

Nomura Securities International, Inc.

(“NSI”)

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Form ADV, Part 2A Brochure

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This brochure provides information about the qualifications and business practices of Nomura Securities International, Inc. If you have any questions about the contents of this brochure, please contact us at 212-667-9000 or at [reginquiries@nomura.com](mailto:reginquiries@nomura.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Nomura Securities International, Inc. is registered as an investment adviser with the SEC. Such registration does not imply any level of skill, training or expertise.

Additional information about Nomura Securities International, Inc. is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Nomura Securities International, Inc. is 4297.

**ITEM 2: MATERIAL CHANGES**

There were no material changes to this brochure since the last annual update on May 25, 2022

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## **ITEM 4: ADVISORY BUSINESS**

### **A. Firm Description**

Nomura Securities International, Inc. (“NSI,” “firm,” “we,” “us,” or “our”) provides a broad range of broker-dealer and investment banking services in the United States for institutional clients. We and/or our predecessor companies have been registered with the U.S. Securities and Exchange Commission (“SEC”) as a broker-dealer since October 1969 and we have been registered with the SEC as an investment adviser since 2012. We are owned by Nomura Holding America, Inc., a privately-held company which is owned by Nomura Holdings, Inc. (“NHI”). NHI is a publicly traded company listed on the Tokyo and New York stock exchanges. NHI, together with its affiliates, is known as “Nomura,” unless noted otherwise.

### **B. Description of Advisory Services**

The firm provides research reports and other products and services for a fee to institutional clients. These services may include any or all of the following: (1) the provision of non-customized equity research reports prepared by NSI’s affiliates, (2) the provision of other research-related correspondence and communications from affiliate research analysts relating to such research reports, (3) access to the affiliate research analysts who prepare such research, and (4) the dissemination of trading ideas in equity securities by sales personnel (collectively, “Advisory Research Services”). Clients receiving Advisory Research Services are referred to herein as “Advisory Research Clients” and other NSI clients and affiliates (where applicable) are referred to as “Non-Advisory Clients”. As pertinent, Advisory Research Clients and Non-Advisory Clients are referred to as “clients”.

Our advisory relationships with Advisory Research Clients are strictly limited to the provision of Advisory Research Services, and any trades, transactions or orders that may be executed, routed or otherwise processed through us by Advisory Research Clients will be handled by us solely in our capacity as a broker-dealer.

With respect to our Advisory Research Services, we do not maintain investment advisory accounts for clients or provide investment advisory discretionary services. We also do not maintain Advisory Research Client assets or securities.

### **C. Availability of Customized Services to Individual Clients**

NSI’s affiliate research reports are not tailored to the individual needs of clients. We may provide customized trading ideas to clients, including model portfolios, based on client-specified parameters.

### **D. Wrap Fee Programs**

NSI does not provide portfolio management services in connection with any wrap fee programs.

### **E. Assets Under Management**

NSI does not have any third-party assets under management.

## **ITEM 5: FEES AND COMPENSATION**

### **A. Advisory Fees and Compensation**

For our Advisory Research Services, NSI may receive a cash fee (“advisory fees”). There is no basic fee schedule for Advisory Research Services. Advisory fees may or may not be established under a written agreement. Advisory Research Services may constitute eligible research under the safe harbor of section 28(e) of the Securities Exchange Act of 1934 for use in connection with a client’s investment making decisions. Such clients may compensate NSI for Advisory Research Services through third party soft dollar arrangements (commission arrangements entered into by a client with other broker-dealers). In some arrangements, an affiliate of NSI may (1) be the executing broker-dealer, and/or (2) provide commission management services to the client.

All advisory fees are negotiated on a client-by-client basis and may be renegotiated at any time.

### **B. Payment of Fees**

Advisory fees are not paid in advance and are billed to clients.

### **C. Additional Fees and Expenses**

NSI’s advisory fees are exclusive of any brokerage commissions, transaction fees or other related costs and expenses which may be incurred by the Advisory Research Client in connection with any securities transactions independently made by the client. Our Advisory Research Services do not include any securities trading activity on a discretionary basis or otherwise.

### **D. Prepayment of Fees**

Advisory Research Clients are not required to prepay fees.

### **E. Additional Compensation and Conflicts of Interest**

If any of our trading ideas are executed by the Advisory Research Clients through an affiliate, in its capacity as a broker-dealer, our affiliate will receive transaction-based compensation for the execution of the trade. This practice presents a potential conflict of interest in so far as it may give NSI an incentive to recommend securities to its Advisory Research Clients based on potential future brokerage compensation rather than on specific client needs.

This conflict of interest, however, is strongly mitigated by our Advisory Research Client’s freedom to place their brokerage transactions with the broker-dealer of its choice. Each of our clients has full discretion to determine whether, and to what extent and how, it will use research reports or trading recommendations obtained from us. In addition, our clients that are investment advisers must comply with their “best execution” obligations when placing brokerage transactions on behalf of their clients.

**ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

We do not receive performance-based fees for our Advisory Research Services nor do we conduct side-by-side management.

**ITEM 7: TYPES OF CLIENTS**

NSI's Advisory Research Clients are institutional clients, such as banking or thrift institutions, pension and profit sharing plans, corporations or other businesses, state government entities, investment companies, other investment advisers, corporations, or other businesses.

## **ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

### **A. Methods of Analysis and Investment Strategies**

Nomura research personnel identify and rigorously analyze both financial information and strategic regional and global issues/trends that affect companies, industries and markets, and have a meaningful impact on future investment values. In order to provide informed investment opinions, Nomura analysts have a reasoned basis for any opinions, supported by the appropriate level of independent investigation, diligence, inquiry, analysis and judgment. Potential conflicts, both actual and perceived, may arise both internally and externally with clients, and it is our responsibility to acknowledge and manage those conflicts in a way that protects our clients and our reputation.

Our sales personnel base their trading ideas on public information, including research, market or price movements, recent news stories and other events.

The Nomura research reports and trading ideas are provided on a stand-alone basis and do not necessarily take into account any other research reports or trading recommendations that may have been provided to the client or the client's investment or diversification objectives. Research sales ideas may or may not be based upon the Nomura research analyst's research recommendations and at times may conflict.

Any information relating to the tax status of financial instruments discussed in our Advisory Research Services reports is not intended to provide tax advice or to be used by anyone to provide tax advice. Clients are urged to seek tax advice based on their particular circumstances from an independent tax professional.

Further, NSI may from time to time participate or invest in transactions with issuers of securities mentioned in trading ideas and related information prepared by individual sales personnel of NSI, perform investment banking services for or solicit business from such issuers, and/or have a position or effect transactions in the securities or derivatives of such issuers. NSI may have acted as a manager or co-manager of a public offering of the securities mentioned in these trading ideas and related information, and currently may make a market in such securities, and buy or sell such securities with customers on a principal basis.

### **B. Risk of Loss**

NSI may make recommendations and provide Nomura research analyses on a wide range of securities and investments. When valuing securities, Nomura research analysts use a variety of methods. Although Nomura research analysts attempt to structure such recommendations and analyses with care, no assurances can be made that reliance on such recommendations and analyses by any client will generate positive returns. Our Advisory Research Services are generally not designed to meet the objectives or needs of specific clients or accounts.

In providing our Advisory Research Services, we may also rely on third party sources for information that we believe to be reliable, but in no way do we guarantee the quality, accuracy and/or completeness of such third party information.

If you choose to implement any of the trading ideas, investment recommendations or strategies of our Advisory Research Services, you will be subject to various risks, such as company-specific and market risks, which may result in a loss of principal invested.



**ITEM 9: DISCIPLINARY INFORMATION****A. Criminal or Civil Proceedings**

There have been no material disciplinary events relating to NSI's investment advisory business that need to be disclosed to clients and potential clients. Descriptions of additional disciplinary actions that are not required to be disclosed below can be found in NSI's Form ADV, Part 1A which is available at <http://www.adviserinfo.sec.gov> on the Investment Adviser Public Disclosure website.

**B. Administrative Proceedings Before Regulatory Authorities**

There have been no material disciplinary events relating to NSI's investment advisory business that need to be disclosed to clients and potential clients. Descriptions of additional disciplinary actions that are not required to be disclosed below can be found in NSI's Form ADV, Part 1A which is available at <http://www.adviserinfo.sec.gov> on the Investment Adviser Public Disclosure website.

**C. Self-Regulatory Organization (SRO) Proceedings**

There have been no material disciplinary events relating to NSI's investment advisory business that need to be disclosed to clients and potential clients. Descriptions of additional disciplinary actions that are not required to be disclosed below can be found in NSI's Form ADV, Part 1A which is available at <http://www.adviserinfo.sec.gov> on the Investment Adviser Public Disclosure website.

## **ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

### **A. Broker-Dealer Registration Status**

We are an SEC-registered broker-dealer and a member of FINRA and other self-regulatory organizations. We are also a registered futures commission merchant. Our principal business involves the provision of a broad range of broker-dealer and investment banking services.

NSI is a wholly-owned, indirect subsidiary of NHI, whose direct and indirect affiliates and related persons include various other broker-dealers, investment companies, investment advisers and banking organizations.

### **B. Futures Commission Merchant, Commodity Pool Operator (“CPO”), or Commodity Trading Advisor (“CTA”) Registration Status**

We are a registered futures commission merchant. We are not registered as a CPO or a CTA.

### **C. Material Relationships or Arrangements With Our Investment Adviser Affiliates**

NSI may suggest or recommend that clients, including Advisory Research Clients, use our securities account, execution or other services, or such services of an affiliate. Similarly, NSI sales representatives may suggest or recommend that clients purchase our Advisory Research products, other NSI products or products of an affiliate. Where NSI’s or our affiliate’s services are used or products are purchased by clients, we and our affiliates will receive fees and compensation. Sales representatives may, as permitted by applicable law, receive compensation (the amount of which may vary) in connection with these products and services.

We address these conflicts through disclosure in this brochure. In addition, we have established a variety of restrictions, procedures and disclosures designed to address potential conflicts of interest – both those arising between and among client accounts as well as between client accounts and our business.

Certain of our management persons are registered representatives of the firm. Certain of our management persons may also hold positions with other affiliates. In these positions, those management persons may have some responsibility with respect to the business of these affiliates and the compensation of these management persons may be based, in part, upon the profitability of other parts of NHI. Consequently, in carrying out their roles at NSI and these other entities, the management persons of NSI may be subject to the same or similar potential conflicts of interest that exist between NSI and these affiliates. NSI has established a variety of restrictions, policies and procedures designed to address these potential conflicts such as information barrier procedures and restrictions on personal trading.

NSI has established “Information Barrier” procedures and other policies that prohibit the misuse of such information. As a result of such information barriers, NSI will generally not have access, or will have limited access, to information and personnel in other areas of Nomura, and generally will not be able to manage the client accounts with the benefit of information held by these other areas. Nomura may make decisions or take (or refrain from taking) actions with respect to investments of the kind held by NSI clients that may be adverse to NSI clients. Information barriers may also exist between businesses within NSI.

In addition, NSI and its affiliates maintain one or more restricted lists of companies, whose securities are subject to certain trading prohibitions, NSI personnel may be restricted from trading in an issuer’s securities

if the issuer is on the restricted lists or if we otherwise have material, non-public information about the issuer.

Nomura may have ownership interests in trading venues and exchanges which may provide financial incentives to recommend brokers to clients who use these venues or exchanges for the execution of client trades.

NSI may provide research services, including trade ideas, to certain of its affiliates, who may incorporate this information into their own trading strategies. The provision of trade ideas to clients are subject to various internal policies and procedures which seek to address and mitigate, among other things, potential conflicts of interest and issues related to suitability, confidentiality, and content standards.

**D. Material Conflicts of Interest Relating to Other Investment Advisers**

We do not recommend or select other investment advisers in connection with our Advisory Research Services.

**ITEM 11: CODE OF ETHICS, PARTICIPATION IN CLIENT TRANSACTIONS AND PERSONAL TRADING****A. Code of Ethics**

We have adopted a code of conduct and a code of ethics (together, the “Code of Ethics”) and various other policies and procedures designed to identify and control certain types of personal securities and other transactions that may create a potential or actual conflict of interest. Every NSI employee must receive, read and annually acknowledge in writing compliance with these policies and procedures. For example, we have policies and procedures that, among other things:

1. Place limitations on personal trading by employees and impose pre-clearance and reporting obligations with respect to personal trading, such as prohibiting employees from:
  - depriving client orders of priority, precedence or best execution as a result of personal trading;
  - personal trading in a security when they have knowledge of pending or potential client orders in the security, or where they have recommended or intend to recommend a client transaction in the security on the same day or at any point through the following trading day;
  - dealing on the back of client orders or attempting to replicate client trading strategies; or
  - trading contrary to a recommendation that was made to a client unless they have a reasonable basis for doing so.
2. Require employees to maintain accounts at designated brokers and provide initial and monthly reports of securities holdings and transaction reports;
3. Prohibit employees from violating applicable laws; and
4. Require employees to promptly report any violations of these policies and procedures to Compliance.

Our employees may open and retain personal trading accounts in accordance with these policies and procedures.

Clients, or prospective clients, may, upon request, receive a copy of our Code of Ethics by contacting their client service representative or by calling the Compliance Department at (212) 667-9000 or via postal request addressed to:

Attention: Chief Compliance Officer  
Nomura Securities International, Inc.  
Worldwide Plaza  
309 West 49<sup>th</sup> Street  
New York, New York 10019

**B. Securities that NSI or a Related Person Has a Material Financial Interest**

As a broker-dealer, NSI may invest for its own account in many of the securities that are subject to research recommendations or analysis by NSI’s affiliates in our provision of Advisory Research Services to clients. We may recommend to Advisory Research Clients securities in which NSI or an affiliate also invests or otherwise has a material financial interest (including securities of NSI affiliates), or make such recommendations at or about the same time that NSI or an affiliate may buy or sell securities for its own account.

We, through our research sales personnel, may suggest or recommend that Advisory Research Clients also use NSI’s securities accounts, execution or other services, or such services of an affiliate. Similarly, research

sales personnel may suggest or recommend that Advisory Research Clients purchase NSI products or products of an affiliate. Where NSI's or our affiliate's services are used or products are purchased by Advisory Research Clients, we and our affiliates will receive fees and compensation. Research sales personnel may, as permitted by applicable law, receive compensation (the amount of which may vary) in connection with these products and services. Compensation received in connection with clients' purchases or sales of stocks, bonds, mutual funds, other securities or insurance products through us or our affiliates may include commissions, spreads, markups and markdowns, and distribution or other fees.

### **C. Conflicts of Interests in Trading and Management**

As a broker-dealer effecting transactions on behalf of clients, including those clients who receive Advisory Research Services, we or an affiliate may act as agent or as principal for our own account, as permitted by applicable law. Similarly, we or an affiliate may, in transactions involving such clients' securities, act as agent while also representing another client on the other side of the transaction (agency cross transaction). In addition, we or our affiliates may have a position in, or enter purchase or sale orders for, securities recommended to clients in the normal course of our business as a broker-dealer. We and/or our affiliates may profit from these positions or transactions in securities.

To the extent we have a brokerage relationship with an Advisory Research Client with whom we provide customized Advisory Research Services, we may execute principal or agency cross transactions for the client at our discretion, provided we obtain prior written consent from the client in accordance with Rule 206(3)-1 of the Investment Advisers Act of 1940.

We, acting in our broker-dealer capacity, may recommend that Advisory Research Clients invest in a variety of limited partnerships, limited liability companies and pooled investment vehicles for which certain of our affiliates may act as general partners, managing members, investment managers or sponsors. The investments of these entities may vary but could include, without limitation, securities and derivatives.

We address these conflicts through disclosure in this brochure. In addition, we have established a variety of restrictions, procedures and disclosures designed to address potential conflicts of interest – both those arising between and among client accounts as well as between client accounts and our business. For example, our personnel also are subject to personal trading restrictions as detailed in our policies and procedures and Code of Ethics. These policies and procedures and the Code of Ethics require our research sales personnel to pre-clear certain securities transactions, disclose their investment accounts, and provide or cause NSI to receive annual holdings reports and quarterly transaction reports.

**ITEM 12: BROKERAGE PRACTICES**

We do not select or recommend broker-dealers for clients in connection with our Advisory Research Services.

**ITEM 13: REVIEW OF ACCOUNTS**

With respect to our Advisory Research Services, we do not maintain client advisory accounts and do not provide personalized investment advice with respect to investment portfolios or the management of assets. Accordingly, there are no periodic reviews.

## **ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION**

### **A. Economic Benefits for Providing Services to Clients**

We do not compensate any person who is not a supervised person for Advisory Research Client referrals.

### **Compensation to Financial Intermediaries, Consultants and Other Third Parties**

We and our affiliates may have a variety of banking, financial, or service relationships with the unaffiliated issuers of the securities covered by the Advisory Research Services. These relationships may include acting as an underwriter for the issuers of the securities covered by the Advisory Research Services. In such relationships, we and our affiliates may receive compensation. The research sales department has extensive policies and procedures regarding potential conflicts of interest affecting supervised personnel.

NSI does not receive any economic benefit from persons other than Advisory Research Clients for providing Advisory Research Services.



**ITEM 15: CUSTODY**

We do not maintain custody of advisory client funds or securities in connection with our Advisory Research Services.

**ITEM 16: INVESTMENT DISCRETION**

We do not have discretionary authority to manage securities on behalf of Advisory Research Clients. Our Advisory Research Clients make their own investment decisions.

**ITEM 17: VOTING CLIENT SECURITIES**

With respect to our Advisory Research Services, we do not have authority to vote proxies.

**ITEM 18: FINANCIAL INFORMATION**

We have no financial condition that impairs our ability to meet contractual and fiduciary commitments to clients and have not been the subject of a bankruptcy proceeding.