# Nanhua USA LLC
## (d/b/a Nanhua USA Futures LLC)

**Financial Statement and Supplementary Schedules Pursuant to**

**Regulation 1.10 of the Commodity Exchange Act**

**(Available for Public Inspection)**

**December 31, 2023**

# Nanhua USA LLC

## TABLE OF CONTENTS

**CFTC FORM 1-FR-FCM** 0005

| Name of Company: NANHUA USA LLC 0010 | Employer ID No: 46-3646807 0020 | NFA ID No: 0466494 0030 |
|---|---|---|
| Address of Principal Place of Business: 30 S Wacker Drive, Suite #3850, Chicago IL 60606 0050 | Person to Contact Concerning This Report: Yujie Wang 0040<br>Telephone No: 312-374-4893 0060<br>E-Mail Address: yujie.wang@nanhua-usa.com 0065 | |

1. Report for the period beginning 01/01/2023 0070 and ending 12/31/2023 0080

2. Type of report 0090 [X] Certified [ ] Regular quarterly/semiannual [ ] Monthly 1.12(b)
   [ ] Special call by: [ ] Other -- Identify:

3. Check whether 0095 [ ] Initial filing [ ] Amended filing

4. Name of FCM's Designated Self-Regulatory Organization: CME 0100

5. Name(s) of consolidated subsidiaries and affiliated companies:

| Name | | Percentage Ownership | | Line of Business | |
|---|---|---|---|---|---|
| | 0110 | 0.00 | 0120 | | 0130 |
| | 0140 | 0.00 | 0150 | | 0160 |
| | 0170 | 0.00 | 0180 | | 0190 |
| | 0200 | 0.00 | 0210 | | 0220 |
| | 0230 | 0.00 | 0240 | | 0250 |

The futures commission merchant, or applicant for registration therefor, submitting this Form and its attachments and the person whose signature appears below represent that, to the best of their knowledge, all information contained therein is true, correct and complete. It is understood that all required items, statements and schedules are integral parts of this Form and that the submission of any amendment represents that all unamended items, statements and schedules remain true, correct and complete as previously submitted. It is further understood that any intentional misstatements or omissions of facts constitute Federal Criminal Violations (see 18 U.S.C. 1001).

Signed on 02/23/2024

Manual signature Yujie Wang

Type or print name Yujie Wang

[X] Chief Executive Officer [ ] Chief Financial Officer Corporate Title ____________

[ ] General Partner [ ] Sole Proprietor

AUTHORITY: Sections 4c, 4d, 4f, 4g, 5a, 8a, and 17 of the Commodity Exchange Act (7 U.S.C. 6c, 6d, 6f 6g, 7a, 12a and 21)

R&J

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## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Member
of Nanhua USA LLC

### Opinion on the Financial Statement

We have audited the accompanying statement of financial condition of Nanhua USA LLC (the "Company") as of December 31, 2023 that you are filing pursuant to Regulation 1.10 under the Commodity Exchange Act, and the related notes (collectively referred to as the financial statement). In our opinion, the statement of financial condition presents fairly, in all material respects, the financial position of Nanhua USA LLC as of December 31, 2023 in conformity with accounting principles generally accepted in the United States of America.

### Basis for Opinion

This financial statement is the responsibility of Nanhua USA LLC's management. Our responsibility is to express an opinion on the Company's financial statement based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to Nanhua USA LLC in accordance with U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission, the Commodity Futures Trading Commission ("CFTC"), and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB and the auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the financial statement, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statement. We believe that our audit provides a reasonable basis for our opinion.

### Auditor's Report on Supplemental Information

The information in Supplementary Schedules ("the supplemental information") has been subjected to audit procedures performed in conjunction with the audit of Nanhua USA LLC's financial statement. The supplemental information is the responsibility of the Company's management. Our audit procedures included determining whether the supplemental information reconciles to the financial statement or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental information. In forming our opinion on the supplemental information, we evaluated whether the supplemental information, including its form and content, is presented in conformity with Regulation 1.10 of the Commodity Exchange Act. In our opinion, the Supplementary Schedules are fairly stated, in all material respects, in relation to the financial statement as a whole.

Ryan & Juraska LLP

We have served as Nanhua USA LLC's auditor since 2021.

Chicago, Illinois
February 23, 2024

**Nanhua USA LLC**
**(d/b/a Nanhua USA Futures LLC)**
**Statement of Financial Condition**
**As of December 31, 2023**

| | | |
|---|---|---|
| **ASSETS** | | |
| Cash | $ | 190,706 |
| Restricted cash | | 97,820 |
| Cash segregated at bank | | 861,882 |
| Deposits with exchange clearing organizations, segregated | | 372,405,266 |
| Guaranty fund with exchanges | | 10,276,959 |
| Intangible assets (fair value $2,089,500) | | 1,373,600 |
| Right of use asset | | 317,982 |
| Property and equipment, net (of accumulated depreciation $182,423) | | 37,197 |
| Other receivables | | 983,028 |
| Other assets | | 139,083 |
| **TOTAL ASSETS** | **$** | **386,683,523** |
| | | |
| **LIABILITIES AND EQUITY** | | |
| Liabilities | | |
| Customer payable | $ | 341,472,731 |
| Non-customer payable | | 138,608 |
| Accounts payable, accrued expenses and other liabilities | | 3,239,815 |
| Lease liability | | 338,925 |
| Liabilities subordinated to claims of general creditors | | 5,000,000 |
| **TOTAL LIABILITIES** | **$** | **350,190,079** |
| | | |
| Member's equity | | 36,493,444 |
| **TOTAL LIABILITIES AND EQUITY** | **$** | **386,683,523** |

The accompanying notes are an integral part of this financial statement.

**Nanhua USA LLC**
**(d/b/a Nanhua USA Futures LLC)**
**Notes to Financial Statements**
**December 31, 2023**

## 1. COMPANY BACKGROUND INFORMATION

Nanhua USA LLC (d/b/a Nanhua USA Futures LLC) (the "Company") was organized on August 5, 2013 in the State of Delaware. Nanhua USA LLC is a single member limited liability company wholly-owned by Nanhua USA Holding LLC (the "Parent"). Nanhua USA Holding LLC is controlled and a wholly-owned subsidiary of HGNH International Financial Company Limited ("HGNH"). The Company's principal business activity is clearing exchange traded futures and options contracts for affiliates. The Company is a member of the National Futures Association ("NFA") and registered as a Futures Commission Merchant ("FCM") with the Commodity Futures Trading Commission ("CFTC"). The Company is a clearing member of the Chicago Mercantile Exchange ("CME"), the Chicago Board of Trade ("CBOT"), the New York Mercantile Exchange ("NYMEX"), the Commodity Exchange ("COMEX"), and the Dubai Mercantile Exchange ("DME"). The Company is in the process of becoming a clearing member of the Minneapolis Grain Exchange ("MGEX"). Additionally, the Company is in the process of obtaining ICE Futures U.S. ("ICEUS") membership and clearing status.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

**(1) Basis of Presentation:** The accompanying financial statement are presented in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") and is presented in U.S. dollars and reflect all adjustments which are, in the opinion of management, necessary consistent reporting of the financial position, for the period presented.

**(2) Use of Estimates:** The preparation of the financial statement in conformity with U.S. GAAP, requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement. Actual results could differ from these estimates.

**(3) Cash and Cash Equivalents:** The Company considers money market mutual funds and marketable securities with original maturities of ninety days or less to be cash equivalents. Cash equivalents include cash funds segregated or in separate accounts as required by the Commodity Exchange Act ("CEAct").

**(4) Restricted Cash:** Restricted cash represents $97,820 the Company has restricted to the extent that it serves as collateral for a letter of credit required by the Company's office lease agreement.

**(5) Revenue Recognition:** The Company recognizes its revenue in accordance with Financial Accounting Standards Board Accounting Standards Codification ("FASB ASC") Topic 606, Revenue from Contracts with Customers. Futures and options transactions and the related commission revenue and expenses are recognized on trade date. Dividend income, included in other income, is recognized on the ex-dividend date. Interest income is recognized on an accrual basis.

***Significant Judgments***

Revenue from contracts with customers includes commissions income. The recognition and measurement of revenue is based on the assessment of individual contract terms. Significant judgment is required to determine whether performance obligations are satisfied at a point in time or over time; how to allocate transaction prices where multiple performance obligations are identified; when to recognize revenue based on the appropriate measure of the Company's progress under the contract; and whether constraints on variable consideration should be applied due to uncertain future events.

***Commissions***

*Commissions.* The Company buys and sells futures and options contracts on behalf of its customers. Each time a customer executes a buy or sell transaction, the Company charges a commission. Commissions and related clearing expenses are recorded on the trade date (the date that the Company fills the trade order by finding and contracting with a counterparty and confirms the trade with the customer). The Company believes that the performance obligation is satisfied on the trade date because that is when the underlying financial instrument or purchaser is identified, the pricing is agreed upon and the risks and rewards of ownership have been transferred to/from the customer.

**(6) Translation of Foreign Currencies:** Assets and liabilities denominated in foreign currencies are translated to U.S dollars at year-end exchange rates.

**(7) Property and Equipment:** Property and equipment are depreciated over the estimated useful lives of the assets using straight-line methods. Leasehold improvements are amortized over the term of the associated lease.

**(8) Intangible Assets:** Intangible assets consist of memberships in exchanges of CME Group Inc. that represent the right to conduct business on the exchanges as well as clearing privileges. The exchange memberships are carried at cost and are evaluated periodically for impairment.

**(9) Securities Owned:** The Company accounts for securities in accordance with FASB ASC 820.

See (12). The Company had assets requiring disclosure under FASB ASC 820 as of December 31, 2023, see (12).

**(10) Payable to Customers:** Payable to customers arise primarily from futures and options on futures transactions and include gains and losses on open trades. Securities, primarily U.S. Government obligations, owned by customers, from time to time, and held by the Company as collateral or as margin and the fair value of customers' options positions are not reflected in the statement of financial condition.

**(11) Income Taxes:** The Company is a single member LLC which has elected to be taxed as a corporation. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to difference between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Deferred income tax expense represents the change during the period in the deferred tax assets and deferred tax liabilities. Valuation allowances are recorded to reduce deferred tax assets when it is more likely than not that a tax benefit, or portion thereof will not be realized. As of December 31, 2023, there is a net deferred tax asset as it relates to state income tax and it is fully reserved.

The Company recognizes and measures its unrecognized tax benefits or liabilities in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 740, Income Taxes. Under this guidance the Company estimates the likelihood, based on their technical merit, that tax positions will be sustained upon examination based on the facts, circumstances, and information available at the end of each period. The level of unrecognized tax benefits or liabilities is adjusted when there is more information available, or when an event occurs that requires a change. The Company applied this accounting policy to the tax positions for all open years. The Company did not have any unrecognized tax positions as of December 31, 2023.

As of December 31, 2023, the Company did not have federal net operating loss (NOL) carryforwards available to offset future taxable income, however, the Company did have state NOL of approximately $1.5 million. This net operating loss carryforward will expire in varying amounts beginning in 2038. The Company's net deferred income tax asset was approximately $640,000. Due to the uncertainty surrounding realization of the deferred income tax asset in future periods, the Company has recorded a 100% valuation allowance against its net deferred income tax assets. If it is determined in the future that it is more likely than not that the deferred income tax asset is realizable, the valuation allowance will be reduced. The Company has accrued tax payable of $7,015, included in accounts payable, accrued expenses and other liabilities on the Statement of Financial Condition for the year ended December 31, 2023.

The Company's federal tax rate is 21% and the state tax rate is 9.5% for the year ended December

31, 2023. The Company's effective income tax rate generally varies from the statutory tax rate due to certain expenses which are nondeductible in the calculation of taxable income, statutory alternative minimum tax requirements, and differences in estimates from actual expenses used to calculate the tax provision within a specific year.

**(12) Fair Value Measurements:** Fair value accounting guidance defines fair value, establishes a framework for measuring fair value under U.S. GAAP and expands disclosures about fair value measurements for both financial and non-financial assets. It also provides a fair value hierarchy gives the highest 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 measurement) and the lowest priority to unobservable inputs (level 3 measurements).

**Fair Value Hierarchy**

The three levels of the fair value hierarchy are described as follows:

**Level 1** Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Company has the ability to access.

**Level 2** Inputs to the valuation methodology include the following:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from, or corroborated by, observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

**Level 3** Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. There were no material assets or liabilities measured at fair value on a recurring basis as of December 31, 2023.

**<u>Non-financial assets and liabilities measured at fair value on a nonrecurring basis.</u>** Certain assets and liabilities are measured at fair value on a nonrecurring basis; that is, the assets and liabilities are not measured at fair value on an ongoing basis but are subject to fair value adjustments in certain circumstances such as when there is a business acquisition or evidence of impairment. No material fair value adjustments or fair value measurements were required for non-financial assets or liabilities during the year ended December 31, 2023.

At December 31, 2023, Deposits with exchange clearing organizations, segregated included U.S. government securities and money market mutual funds with exchanges, these securities are valued at market value of $149,339,059 and $141,843,557 respectively. Guaranty fund with exchanges include U.S. government securities valued at market at December 31, 2023. The following table summarizes the Company's financial instruments at fair value hierarchy levels, as of December 31, 2023:

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Deposits with exchange clearing organizations, segregated | $ 291,182,616 | $ - | $ - | $ 291,182,616 |
| Guaranty fund with exchanges | $ 5,977,992 | | | $ 5,977,992 |
| | $ 297,160,608 | $ - | $ - | $ 297,160,608 |

**(13) Financial Instruments**

In June 2016, the FASB issued ASU 2016-13 Financial Instruments – Credit Losses (Topic 326) ("ASU 2016-13"). This ASU amends several aspects of the measurement of credit losses on financial instruments, including replacing the existing incurred credit loss model and other models with the Current Expected Credit Loss model ("CECL"). Under CECL, the allowance for losses reflects management's estimate of credit losses over the remaining expected life of the financial assets and expected credit losses for newly recognized financial assets, as well as changes to expected credit losses during the period, would be recognized in earnings. Expected credit losses will be measured based on historical experience, current conditions, and forecasts that affect the collectability of the reported amount and will be generally recognized earlier than under current standards. ASU 2016-13 is effective for fiscal years beginning after December 15, 2022 and did not have a material impact for year ended December 31, 2023.

## 3. SEGREGATION REQUIREMENTS

Pursuant to requirements of the CEAct, funds deposited by customers relating to futures contracts in regulated commodities must be carried in separate bank accounts which are designated as segregated customers' accounts. Funds deposited by customers and other assets which have been segregated as of December 31, 2023, are shown as follows:

**Reconciliation of Cash Segregated at Bank per Statement of Financial Condition**

| | | | |
|---|---|---|---|
| Segregated Statement | Segregated cash at bank | $ | 504,487 |
| Secured 30.7 Statement | Secured cash at bank | | 357,395 |
| Statement of Financial Condition | Cash segregated at bank | $ | 861,882 |

**Reconciliation of Cash Segregated with Exchanges per Statement of Financial Condition and Segregated Statement**

| | | | |
|---|---|---|---|
| Seg. Stmt | Margins on deposit with exchanges | $ | 79,337,460 |
| Seg. Stmt | Net settlement from (to) exchanges | | 1,885,191 |
| Seg Stmt | Securities representing investment of customer funds with exchanges (at market) | | 291,182,615 |
| Stmt of Fin. Con. | Deposits with exchange clearing organizations, segregated | $ | 372,405,266 |

**Reconciliation of Segregated Funds with Clearing Organizations on Segregated Statements and Statement of Financial Condition**

| **Segregation Requirement** | **Segregated** | **30.7 Secured** | **Total** |
|---|---|---|---|
| Cash segregated | $ 318,665,606 | $ - | $ 318,665,606 |
| Open Trade Equity - SEG | 22,806,033 | 1,092 | 22,807,125 |
| Exchange traded options | 30,117,915 | - | 30,117,915 |
| **Amount required to be segregated** | **371,589,554** | **1,092** | **371,590,646** |
| | | | |
| **Funds in Segregated Accounts** | | | |
| Cash segregated at bank | 504,487 | 357,395 | 861,882 |
| Cash margins with exchanges / foreign FCM | 79,337,460 | | 79,337,460 |
| Securities representing invesment customer funds with excanges / foreign FCM | 291,182,616.00 | | 291,182,616 |
| Net settlement from (to) exchanges | 1,885,191 | - | 1,885,191 |
| **Subtotal - cash margins and settlement** | **372,909,754** | **357,395** | **373,267,149** |
| Exchange traded options | 30,117,915 | - | 30,117,915 |
| **Amount in segregation** | **403,027,669** | **357,395** | **403,385,064** |
| **Excess funds in segregation** | **$ 31,438,115** | **$ 356,303** | **$ 31,794,418** |

Customers' funds, regulated under the Commodity Exchange Act, as amended ("CEAct"), are required to be segregated from the funds of the Company and its employees.

Customers' segregated funds and equity of customers' regulated trading accounts, as shown in the Statement of Financial Condition, do not reflect the market value of options positions owned by customers. At December 31, 2023, the market value of net customers' options positions approximated $30,117,915.

## 4. DEPOSITS WITH EXCHANGE CLEARING ORGANIZATIONS, SEGREGATED

As of December 31, 2023, deposits with exchange clearings organizations consist of cash totaling $81,222,651, US government securities totaling $149,339,058, money market mutual funds totaling $141,843,557.

## 5. GUARANTEES AND INDEMNIFICATIONS

FASB ASC 460, Guarantees, requires the Company to disclose its obligations under certain guarantee arrangements. FASB ASC 460 defines guarantees as contracts and indemnification agreements that contingently require a guarantor to make payments to the guaranteed party based on changes in an underlying (such as an interest or foreign exchange rate, security or commodity price, an index or the occurrence or nonoccurrence of a specified event) related to an asset, liability or equity security of a guaranteed party. This guidance also defines guarantees as contacts that contingently require the guarantor to make payments to the guaranteed party based on another entity's failure to perform under an agreement as well as indirect guarantees of the indebtedness of others.

The Company is a member of exchanges that trade and clear futures contracts. Associated with its memberships, the Company may be required to pay a proportionate share of the financial obligations of another member who may default on its obligations to the exchange. Although the rules governing different exchange memberships vary, in general the Company's guarantee obligations would arise only if the exchange had previously exhausted its resources. In addition, any such guarantee obligation would be apportioned among the other non-defaulting members of the exchange. Any potential contingent liability under these membership agreements cannot be estimated. The Company has not recorded any contingent liability in the financial statement for these agreements and management believes that any potential requirement to make payments under these agreements is remote.

Any potential contingent liability under these membership agreements cannot be estimated. The Company has not recorded any contingent liability in the financial statements for these agreements and believes that any potential requirement to make payment under these agreements is remote.

## 6. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31, 2023:

| | | |
|---|---|---|
| Electronic equipment | $ | 78,981 |
| Furniture | | 81,477 |
| Leasehold improvements | | 59,162 |
| Subtotal | | 219,620 |
| Accumulated depreciation and amortization | | (182,423) |
| Property and equipment, net | **$** | **37,197** |

## 7. NET CAPITAL REQUIREMENT

As a registered futures commission merchant, Nanhua USA LLC is subject to the net capital requirements under the NFA and CFTC Regulation 1.17 and is required to maintain adjusted net capital equivalent to the greater of $1,000,000, the sum of 8% of customer and 8% of non-customer risk maintenance margin requirement on all positions, as these terms are defined. In addition, the Company is subject to minimum capital requirement of CME Group, Inc. As of December 31, 2023, the Company was required to maintain net capital equivalent of the greater of $5 million or 8% of the customer risk margin.

As of December 31, 2023 the Company was required to maintain minimum net capital, as defined, of $17,586,781. At December 31, 2023, the Company had adjusted net capital and excess net capital of $37,004,554 and $19,417,773, respectively. The minimum requirements may effectively restrict the payment of equity withdrawals.

## 8. FINANCIAL INSTRUMENTS

FASB ASC 815, Derivatives and Hedging requires qualitative disclosures about objectives and strategies for using derivatives, quantitative disclosures about fair value amounts of gains and losses on derivative instruments, and disclosures about credit risk related contingent features in derivative agreements. The disclosure requirements of FASB ASC 815 distinguish between derivatives, which are accounted for as “hedges” and those that do not qualify for such accounting. The Company reflects derivatives at fair value and recognizes changes in fair value through the statement of operations, and such do not qualify for FASB ASC 815 hedge accounting treatment. The Company does not engage in the proprietary trading of derivatives.

The Company engages in futures clearing activities in which counterparties will primarily include clearing organizations, other futures commission merchants, and other brokers. In the event counterparties do not fulfill their obligations, the Company may be exposed to risk. The risk of default depends on the creditworthiness of the counterparty. It is the Company’s policy to review, as necessary, the credit standing of each counterparty.

Futures contracts provide for the delayed delivery/receipt of securities or money market instruments with the seller/buyer agreeing to make/take delivery at a specified date, at a specified price. Fair value of futures contracts is included in deposits with exchange clearing organizations. The contractual or notional amounts related to the financial instruments reflect the volume and activity and do not reflect the amounts at risk. Futures contracts are executed on an exchange, and cash settlement is made on a daily basis for market movements. Accordingly, futures contracts generally do not have credit risk.

Option contracts grant the purchaser, for the payment of a premium, the right to either purchase from or sell to the writer a specified financial instrument under agreed terms. As a writer of options contracts, the Company receives a premium in exchange for bearing the risk of unfavorable changes in the price of the financial instruments underlying the options.

**Customer Activities:** The Company executes and clears customer transactions in the purchase and sale of commodity futures contracts (including options on futures contracts), substantially all of which are transacted on a margin basis subject to individual exchange regulations. Such transactions expose the Company to significant off-balance-sheet risk in the event the margin requirements are not sufficient to fully cover losses that customers may incur. In the event the customer fails to satisfy its obligations, the Company may be required to purchase or sell futures contracts at prevailing market prices in order to fulfill the customer’s obligations. The Company controls this risk by monitoring margin collateral levels on a daily basis, on an account-by-account basis, for compliance with regulatory and internal guidelines and requires additional collateral when necessary. The Company requires a customer to deposit additional margin collateral, or reduce positions, if it is determined that customer’s activities may be subject to above normal market risks. As of December 31, 2023, 96% of customer margin was from four omnibus accounts held with the Company.

**Concentration of Credit Risk:** As of December 31, 2023, a significant credit concentration of cash exceeded the Federal Deposit Insurance Corporation (“FDIC”) limit by approximately $800,000. The Company attempts to mitigate consisted of cash deposited in one bank. The balance in this risk by maintaining deposits with high quality financial institutions. In the event of the insolvency of the financial institution, the recovery of the Company’s funds may be limited to its pro-rata share of funds available. Management believes the Company does not have significant exposure to any credit risk on cash.

## 9. RELATED PARTY TRANSACTIONS

The Company and HGNH, related parties, have entered into a Management Service Agreement, as of December 31, 2023. At December 31, 2023, the Company has interest payable of $40,000 included in accounts payable, accrued expenses and other liabilities on the Statement of Financial

Condition.

The Company and Chicago Institute of Investment related parties, are respectively responsible for and bear a portion of the business costs of the office space, including rent, utilities, and office equipment and supplies, office devices, internet and communications, postage and printing and other expenses approved by the CEO in advance.

The Company executes and clears trades for customers of affiliated companies and the Company uses affiliated party clearing brokers to execute and clear futures and options transactions on exchanges where the Company is not a member. As of December 31, 2023 an amount of $138,608 was payable to non- On December 31, 2023 an amount of $257,388,887 was payable to related party customers.

Nanhua USA Holding, LLC, the Company's parent provides financing via a subordinated loan agreement (see Note 11). At December 31, 2023, the amount of the subordinated loan agreement with the Company's parent was $5 million.

## 10. COMMITMENTS

**Office Rental:** The Company conducts its operations in leased office facilities under noncancelable leases that expire at various dates through November 30, 2026. The leases are subject to escalation clauses based on the operating expenses of the lessors.

The Company recognizes and measures its leases in accordance with FASB ASC 842, Leases. The Company is a lessee in two non-cancelable operating leases, for office space. The Company determines if an arrangement is a lease, or contains a lease, at inception of a contract and when the terms of an existing contract are changed. The Company recognizes a lease liability and a right of use ("ROU") asset at the commencement date of the lease. The lease liability is initially and subsequently recognized based on the present value of its future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index or a rate. The discount rate is the implicit rate if it is readily determinable or otherwise the Company uses its incremental borrowing rate. The implicit rates of the leases are not readily determinable and accordingly, the Company uses its incremental borrowing rate based on the information available at the commencement date for all leases. The Company's incremental borrowing rate for a lease is the rate of interest it would have to pay on a collateralized basis to borrow an amount equal to the lease payments under similar terms and in a similar economic environment. The ROU asset is subsequently measured throughout the lease term at the amount of the remeasured lease liability (i.e., present value of the remaining lease payments), any impairment recognized. Lease cost for lease payments is recognized on a straight-line basis over the lease term.

The Company has elected to not recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less at lease commencement. The Company recognizes lease cost associated with its short-term leases on a straight-line basis over the lease term.

The Company has obligations as a lessee for office space with initial non-cancelable terms in excess of one year. The Company classifies these leases as operating leases. The Company's leases do not include termination options for either party to the lease or restrictive financial or other covenants. Payments due under the lease contracts include fixed payments plus, for one of the Company's leases, variable payments. The Company's office space leases require it to make variable payments for the Company's proportionate share of the building's property taxes, insurance, and common area maintenance. These variable lease payments are not included in lease payments used to determine lease liability and are recognized as variable costs when incurred.

Amounts reported in the Statement of Financial Condition as of December 31, 2023 were as follows:

| | |
|---|---|
| Right of use assets | $ 317,982 |
| Lease liabilities | $ 338,925 |

Other information related to office leases as of December 31, 2023 was as follows:

| | |
|---|---|
| Reductions to ROU assets resulting from reductions to lease obligations: | |
| Office leases | $ 101,469 |
| Weighted average remaining lease term: | |
| Office leases | 3 years |
| Weighted average discount rate: | |
| Operating leases | 3.5% |

Amounts disclosed for ROU assets obtained in exchange for lease obligations and reductions to ROU assets resulting from reductions to lease obligations include amounts added to or reduced from the carrying amount of ROU assets resulting from new leases, lease modifications or reassessments.

Maturities of lease liabilities under non-cancelable operating leases as of December 31, 2023 are as follows:

| | Chicago lease | DR lease |
|---|---|---|
| 2024 | 119,585 | 938 |
| 2025 | 122,574 | |
| 2026 | 115,082 | |
| Subtotal | 357,241 | $ 938 |
| Less inputed interest | (18,316) | |
| Total lease liabilities | $ 338,925 | |

The Company has a certificate of deposit for securing a letter of credit in the amount of $97,820, which has been delivered in connection with the Chicago office lease. The letter of credit expires March 31, 2027. The letter of credit is collateralized by the restricted cash.

## 11. LIABILITIES SUBORDINATED TO CLAIMS OF GENERAL CREDITORS

The Company entered into a subordinated loan agreement (Agreement) with its Parent. The subordinated borrowings are covered by agreements approved by the CME Group, Inc. and are thus available in computing net capital under the CEAct. To the extent that such borrowings are required for the Company's continued compliance with minimum net capital requirements, they may not be prepaid.

The Agreement has a maturity date of March 31, 2028. Under the terms of the Agreement, the loan bears a variable interest rate not to exceed 15% and not lower than 1%, per annum paid quarterly. The interest rate paid in 2023 was 15%. As of December 31, 2023, the Company has a subordinated loan outstanding of $5 million and interest payable of $383,209 at December 31, 2023, which included in accounts payable, accrued expenses and other liabilities on the Statement of Financial Condition.

## 12. SUBSEQUENT EVENTS

The Company's management evaluated events and transactions from December 31, 2023 through the date of this report, which is the date this financial statement was available to be issued, and did not note any material events requiring disclosure in the Company's financial statement.

## 13. SIMPLE IRA PLAN FOR EMPLOYEES

The Company's current retirement plan is a Simple Incentive Match Plan for Employees (SIMPLE) IRA by Fidelity. The Company matches up to 3% of an employee's salary each pay period if the employee contributes 3% or more.

# Supplementary Schedules

## Schedule I

| Name of Company: NANHUA USA LLC | Employer ID No: 46-3646807 | NFA ID No: 0466494 |
|---|---|---|

CFTC FORM 1-FR-FCM
STATEMENT OF THE COMPUTATION OF THE MINIMUM CAPITAL REQUIREMENTS
AS OF 12/31/2023

Net Capital

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 1. | Current assets (page 3, line 20) | | | | | $ 415,153,738 | 3000 |
| 2. | Increase/(decrease) to U.S. clearing organization stock to reflect margin value | | | | | 0 | 3010 |
| 3. | Net current assets | | | | | $ 415,153,738 | 3020 |
| 4. | Total liabilities (page 5, line 32) | | | $ 380,307,994 | 3030 | | |
| 5. | Deductions from total liabilities | | | | | | |
| | A. Liabilities subject to satisfactory subordination agreements (page 5, line 31.A) | $ 5,000,000 | 3040 | | | | |
| | B. Certain deferred income tax liability (see regulation 1.17(c)(4)(iv)) | 0 | 3050 | | | | |
| | C. Certain current income tax liability (see regulation 1.17(c)(4)(v)) | 0 | 3060 | | | | |
| | D. Long term debt pursuant to regulation 1.17(c)(4)(vi) | 0 | 3070 | | | | |
| | E. Total deductions (add lines 5.A. - 5.D.) | | | (5,000,000) | 3080 | | |
| | F. Adjusted liabilities (subtract line 5.E from line 4) | | | | | 375,307,994 | 3090 |
| 6. | Net capital (subtract line 5.F. from line 3) | | | | | $ 39,845,744 | 3100 |

Charges Against Net Capital (see regulation 1.17(c)(5))

| | | | |
|---|---|---|---|
| 7. | Excess of advances paid on cash commodity contracts over 95% of the market value of commodities covered by such contracts | $ 0 | 3110 |
| 8. | Five percent (5%) of the market value of inventories covered by open futures contracts or commodity options (no charges applicable to inventories registered as deliverable on a contract market and which are covered by futures contracts) | 0 | 3120 |
| 9. | Twenty percent (20%) of the market value of uncovered inventories or lesser percentage charge for uncovered balances in specified foreign currencies | 4,319 | 3130 |
| 10. | Ten percent (10%) of the market value of commodities underlying fixed price commitments and forward contracts which are covered by open futures contracts or commodity options | 0 | 3140 |
| 11. | Twenty percent (20%) of the market value of commodities underlying fixed price commitments and forward contracts which are not covered by open futures contracts or commodity options | 0 | 3150 |

See report of independent registered public accounting firm.
Note: There were no material differences between the preceding computation and the Company's corresponding unaudited Form 1-FR as of December 31, 2023, as amended.

12. Charges as specified in section 240.15c3-1(c)(2)(vi) and (vii) against securities owned by firm, including securities representing investments of domestic and foreign customers' funds:

| | | Market Value | | Charge | | | |
|---|---|---|---|---|---|---|---|
| A. | U.S. and Canadian government obligations | $ 155,317,051 | 3160 | $ 0 | 3170 | | |
| B. | State and Municipal government obligations | 0 | 3180 | 0 | 3190 | | |
| C. | Certificates of deposit, commercial paper and bankers' acceptances | 0 | 3200 | 0 | 3210 | | |
| D. | Corporate obligations | 0 | 3220 | 0 | 3230 | | |
| E. | Stocks and warrants | 0 | 3240 | 0 | 3250 | | |
| F. | Other securities | 141,843,557 | 3260 | 2,836,871 | 3270 | | |
| G. | Total charges (add lines 12.A. - 12.F.) | | | | | 2,836,871 | 3280 |

| | | | | | | |
|---|---|---|---|---|---|---|
| 13. | Charges as specified in section 240.15c3-1(c)(2)(iv)(F) | | | | | |
| A. | Against securities purchased under agreements to resell | | | | 0 | 3290 |
| B. | Against securities sold under agreements to repurchase | | | | 0 | 3300 |
| 14. | Charges on securities options as specified in section 240.15c3-1, Appendix A | | | | 0 | 3310 |
| 15. | Undermargined commodity futures and commodity options accounts - amount in each account required to meet maintenance margin requirements, less the amount of current margin calls in that account and the amount of any noncurrent deficit in the account | | | | | |
| A. | Customer accounts | | | | 0 | 3320 |
| B. | Noncustomer accounts | | | | 0 | 3330 |
| C. | Omnibus accounts | | | | 0 | 3340 |
| 16. | Charges against open commodity and cleared OTC derivatives positions in proprietary accounts | | | | | |
| A. | Uncovered exchange-traded futures, cleared OTC derivatives positions and granted options contracts | | | | | |
| i | percentage of margin requirements applicable to such contracts | $ 0 | 3350 | | | |
| ii | Less: equity in proprietary accounts included in liabilities | 0 | 3360 | | 0 | 3370 |
| B. | Ten percent (10%) of the market value of commodities which underlie commodity options not traded on a contract market carried long by the applicant or registrant which has value and such value increased adjusted net capital (this charge is limited to the value attributed to such options) | | | | 0 | 3380 |
| C. | Commodity options which are traded on contract markets and carried long in proprietary accounts. Charge is the same as would be applied if applicant or registrant was the grantor of the options (this charge is limited to the value attributed to such options) | | | | 0 | 3390 |
| 17. | Five percent (5%) of all unsecured receivables from foreign brokers | | | | 0 | 3410 |
| 18. | Deficiency in collateral for secured demand notes | | | | 0 | 3420 |
| 19. | Adjustment to eliminate benefits of consolidation (explain on separate page) | | | | 0 | 3430 |
| 20. | Total charges (add lines 7 through 19) | | | | $ 2,841,190 | 3440 |

See report of independent registered public accounting firm.

Note: There were no material differences between the preceding computation and the Company's corresponding unaudited Form 1-FR as of December 31, 2023, as amended.

Net Capital Computation

| | | | | |
|---|---|---|---|---|
| 21. Adjusted net capital (subtract line 20 from line 6) | | | $ 37,004,554 | 3500 |
| 22. Net capital required | | | | |
| A. Risk Based Requirement | | | | |
| i Amount of Customer Risk Maintenance Margin | $ 219,834,767 [3515] | | | |
| ii Enter 8% of line 22.A.i | | $ 17,586,781 [3525] | | |
| iii Amount of Non-Customer Risk Maintenance Margin | $ 0 [3535] | | | |
| iv Enter 8% of line 22.A.iii | | $ 0 [3545] | | |
| v Enter the sum of 22.A.ii and 22.A.iv | | $ 17,586,781 [3555] | | |
| B. Minimum Dollar Amount Requirement | | $ 1,000,000 [3565] | | |
| C. Other NFA Requirement | | $ 0 [3575] | | |
| D. Enter the greater of lines 22.A.v, 22.B. or 22.C. | | | $ 17,586,781 | 3600 |
| 23. Excess net capital (line 21 less line 22.D.) | | | $ 19,417,773 | 3610 |

Computation of Early Warning Level

24. If the Minimum Net Capital Requirement computed on line D (Box 3600) is: $ 19,345,459 [3620]

- The Risk Based Requirement, enter 110% of line 22.A.v. (3555), or
- The Minimum Dollar Requirement of $1,000,000, enter 150% of line 22.B. (3565), or
- The Minimum Dollar Requirement of $20,000,000 for FCMs offering or engaging in retail forex transactions or Retail Foreign Exchange Dealers ("RFED"), enter 110% of line 22.B (3565), or
- Other NFA Requirement for FCMs offering or engaging in retail forex transaction or Retail Foreign Exchange Dealers ("RFED"), as calculated on line 11.F (8210) of Exchange Supplementary Schedule, enter 110% of line 22.C. (3575), or
- Any other NFA Requirement, enter 150% of line 22.C. (3575)

This is your early warning capital level. If this amount is greater that the amount on line 21, you must immediately notify your DSRO and the Commission pursuant to section 1.12 of the regulations.

Guaranteed Introducing Brokers

25. List all IBs with which guarantee agreements have been entered into by the FCM and which are currently in effect . [3650]

See report of independent registered public accounting firm.
Note: There were no material differences between the preceding computation and the Company's corresponding unaudited Form 1-FR as of December 31, 2023, as amended.

**Schedule II**

**Nanhua USA LLC**
**(d/b/a Nanhua USA Futures LLC)**
**Reconciliation of Statement of Financial Condition to the**
**Statement of computation of the Minimum Capital Requirements**
**Year Ended December 31, 2023**

| | | |
|---|---|---|
| Total Assets per the Statement of Financial Condition | | $ 386,683,523 |
| Less: | | |
| Non-allowable assets | | |
| Restricted cash | 97,820 | |
| Intangible assets | 1,373,600 | |
| Property and equipment, net | 37,197 | |
| Other assets | 139,083 | |
| Total non-allowable assets | | 1,647,700 |
| Current assets excluding net option value | | **385,035,823** |
| Add: | | |
| Customer owned option value | | 30,117,915 |
| **Total current assets per statement of capital computation** | | **$ 415,153,738** |
| | | |
| Total Liabilities per the Statement of Financial Condition | | $ 350,190,079 |
| Add: | | |
| Subordinated borrowings | | (5,000,000) |
| Customer owned option value | | 30,117,915 |
| **Total adjusted liabilities per the statement of capital computation** | | **$ 375,307,994** |

See report of independent registered public accounting firm.

Note: There were no material differences between the preceding computation and the Company's corresponding unaudited Form 1-FR as of December 31, 2023, as amended

## Schedule III

| Name of Company: NANHUA USA LLC | Employer ID No: 46-3646807 | NFA ID No: 0466494 |
|---|---|---|

CFTC FORM 1-FR-FCM
STATEMENT OF SEGREGATION REQUIREMENTS AND FUNDS IN SEGREGATION
FOR CUSTOMERS TRADING ON U.S. COMMODITY EXCHANGES
AS OF 12/31/2023

SEGREGATION REQUIREMENTS (Section 4d(2) of the CEAct)

| | | | | | |
|---|---|---|---|---|---|
| 1. | Net ledger balance | | | | |
| | A. Cash | | | $ 318,665,606 | 5000 |
| | B. Securities (at market) | | | 0 | 5010 |
| 2. | Net unrealized profit (loss) in open futures contracts traded on a contract market | | | 22,806,033 | 5020 |
| 3. | Exchange traded options | | | | |
| | A. Market value of open option contracts purchased on a contract market | | | 38,259,650 | 5030 |
| | B. Market value of open option contracts granted (sold) on a contract market | | | (8,141,735) | 5040 |
| 4. | Net equity (deficit) (add lines 1, 2, and 3) | | | $ 371,589,554 | 5050 |
| 5. | Accounts liquidating to a deficit and accounts with debit balances - gross amount | $ 0 | 5060 | | |
| | Less: amount offset by customer owned securities | 0 | 5070 | 0 | 5080 |
| 6. | Amount required to be segregated (add lines 4 and 5) | | | $ 371,589,554 | 5090 |

FUNDS IN SEGREGATED ACCOUNTS

| | | | |
|---|---|---|---|
| 7. | Deposited in segregated funds bank accounts | | |
| | A. Cash | $ 504,487 | 5100 |
| | B. Securities representing investments of customers' funds (at market) | 0 | 5110 |
| | C. Securities held for particular customers or option customers in lieu of cash (at market) | 0 | 5120 |
| 8. | Margins on deposit with derivatives clearing organizations of contract markets | | |
| | A. Cash | 79,337,460 | 5130 |
| | B. Securities representing investments of customers' funds (at market) | 291,182,616 | 5140 |
| | C. Securities held for particular customers or option customers in lieu of cash (at market) | 0 | 5150 |
| 9. | Net settlement from (to) derivatives clearing organizations of contract markets | 1,885,191 | 5160 |
| 10. | Exchange traded options | | |
| | A. Value of open long option contracts | 38,259,650 | 5170 |
| | B. Value of open short option contracts | (8,141,735) | 5180 |
| 11. | Net equities with other FCMs | | |
| | A. Net liquidating equity | 0 | 5190 |
| | B. Securities representing investments of customers' funds (at market) | 0 | 5200 |
| | C. Securities held for particular customers or option customers in lieu of cash (at market) | 0 | 5210 |
| 12. | Segregated funds on hand (describe: ) | 0 | 5215 |
| 13. | Total amount in segregation (add lines 7 through 12) | $ 403,027,669 | 5220 |
| 14. | Excess (deficiency) funds in segregation (subtract line 6 from line 13) | $ 31,438,115 | 5230 |
| 15. | Management Target Amount Excess funds in segregation | $ 3,500,000 | 5240 |
| 16. | Excess (deficiency) funds in segregation over (under) Management Target Amount Excess | $ 27,938,115 | 5250 |

See report of independent registered public accounting firm.
Note: There were no material differences between the preceding computation and the Company's corresponding unaudited Form 1-FR as of December 31, 2023, as amended.

## Schedule IV

| Name of Company: | Employer ID No: | NFA ID No: |
|---|---|---|
| NANHUA USA LLC | 46-3646807 | 0466494 |

CFTC FORM 1-FR-FCM
STATEMENT OF SEGREGATION REQUIREMENTS AND FUNDS
IN SEGREGATION FOR CUSTOMERS' DEALER OPTIONS ACCOUNTS
AS OF 12/31/2023

| | | | | | |
|---|---|---|---|---|---|
| 1. | Amount required to be segregated in accordance with Commission regulation 32.6 | | | $ 0 | 5400 |
| 2. | Funds in segregated accounts | | | | |
| | A. Cash | $ 0 | 5410 | | |
| | B. Securities (at market) | 0 | 5420 | | |
| | C. Total | | | 0 | 5430 |
| 3. | Excess (deficiency) funds in segregation (subtract line 1. from line 2.C.) | | | $ 0 | 5440 |

The Company does not carry customers' dealer option accounts as defined by the Commodity Exchange Act Regulation 32.6. Therefore, the Company is exempt from the provisions of Regulation 32.6.

See report of independent registered public accounting firm.
Note: There were no material differences between the preceding computation and the Company's corresponding unaudited Form 1-FR as of December 31, 2023, as amended.

## Schedule V

| Name of Company: NANHUA USA LLC | Employer ID No: 46-3646807 | NFA ID No: 0466494 |
|---|---|---|

CFTC FORM 1-FR-FCM
STATEMENT OF SECURED AMOUNTS AND FUNDS HELD IN SEPARATE ACCOUNTS
PURSUANT TO COMMISSION REGULATION 30.7
AS OF 12/31/2023

FOREIGN FUTURES AND FOREIGN OPTIONS SECURED AMOUNTS

| | | | | | |
|---|---|---|---|---|---|
| | Amount required to be set aside pursuant to law, rule or regulation of a foreign government or a rule of a self-regulatory organization authorized thereunder | | | $ 0 | 5605 |
| 1. | Net ledger balance - Foreign Futures and Foreign Option Trading - All Customers | | | | |
| | A. Cash | | | $ 1,092 | 5615 |
| | B. Securities (at market) | | | $ 0 | 5617 |
| 2. | Net unrealized profit (loss) in open futures contracts traded on a foreign board of trade | | | $ 0 | 5625 |
| 3. | Exchange traded options | | | | |
| | A. Market value of open option contracts purchased on a foreign board of trade | | | $ 0 | 5635 |
| | B. Market value of open option contracts granted (sold) on a foreign board of trade | | | $ 0 | 5637 |
| 4. | Net equity (deficit) (add lines 1, 2, and 3) | | | $ 1,092 | 5645 |
| 5. | Accounts liquidating to a deficit and accounts with debit balances - gross amount | $ 0 | 5651 | | |
| | Less: amount offset by customer owned securities | $ 0 | 5652 | $ 0 | 5654 |
| 6. | Amount required to be set aside as the secured amount - Net Liquidating Equity Method (add lines 4 and 5) | | | $ 1,092 | 5655 |
| 7. | Greater of amount required to be set aside to a foreign jurisdiction (above) or line 6. | | | $ 1,092 | 5660 |

See report of independent registered public accounting firm.
Note: There were no material differences between the preceding computation and the Company's corresponding unaudited Form 1-FR as of December 31, 2023, as amended.

## Schedule V (Continued)

| Name of Company: | Employer ID No: | NFA ID No: |
|---|---|---|
| NANHUA USA LLC | 46-3646807 | 0466494 |

CFTC FORM 1-FR-FCM
STATEMENT OF SECURED AMOUNTS AND FUNDS HELD IN SEPARATE ACCOUNTS
PURSUANT TO COMMISSION REGULATION 30.7
AS OF 12/31/2023

FUNDS DEPOSITED IN SEPARATE REGULATION 30.7 ACCOUNTS

| | | | | | |
|---|---|---|---|---|---|
| 1. Cash in Banks | | | | | |
| A. Banks located in the United States | | $ 357,395 | 5700 | | |
| B. Other banks qualified under Regulation 30.7 | | | | | |
| Name(s): See Attached | 5710 | 0 | 5720 | $ 357,395 | 5730 |
| 2. Securities | | | | | |
| A. In safekeeping with banks located in the United States | | $ 0 | 5740 | | |
| B. In safekeeping with other banks qualified under Regulation 30.7 | | | | | |
| Name(s): _ | 5750 | 0 | 5760 | 0 | 5770 |
| 3. Equities with registered futures commission merchants | | | | | |
| A. Cash | | $ 0 | 5780 | | |
| B. Securities | | 0 | 5790 | | |
| C. Unrealized gain (loss) on open futures contracts | | 0 | 5800 | | |
| D. Value of long option contracts | | 0 | 5810 | | |
| E. Value of short option contracts | | 0 | 5815 | 0 | 5820 |
| 4. Amounts held by clearing organizations of foreign boards of trade | | | | | |
| Name(s): _ | 5830 | | | | |
| A. Cash | | $ 0 | 5840 | | |
| B Securities | | 0 | 5850 | | |
| C. Amount due to (from) clearing organization - daily variation | | 0 | 5860 | | |
| D. Value of long option contracts | | 0 | 5870 | | |
| E. Value of short option contracts | | 0 | 5875 | 0 | 5880 |
| 5. Amounts held by members of foreign boards of trade | | | | | |
| Name(s): _ | 5890 | | | | |
| A. Cash | | $ 0 | 5900 | | |
| B. Securities | | 0 | 5910 | | |
| C. Unrealized gain (loss) on open futures contracts | | 0 | 5920 | | |
| D. Value of long option contracts | | 0 | 5930 | | |
| E. Value of short option contracts | | 0 | 5935 | 0 | 5940 |
| 6. Amounts with other depositories designated by a foreign board of trade | | | | | |
| Name(s): _ | 5950 | | | 0 | 5960 |
| 7. Segregated funds on hand (describe): _ | | | | 0 | 5965 |
| 8. Total funds in separate section 30.7 accounts | | | | $ 357,395 | 5970 |
| 9. Excess (deficiency) Set Aside Funds for Secured Amount (Subtract line 7 Secured Statement Page 1 from line 8) | | | | $ 356,303 | 5680 |
| 10. Management Target Amount for Excess funds in separate 30.7 accounts | | | | 100,000 | 5980 |
| 11. Excess (deficiency) funds in separate 30.7 accounts over (under) Management Target Excess | | | | 256,303 | 5985 |

See report of independent registered public accounting firm.
Note: There were no material differences between the preceding computation and the Company's corresponding unaudited Form 1-FR as of December 31, 2023, as amended.

## Schedule VI

**SUPPLEMENT TO**
**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT**
**PART II**

| | |
|---|---|
| **BROKER OR DEALER:** | **as of:** 12/31/2023 |

**STATEMENT OF CLEARED SWAPS SEGREGATION REQUIREMENTS AND FUNDS IN CLEARED SWAPS CUSTOMER ACCOUNTS UNDER 4D(F) OF THE CEA**

| | | | | |
|---|---|---|---|---|
| **Cleared Swaps Customer Requirements** | | | | |
| 1. Net ledger balance | | | | |
| A. Cash | | | $ 0 | 8500 |
| B. Securities (at market) | | | 0 | 8510 |
| 2. Net unrealized profit (loss) in open cleared swaps | | | 0 | 8520 |
| 3. Cleared swaps options | | | | |
| A. Market value of open cleared swaps option contracts purchased | | | 0 | 8530 |
| B. Market value of open cleared swaps granted (sold) | | | 0 | 8540 |
| 4. Net equity (deficit) (add lines 1, 2 and 3) | | | 0 | 8550 |
| 5. Accounts liquidating to a deficit and accounts with debit balances | | | | |
| - gross amount | $ 0 | 8560 | | |
| Less: amount offset by customer securities | 0 | 8570 | 0 | 8580 |
| 6. Amount required to be segregated for cleared swaps customers (add lines 4 and 5) | | | 0 | 8590 |
| **Funds in Cleared Swaps Customer Segregated Accounts** | | | | |
| 7. Deposited in cleared swaps customer segregated accounts at banks | | | | |
| A. Cash | | | $ 0 | 8600 |
| B. Securities representing investments of cleared swaps customers' funds (at market) | | | 0 | 8610 |
| C. Securities held for particular cleared swaps customers in lieu of cash (at market) | | | 0 | 8620 |
| 8. Margins on deposit with derivatives clearing organizations in cleared swaps customer segreated accounts | | | | |
| A. Cash | | | 0 | 8630 |
| B. Securities representing investments of cleared swaps customers' funds (at market) | | | 0 | 8640 |
| C. Securities held for particular cleared swaps customers in lieu of cash (at market) | | | 0 | 8650 |
| 9. Net settlement from (to) derivatives clearing organizations | | | 0 | 8660 |
| 10. Cleared swaps options | | | | |
| A. Value of open cleared swaps long option contracts | | | 0 | 8670 |
| B. Value of open cleared swaps short option contracts | | | 0 | 8680 |
| 11. Net equities with other FCMs | | | | |
| A. Net liquidating equity | | | 0 | 8690 |
| B. Securities representing investments of cleared swaps customers' funds (at market) | | | 0 | 8700 |
| C. Securities held for particular cleared swaps customers in lieu of cash (at market) | | | 0 | 8710 |
| 12. Cleared swaps customer funds on hand (describe: ) | | | 0 | 8715 |
| 13. Total amount in cleared swaps customer segregation (add lines 7 through 12) | | | 0 | 8720 |
| 14. Excess (deficiency) funds in segregation (subtract line 6 from line 13) | | | $ 0 | 8730 |
| 15. Management target Amount for Excess funds in cleared swaps segregated accounts | | | $ 0 | 8760 |
| 16. Excess (deficiency) funds in cleared swaps customer segregation over (under) Management Target Excess | | | $ 0 | 8770 |

See report of independent registered public accounting firm.
Note: There were no material differences between the preceding computation and the Company's corresponding unaudited Form 1-FR as of December 31, 2023, as amended.