/or aggregation units that have been effectively walled off may continue to trade at prices that would satisfy customer orders held by separate trading desks or aggregation units.

### **Large Trader Reporting**

Rule 13h-1 Large Trader Reporting requires a person/entity that meets the definition of a Large Trader to: (1) identify itself to the SEC via filing of the Form 13H; (2) obtain a Large Trader ID (“LTID”) from the SEC; (3) provide their LTID to all executing and clearing registered broker-dealers through whom they transact in NMS securities and identify each account to which it applies. A Large Trader is defined as a person/entity whose transactions in NMS equity securities and listed options for their own account or any account for which they exercise discretion equal or exceed either: (a) 2 million shares or shares with a fair market value of \$20 million during any calendar day or (b) 20 million shares or shares with a fair market value of \$200 million during any calendar month.

### **Guaranteed Benchmark Orders**

BCI often receives single stock and program orders from clients where both parties contractually agree to transact at a guaranteed price based on a particular benchmark, such as the official closing price or the VWAP of such securities over a specified time period. We will generally attempt to offset the risk of such guarantees by transacting in the benchmark securities or in derivative instruments (options, futures or exchange-traded funds), although we may not try to fully hedge our exposure. Nonetheless, any resulting profit or loss from the hedge will accrue to BCI. Although it is possible that our hedging activities may influence the benchmark price, we will employ reasonable means to minimize market impact. Other principal or client activity executed by BCI in the same securities or related instruments may impact the benchmark and your execution price.

### **Blind Risk Bids**

Following a client's request for a bid on a blind risk portfolio, and after we commit to a price, we may engage in hedging activity. This is consistent with market practice and is done to hedge our potential exposure to offset the risk of such commitment. While these hedging activities may influence the prices you receive, we will employ reasonable efforts to minimize market impact. You may instruct us not to engage in such hedging; however, our bid price may reflect the additional risk of the capital commitment. Other principal or client activity executed by BCI in the same securities or related instruments may impact your execution price.

### **Trading on a Net Basis**

A "net" transaction means a principal transaction in which a market maker, after having received an order to buy (sell) an equity security, purchases (sells) the equity security at one price (from (to) another broker-dealer or another customer) and then sells to (buys from) the customer at a different price. We may handle orders from institutional customers on a net basis unless instructed otherwise on a blanket or order-by-order basis. If you have no objection to BCI executing orders on a net basis, as described, you need not respond to this letter. If you prefer that BCI not execute your orders on a net basis, please contact your Barclays sales representative.

### **Extended Hours Trading<sup>3</sup>**

The growth of extended hours trading gives customers the ability to trade stocks outside regular market hours. With the benefits extended hours trading provides come certain risks, including the following:

1. **Risk of Lower Liquidity.** Liquidity refers to the ability of market participants to buy and sell securities. Generally, the more orders and quotes that are available in a market, the greater the liquidity. Liquidity is important because with greater liquidity it is easier for investors to buy or sell securities, and as a result, investors are more likely to pay or receive a competitive price for securities purchased or sold. There may be lower liquidity during extended trading hours as compared to regular trading hours, including fewer market makers quoting during extended trading hours. As a result, your order may only be partially executed, or not at all.
2. **Risk of Higher Volatility.** Volatility refers to the changes in price that securities undergo when trading. Generally, the higher the volatility of a security, the greater its price swings. There may be greater volatility during extended trading hours as compared to regular trading hours. As a result, your order may only be partially executed, or not at all, or you may receive an inferior price during extended trading hours as compared to regular trading hours.
3. **Risk of Changing Prices.** The prices of securities traded during extended trading hours may not reflect the prices either at the end of regular trading hours, or upon the opening of regular trading hours the next business day. As a result, you may receive an inferior price during extended trading hours as compared to regular trading hours.
4. **Risk of Unlinked Markets.** Depending on the extended hours trading system or the time of day, the prices displayed on a particular extended hours system may not reflect the prices in other concurrently operating extended hours trading systems dealing in the same securities. Accordingly, you may receive an inferior price in one extended hours trading system than you would in another extended hours trading system.
5. **Risk of News Announcements.** Normally, issuers make news announcements that may affect the price of their securities outside regular trading hours. Similarly, important financial information is frequently announced outside of regular trading hours. These announcements may occur during extended trading hours, and if combined with lower liquidity and higher volatility, may cause an exaggerated and unsustainable effect on the price of a security.

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<sup>3</sup> The extended hours disclosure is applicable to all trading products inclusive of equities and listed options.

6. Risk of Wider Spreads. The spread refers to the difference between the price for which you can buy a security and the price for which you can sell it. Lower liquidity and higher volatility during extended trading hours may result in wider than normal spreads for a particular security.
7. Risk of Lack of Calculation or Dissemination of Underlying Index Value or Intraday Indicative Value (“IIV”) and Lack of Regular Trading in Securities Underlying Indexes. For certain products, an updated underlying index or portfolio value or IIV will not be calculated or publicly disseminated during extended trading hours. Since the underlying index or portfolio value or IIV is not calculated or widely disseminated during extended trading hours, an investor who is unable to calculate implied values for certain products during extended trading hours may be at a disadvantage to market professionals. Additionally, securities underlying the indexes or portfolios will not be regularly trading as they are during regular trading hours, or may not be trading at all. This may cause prices during extended trading hours to not reflect the prices of those securities when they open for trading.

### **Trading in Securities Subject to a Distribution**

Your ability to seek or accept allocations in certain public offerings may be limited by Rule 105 of SEC Regulation M, which prohibits a purchase in a public securities offering if the purchaser sold short the security subject to the offering within a specified period of time preceding the pricing of the offering (typically five business days). We rely on your obligation to understand and comply with the provisions of Rule 105 as it pertains to your trading activity when you seek or accept an allocation in a public securities offering from BCI.

In accordance with FINRA Rule 5131, BCI cannot accept and will reject any “held” market orders for the purchase of shares of an initial public offering (“IPO”) in the secondary market prior to the commencement of trading in the secondary market.

### **Potential Conflict of Interests for ETF Transactions**

BCI, as a full-service investment bank, may have potential conflicts of interest relating to the exchange-traded fund (“ETF”) that you may purchase from or sell to us. The following sets forth a non-exhaustive list of potential conflicts of interest:

1. BCI may act as an authorized participant in the purchase or sale of shares from an ETF and may, from time to time, receive a fee in connection with its role as an authorized participant.
2. BCI may have information about pending creations or redemptions of large blocks of ETF shares.
3. BCI may utilize its own capital to seed the formation of an ETF resulting in BCI owning a large position in the ETF prior to the ETF being available to other investors.
4. BCI may act as a market maker or block positioner in the ETF shares and will often buy or sell ETF shares for other customers or for its own account while you are selling or buying ETF shares. BCI may receive customary brokerage commissions, mark-ups/mark-downs, or other charges and fees from these transactions and, when acting as principal, may also benefit from any spread.
5. BCI may act as a market maker or block positioner in securities or other instruments that are held by the ETF or are part of the index whose performance the ETF seeks to track. In acting as market maker, BCI will often buy or sell securities, derivatives, or other instruments for other customers or for its own account without regard to whether the ETF or index is buying, selling or holding those securities, derivatives, or instruments.
6. BCI may act as counterparty to the ETF in connection with securities and derivatives transactions (including, but not limited to, swaps, forwards and options of all types). We may receive customary brokerage commissions, mark-ups/mark-downs, or other charges and fees from these transactions.

7. Barclays may publish research reports or otherwise express long-term or short-term views about an ETF, the index whose performance the ETF seeks to track, and/or the securities and other instruments that comprise the index.

Barclays' activities could negatively affect the performance of the underlying index and/or the price at which you will be able to transact in your ETF shares in the secondary market. Barclays' trading activities will, at times, be contrary to the trading activity of the ETF or ETF shareholders and Barclays' economic interests will, at times, be inconsistent with those of the ETF and ETF shareholders. It is also possible that our activities could result in substantial returns for Barclays while the value of the ETF shares declines.

Barclays has entered into a strategic investment in Doubleline ETF Advisor LP (the "ETF Advisor"), a platform through which Doubleline Capital LP ("Doubleline") will offer various ETFs to the public. Certain of these ETFs may offer exposure to indices owned or sponsored by Barclays and for which Barclays may receive a license fee or other economic benefit. Given these relationships, Barclays has a financial interest regarding the overall performance of the ETF Advisor. This financial interest may give rise to a potential conflict of interest with respect to ETFs offered by Doubleline through the ETF Advisor and for which Barclays acts as a market maker, block positioner, or authorized participant.

### **Regulation Best Interest and Recommendations to "Retail Customers"**

Regulation Best Interest (or "Reg BI") is an SEC regulation relating to broker-dealer standards of conduct. Reg BI generally requires that, when making a "recommendation" to a "retail customer" regarding a securities transaction or investment strategy involving securities, a broker-dealer must act in the retail customer's best interest and cannot place its own interest ahead of the customer's interests.

Reg BI defines the term "retail customer" very broadly to include all natural persons, and the legal representative of such natural persons, who: (A) receive a recommendation of a securities transaction or investment strategy involving securities from a broker-dealer, or natural person who is an associated person of a broker-dealer; and (B) use the recommendation primarily for personal, family, or household purposes. Some customers that qualify as an "institutional account" under FINRA Rule 4512(c) or an "institutional investor" under FINRA Rule 2210(a)(4) may be "retail customers" for purposes of Reg BI.

BCI offers brokerage services to a limited group of sophisticated "retail customers." Those brokerage services include: (1) buying and selling securities across a range of products (e.g., equities, derivatives, credit, structured and securitized products); (2) providing a variety of brokerage account types and services, including prime brokerage, cash, and margin accounts; and (3) lending securities and extending credit to clients to purchase securities. We refer to these services as our "Markets" business. While we provide research reports and market commentary to eligible Markets clients, we do not offer client-specific recommendations to any Markets client who meets the Reg BI definition of "retail customer."

In BCI's capacity as a broker-dealer, we also engage in investment banking activities, including acting as underwriter, initial purchaser, placement agent or in a similar capacity in connection with SEC-registered offerings and unregistered offerings and providing advisory services in connection with other corporate matters. These services are part of our "Investment Banking" business. We may make recommendations to "retail customers" in connection with the "Investment Banking" business.

BCI is not a registered investment advisor and does not offer investment advisory services that would require it to register as an investment advisor. All our brokerage services are provided on a non-discretionary basis, meaning that you are responsible for the ultimate decision regarding the purchase or sale of investments. It is important you understand that we will not, under any circumstances, provide on-going account monitoring services.

For additional information about the services that BCI offers to retail customers, including information relating to fees and conflicts of interest, please refer to our Form CRS available through our website, <https://www.cib.barclays/content/dam/barclaysmicrosites/ibpublic/documents/investment-bank/form-crs.pdf>.

### **III. Disclosures Applicable to Barclays Derivatives Clients**

#### **Options Disclosure Document**

Structured securities, derivatives, and options are complex instruments that are not suitable for all investors, may involve a high degree of risk, and may be appropriate investments only for sophisticated investors who are capable of understanding and assuming the risks involved. For listed options, prior to effecting an option transaction you should have received, read and understood the Characteristics & Risks of Standardized Options pamphlet found on The Options Clearing Corporation's website: <http://www.theocc.com/about/publications/character-risks.jsp>

#### **Handling of Listed Options**

When handling an order of 500 contracts or more on your behalf as agent, BCI may attempt to execute your order against contra orders that it solicited and may thereafter execute your order using the Chicago Board Options Exchange's ("CBOE") Solicitation Auction Mechanism. This functionality provides a single-priced execution, unless the order results in price improvement for the entire quantity, in which case multiple prices may result.<sup>4</sup>

When handling an order of 500 contracts or more on your behalf as agent, BCI may attempt to execute your orders against contra orders that it solicited and may thereafter execute your order using the International Securities Exchange's ("ISE") Solicited Order Mechanism. This functionality requires that your order is designated as "all-or-none" and provides a single-priced execution only, so that your entire order may receive a better price after being exposed to ISE's participants, but will not receive partial price improvement.<sup>5</sup> Orders not executed in full will not be executed at all by this mechanism.

#### **Professional Customer Designation for Listed Options**

Pursuant to the rules and regulations of certain U.S. options exchanges of which BCI is a member, BCI is required to identify certain customer orders as "professional orders," where appropriate. The orders of any customer that had an average of more than 390 orders in listed options per day for its account during any month of a calendar quarter must be marked as professional orders for the next following calendar quarter. If, during a quarter, an exchange identifies a customer for which orders are not being represented as professional orders but that has averaged more than 390 orders per day during a month, the exchange will notify the member and the member will be required to change the manner in which it is representing the customer's orders within five days. To comply with this requirement, BCI is required to review each customer's activity on at least a quarterly basis. This notice is to inform you that BCI will mark your orders as professional orders if you meet the above criteria. Brokers or dealers that route order flow to BCI have an obligation to review their client's order flow and ensure that any professional orders are appropriately marked.

#### **Tied Hedge Transactions**

When handling a listed option order of 500 contracts or more on your behalf, BCI may buy or sell a hedging stock, security futures or futures position following receipt of the option order but prior to announcing the option order to the trading crowd. The option order may thereafter be executed using the tied hedge procedures of the exchange on which the order is executed. These procedures permit the option order and hedging position to be presented for execution as a net-priced package subject to certain requirements. For further details on the operation of the procedures, please refer to CBOE Rule 5.87.07, which is available on the CBOE's website at: [www.cboe.org/legal](http://www.cboe.org/legal).

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<sup>4</sup> For further details on the operation of this mechanism, please refer to CBOE Rule 5.39, which is available at <https://www.cboe.com/us/options/regulation/>.

<sup>5</sup> For further details on the operation of this mechanism, please refer to ISE Rulebook – Options 3: Options Trading Rules, Section 11, which is available at <https://listingcenter.nasdaq.com/rulebook/ise/rules/ISE%20Options%203>.

### **Municipal Securities Rulemaking Board (MSRB) Brochure**

BCI is registered with the U.S. Securities and Exchange Commission (SEC) and the Municipal Securities Rulemaking Board (MSRB). An investor or municipal advisory client brochure describing the protections that may be provided by MSRB rules and how to file a complaint with an appropriate regulatory authority are available on the MSRB's website - [msrb.org](http://msrb.org).

### **Complaints:**

Please address complaints to your registered representative or to the attention of the Compliance Department.

Barclays Capital Inc.  
Attn: Compliance Department  
745 Seventh Ave  
New York, NY 10019  
1 212 526 7000

### **IV. Prime Derivatives Services Clearing Member Disclosures**

#### CFTC Disclosures

A paper copy will be provided upon request. Please contact [CFTCDisclosures@barclays.com](mailto:CFTCDisclosures@barclays.com). Additional information regarding how BCI invests and holds customer funds can be found on the NFA website. Financial information on all futures commission merchants is available from the CFTC.

[CFTC Prescribed Risk Statement](#)

[Barclays Bespoke Disclosure](#)

[NFA Securities Futures Disclosure](#)

[Part 190 Disclosure Regarding Separate Accounts](#)

[Other Relevant Disclosures](#)

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As always, Barclays endeavors to provide clients with the best possible execution experience and meet the high standards of execution quality that our clients expect. We hope you have found the above disclosures helpful in providing additional transparency and notice into certain trading activities. If you have any questions or concerns regarding any of the items above, or if you wish to discuss any other matter that is of importance to your trading success, please do not hesitate to contact your Barclays sales representative.

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