

G. H. Financials, LLC

Statement of Financial Condition and
Supplemental Information
Year Ended March 31, 2022

PURSUANT TO REGULATION 1.10 UNDER THE
COMMODITY EXCHANGE ACT (PUBLIC)

CFTC FORM 1-FR-FCM

0005

OMB No. 3038-0024

Name of Company:

Employer ID No:

NFA ID No:

| | | | | | |
|-----------------------|------|------------|------|---------|------|
| G. H. Financials, LLC | 0010 | 45-2448979 | 0020 | 0431801 | 0030 |
|-----------------------|------|------------|------|---------|------|

Address of Principal Place of Business:

Person to Contact Concerning this Report:

| | | | |
|---------------------|------|----------------------|------|
| 311 S. Wacker Drive | 0050 | Ben Hepden | 0040 |
| Suite 1550 | | Telephone No: | |
| Chicago IL 60606 | | +44 (207) 653 6416 | 0060 |

Telephone No:

+44 (207) 653 6416

E-Mail Address:

| | |
|-----------------------------|------|
| ben.hepden@ghfinancials.com | 0065 |
|-----------------------------|------|

1. Report for the period beginning and ending:

| | |
|------------|------|
| 04/01/2021 | 0070 |
| 03/31/2022 | 0080 |

2. Type of Report

- Certified
 Regular quarterly/semiannually
 Monthly 1.12(b)
 Special call by:
 Other -- Identify:

3. Check whether

| | |
|--|------|
| | 0090 |
| <input checked="" type="radio"/> Initial Filing <input type="radio"/> Amended Filing | |

0095

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

| | |
|-----------------|------|
| CME Group, Inc. | 0100 |
|-----------------|------|

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

| Name | Percentage Ownership | Line of Business |
|------|----------------------|------------------|
| | 0110 | 0120 |
| | 0140 | 0150 |
| | 0170 | 0180 |
| | 0200 | 0210 |
| | 0230 | 0240 |
| | | 0130 |
| | | 0160 |
| | | 0190 |
| | | 0220 |
| | | 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 this 24th day of May, 2022

Manual Signature



Type or Print Name

| |
|-------------------|
| Ben Hepden |
|-------------------|

- Chief Executive Officer
 Chief Financial Officer
 General Partner
 Sole Proprietor
 Corporate Title:

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)

G. H. FINANCIALS, LLC

Contents

| | |
|--|------|
| Report of Independent Registered Public Accounting Firm | 3-4 |
| Statement of Financial Condition as of March 31, 2022 | 5 |
| Notes to Statement of Financial Condition | 6-12 |
| Supplemental Information as of March 31, 2022: | |
| Schedule I - Statement of the Computation of the Minimum Capital Requirements Pursuant to Regulation 1.17 | 13 |
| Schedule II - Reconciliation of Statement of Financial Condition to the Statement of the Computation of the Minimum Capital Requirements Pursuant to Regulation 1.10(d)(3) | 14 |
| Schedule III - Statement of Segregation Requirements and Funds in Segregation for Customers Trading on U.S. Commodity Exchanges | 15 |
| Schedule IV - Statement of Segregation Requirements and Funds in Segregation for Customers' Dealer Options Accounts | 16 |
| Schedule V - Statement of Secured Amounts and Funds Held in Separate Accounts for Foreign Futures and Foreign Options Customers Pursuant to Commission Regulation 30.7 | 17 |
| Schedule VI - Statement of Cleared Swaps Customer Segregation Requirements and Funds in Cleared Swaps Customer Accounts Under 4D(F) of CEA | 18 |



Report of Independent Registered Public Accounting Firm

RSM US LLP

Member and Board of Managers
Financials, LLC

Opinion on the Financial Statement

We have audited the accompanying statement of financial condition of G.H. Financials, LLC (the Company) as of March 31, 2022, and the related notes (collectively, the financial statement). In our opinion, the financial statement presents fairly, in all material respects, the financial position of the Company as of March 31, 2022, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

This financial statement is the responsibility of the Company'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 the Company in accordance with U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB and in accordance with 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. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

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.

Supplemental Information

The supplementary information contained in Schedules I, II, III, IV, V, and VI (the Supplemental Information) has been subjected to audit procedures performed in conjunction with the audit of the Company's financial statements. The Supplemental Information is the responsibility of the Company's management. Our audit procedures included determining whether the Supplemental Information reconciles to the financial statements 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 17 C.F.R. § 1.10. In our opinion, the supplementary information contained in Schedules I, II, III, IV, V and VI is fairly stated, in all material respects, in relation to the financial statements as a whole.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the financial statement that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statement and (2) involved our especially challenging, subjective or complex judgments. We determined that there are no critical audit matters.

RSM US LLP

We have served as the Company's auditor since 2016.

Chicago, Illinois
May 24, 2022

G. H. FINANCIALS, LLC

Statement of Financial Condition

March 31, 2022

Assets

| | |
|---|-------------|
| Cash | \$1,760,694 |
| Cash segregated under federal and other regulations | 18,539,849 |
| Deposits with clearing organizations and brokers | 167,485,531 |
| Receivables from clearing organizations and brokers | 48,270,906 |
| Exchange stock, at cost (fair value \$2,095,477) | 389,353 |
| Furniture, equipment and leasehold improvements, at cost (net of accumulated depreciation of \$422,517) | 17,744 |
| Other assets (including deferred tax asset of \$139,000) | 317,167 |

\$236,781,244

Liabilities and Member's Equity**Liabilities:**

| | |
|---|---------------|
| Payables to customers | \$143,451,968 |
| Payables to noncustomers | 45,554,142 |
| Payables to Member | 2,262,219 |
| Accounts payable and accrued expenses | 16,641,292 |
| Liabilities subordinated to claims of general creditors | 4,000,000 |

Total liabilities \$211,909,621

Member's equity 24,871,623

\$236,781,244

See accompanying notes to Statement of Financial Condition

G. H. FINANCIALS, LLC

Notes to Statement of Financial Condition

1. Organization and Business

G. H. Financials, LLC (the “Company”), a Delaware limited liability company, was formed on May 31, 2011. The Company is registered as a futures commission merchant with the Commodity Futures Trading Commission and is a member of the National Futures Association. The Company is a clearing member of the Chicago Mercantile Exchange (“CME”), the Chicago Board of Trade, the New York Mercantile Exchange, Commodity Exchange, Inc. and ICE Futures U.S. The Company provides execution and clearing services for institutional clients and related entities. G. H. Financials Limited is the Company’s sole member (“Member”).

2. Summary of Significant Accounting Policies

Basis of Presentation

The statement of financial condition is presented in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) and the Company maintains its financial records in U.S. dollars.

Revenue Recognition

An entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. To achieve that core principle, an entity should apply the following steps: Step 1: Identify the contract(s) with a customer. Step 2: Identify the performance obligations in the contract. Step 3: Determine the transaction price. Step 4: Allocate the transaction price to the performance obligations in the contract. Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

There were no receivables from contracts with customers outstanding as of April 1, 2021 and March 31, 2022.

Furniture, Equipment and Leasehold Improvements

Furniture and fixtures, leasehold improvements and other equipment (including purchased software) are depreciated over the estimated useful lives of the assets (ranging from 5-7 years) using the straight-line method. Leasehold improvements are amortized over the lesser of the economic useful life of the improvement or the term of the respective lease, using the straight-line method.

Translation of Foreign Currencies

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange on the statement of financial condition date.

Income Taxes

The Company accounts for income taxes in accordance with Accounting Standards Codification (“ASC”) 740, *Income Taxes*, which clarifies the accounting for and reporting of income tax uncertainties, and requires additional disclosures related to uncertain income tax positions. ASC 740 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. ASC 740 requires that the Company determines whether it is more likely than not that a tax position will be sustained upon examination, including resolution of any related appeals or litigation processes, based on the technical merits of the position. In evaluating whether a tax position has met the more likely than not recognition threshold, the Company presumes that the position will be examined by the appropriate taxing authority that has full knowledge of all relevant information.

Deferred tax assets and liabilities are recognized for future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities 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. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. When applicable, a valuation

G. H. FINANCIALS, LLC

Notes to Statement of Financial Condition

allowance is established to reduce any deferred tax assets when it is determined that it is more likely than not that some portion of the deferred tax asset will not be realized. It is the policy of the Company to comply with the provisions applicable to companies, as defined by Subchapter C of the Internal Revenue Code. The Company files federal and state income tax returns. The Company accrued for income taxes using the statutory federal (21%) and (Illinois) state (9.5%) income tax rates for the fiscal year ended March 31, 2022.

The statutes of limitation on each of the Company's income tax returns may remain open for an additional year depending upon jurisdiction. The Company's income tax expense for the year ended March 31, 2022, consists of the following:

The deferred tax asset of \$139,000 as of March 31, 2022, arises due to the timing difference on the loss generated on the sale of investments. The tax years after March 31, 2018, are open and otherwise generally subject to examination by the Internal Revenue Service or state taxing authorities. The Company has analyzed the positions for all open tax years, and the positions to be taken for the tax year ended March 31, 2022, in its major jurisdictions, and has determined whether or not there are uncertain tax positions that require financial statement recognition. Based on this review, the Company has determined the major tax jurisdictions to be where the Company is organized and where the Company makes investments. No reserves for uncertain tax positions were required to have been recorded as of March 31, 2022. However, the Company's conclusions regarding this policy may be subject to review and adjustment at a later date based on factors including, but not limited to, ongoing analyses of and changes to tax laws, regulations and interpretations thereof. The Company recognizes interest and penalties, if any, related to unrecognized tax benefits as income tax expense in the statement of income. As of March 31, 2022, there was no material impact to the statement of financial condition relating to accounting for uncertainty in income taxes.

Exchange Stock

The Company's exchange stock, required for clearing membership, is reflected in the statement of financial condition at cost (fair value is shown parenthetically). U.S. GAAP requires that such stock be recorded at cost, or, if an impairment in value has occurred, at a value that reflects management's estimate of the fair value.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the statement of financial condition and the accompanying notes. Management determines that the estimates utilized in preparing its financial statements are reasonable and prudent. Actual results could significantly differ from these estimates.

Recent Accounting Development

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*. Under the new guidance, lessees will be required to recognize the following for all leases (with the exception of leases with a term of twelve months or less) at the commencement date: (a) a lease liability, which is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis; and (b) a right-of-use asset, which is an asset that represents the lessee's right to use, or control the use of, a specified asset for the lease term. Under the new guidance, lessor accounting is largely unchanged. The pronouncement requires a modified retrospective transition approach for leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements. The modified retrospective approach would not require any transition accounting for leases that expire before the earliest comparative period presented. A full retrospective transition approach is not permitted.

Per ASU 2020-05, *Revenue from Contracts with Customers (Topic 606)* and *Leases (Topic 842) Effective Dates for Certain Entities*, entities should apply amendments in ASU 2016-02 for fiscal years beginning after December 15, 2022, and interim periods within fiscal years beginning after December 15, 2022. Early application continues to be allowed. The Company has evaluated the impact this ASU will have on futures statements of financial condition and has determined the impact is not material.

G. H. FINANCIALS, LLC

Notes to Statement of Financial Condition

Recent Accounting Development (Cont'd)

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments- Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which amends several aspects of the measurements of credit losses on financial statements, including replacing the existing incurred credit loss model and other models with the Current Expected Credit Losses (CECL) model and amending certain aspects of account for purchased financial assets with deterioration in credit quality since origination. The new standard is effective for fiscal years beginning after December 15, 2022. The Company is currently evaluating the impact that adoption of this ASU will have on its statement of financial condition.

3. Deposits with Clearing Organizations and Brokers

At March 31, 2022, deposits with clearing organizations and brokers consisted of the following:

| | |
|---------------------|---------------------------|
| Margin Deposits: | |
| Cash | \$151,844,826 |
| Guarantee Deposits: | |
| Cash | 15,640,705 |
| | <hr/> \$167,485,531 <hr/> |

4. Segregated Assets

At March 31, 2022, assets segregated or held in separate accounts under federal regulations included in the statement of financial condition are as follows:

| | |
|--|---------------------------|
| Segregated for customers trading on U.S. futures exchanges: | |
| Cash | \$10,547,966 |
| Deposits with clearing organizations and brokers | 144,037,203 |
| Net settlement from derivatives clearing organizations and brokers of contract markets | 2,748,128 |
| Net equities with registered futures commission merchants - net liquidating equity | 3,693,363 |
| | <hr/> \$161,026,660 <hr/> |
| Held in separate accounts for foreign futures and options customers: | |
| Cash in banks located in the U.S. | \$7,991,883 |
| Equities with registered futures commission merchants | |
| - Cash | 1,346,776 |
| - Unrealized gain on open futures contracts | 19,356 |
| | <hr/> \$9,358,015 <hr/> |

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

5. Payables to Customers and Noncustomers

Payables to customers and noncustomers represent balances arising in connection with commodities transactions, including gains and losses on open commodity futures contracts. The net value of options on futures contracts owned by customers of \$(326,136) and noncustomers of \$400,987 and held as collateral or as margin is not reflected in the statement of financial condition.

G. H. FINANCIALS, LLC

Notes to Statement of Financial Condition

6. Furniture, Equipment and Leasehold Improvements

At March 31, 2022, furniture, equipment and leasehold improvements consisted of the following:

| | |
|---|-----------|
| Computer equipment and purchased software | \$284,965 |
| Leasehold improvements | 93,148 |
| Furniture and fixtures | 62,148 |
| | 440,261 |
| Accumulated depreciation and amortization | (422,517) |
| | \$17,744 |

7. Employee Benefit Plan

The Company maintains a 401(k) plan for qualified employees. The Company is required to match a percentage of employees' contributions up to a defined maximum.

8. Related Party Transactions

At March 31, 2022, payables to noncustomers totaling \$45,554,142 includes equity balances of the Member of \$45,416,800. Payables to customers of \$143,451,968 include equity in the commodity trading accounts of the Member of \$2,770,789 and to a wholly-owned subsidiary of the Member, G. H. Financials (Hong Kong) Limited, in the amount of \$76,483,073 for their customer omnibus account at March 31, 2022.

Included in receivables from clearing organizations and brokers balance are balances held at the member company brokerage account of \$30,555. Additionally, included in the deposits with clearing organizations and brokers balance are balances held at the member company brokerage account in the amount of \$567,650 and balances held at a wholly-owned subsidiary of the member, GH Financials (Hong Kong) Limited, in the amount of \$798,482.

The Company also had subordinated borrowings from the Member totaling \$4,000,000 (see Note 9). The balance outstanding as of March 31, 2022, was \$4,000,000.

Intercompany charges relating to commissions earned were charged by the Company to the Member and wholly-owned subsidiary of the Member, G. H. Financials (Hong Kong) Limited. At year end, \$2,262,219 was due to Member for intercompany charges from the Member. There was no balance outstanding for intercompany charges by the company to G.H. Financials (Hong Kong) Limited.

The Member has pledged its CME memberships to the Company enabling it to maintain its clearing memberships. Additionally, the Member has provided a \$10 million uncommitted revolving credit facility to the Company for the purpose of settlement liquidity. The Member has no obligation to advance funds other than at the sole discretion of the Member. At March 31, 2022, there was no balance due on this facility. In addition, the Company has provided a \$5 Million uncommitted revolving credit facility line to the Member. At March 31, 2022, there was no balance due on this facility.

G. H. FINANCIALS, LLC

Notes to Statement of Financial Condition

9. Liabilities Subordinated to Claims of General Creditors

At March 31, 2022, liabilities subordinated to claims of general creditors totaled \$4,000,000 and consisted of cash subordinated borrowings from the Company's Member. The subordination agreement has an effective date of October 1, 2011 and matures on October 1, 2024. The loan bears interest at 3% per annum. The subordinated borrowing is covered by an agreement approved by the CME and thus qualifies as capital as such term is defined. To the extent that such borrowings are required for the Company's continued compliance with minimum net capital requirements, they may not be repaid.

10. Commitments and Contingencies

(a) Lease commitments

The Company conducts its operations in leased office facilities and annual rentals are charged to current operations. The lease is subject to an escalation clause based on the operating expenses of the lessor.

At March 31, 2022, the approximate minimum annual (base) rental commitments under non-cancelable operating leases are approximately as follows:

| | |
|-----------------------------------|-----------|
| <i>Year ending March 31, 2023</i> | 50,494 |
| <i>Year ending March 31, 2024</i> | 29,788 |
| <i>Year ending March 31, 2025</i> | 30,681 |
| | <hr/> |
| | \$110,963 |

(b) Legal and regulatory matters

In the ordinary course of business, the Company is subject to reviews and proceedings by external agencies which may result in adverse judgments, settlements, fines, penalties, and other relief. Management accrues for a settlement when a liability is deemed probable and estimable. Costs incurred in responding to such matters are expensed when incurred.

11. Indemnifications and Guarantees

In the normal course of business, the Company enters into contracts and agreements that contain a variety of representations and warranties that provide general indemnifications. The Company's maximum exposure under these arrangements is unknown, as these involve future claims that may be made against the Company but that have not occurred. The Company expects the risk of any future obligations under these indemnifications to be remote.

The Company is a member of clearing organizations that clear derivative contracts. Associated with these 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 or the clearing house. While the rules governing different exchange or clearing house memberships vary, in general, the Company's guarantee obligations would arise only if the exchange or clearing house had previously exhausted its resources. The maximum potential payout under these membership agreements cannot be estimated.

The Company has not recorded any contingent liability in the statement of financial condition for these agreements and believes that any potential requirement to make payments under these agreements is remote.

G. H. FINANCIALS, LLC

Notes to Statement of Financial Condition

12. Off-Balance-Sheet Risk

The Company executes and clears customer transactions in the purchase and sale of commodity futures contracts (including options on futures contracts), which are transacted on a margin basis subject to individual exchange regulations. Such transactions may expose the Company to significant off-balance-sheet risk in the event 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 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 the customer's activities may be subject to above normal market risks. The Company believes that the deposits and collateral held at March 31, 2022, were adequate to minimize the risk of material loss that would be created by positions held at that time.

The Company also enters into various transactions with other futures commission merchants. Cash and derivative financial instruments on deposit with futures commission merchants collateralize amounts due to these futures commission merchants and serve to satisfy margin requirements. In the event these counterparties do not fulfill their obligations, the Company may be exposed to risk. This risk of default depends on the creditworthiness of the counterparties to these transactions. It is the Company's policy to monitor the creditworthiness of each party with which it conducts business.

13. Significant Risk Factors

In the normal course of business, the Company is engaged in various listed derivatives trading and brokerage activities servicing primarily institutional clients. Trading activities are mainly generated by client order flow. For the year ended March 31, 2022, the Company earned a significant amount of its total revenues from the Member and G. H. Financials (Hong Kong) Limited (see Note 8).

The Company's financial instruments are subject to credit risk. Credit risk represents the potential loss that the Company would incur if the counterparties failed to perform pursuant to the terms of their obligations. The Company may be obligated to discharge the obligation of one or more non-performing counterparties and, as a result, may incur a loss if the fair value of the related listed derivative differs from the contract amount. The Company minimizes its exposure to credit risk by monitoring counterparty exposure on a regular basis.

Cash held at financial institutions, at times, may exceed the amount insured by the Federal Deposit Insurance Corporation ("FDIC"). The Company has not experienced any losses of any accounts held at these financial institutions.

14. Minimum Capital Requirements

The Company is a futures commission merchant subject to minimum capital requirements pursuant to Regulation 1.17 under the CEAct, the NFA and other commodities regulatory organizations. Under Regulation 1.17, the Company is required to maintain net capital equivalent to the greater of \$1,000,000 or the sum of 8% of the customer risk maintenance margin requirement plus 8% of the noncustomer risk maintenance margin requirement, as these terms are defined.

In addition, the Company is subject to minimum capital requirements of the CME. Under the more restrictive of these rules, the Company is required to maintain net capital equivalent to \$5,000,000 or the sum of 8% of the customer risk maintenance margin requirement plus 8% of the noncustomer risk maintenance margin requirement, as these terms are defined.

G. H. FINANCIALS, LLC

Notes to Statement of Financial Condition

Minimum Capital Requirements (Cont'd)

Net capital and risk maintenance margin requirements change from day-to-day but at March 31, 2022, under Regulation 1.17 and under the requirements of the CME, the Company's Adjusted Net Capital was \$28,043,421 which was \$11,556,979 in excess of its net capital requirement of \$16,486,442.

The net capital rule may effectively restrict Member withdrawals and the repayment of subordinated loans.

15. Subsequent Events

The Company's management has evaluated events and transactions through May 24, 2022, the date the financial statements were available to be issued, noting no material events requiring disclosure in the Company's financial statements.

G. H. FINANCIALS, LLC

Schedule I - Statement of the Computation of the Minimum Capital Requirements Pursuant to Regulation 1.17

As of March 31, 2022

| | | |
|---|-----------------|---------------------|
| Net Capital (Schedule II) | | \$28,147,362 |
| Charges against Net Capital: | | |
| 20% of market value of uncovered inventories | (85,636) | |
| 5% of unsecured receivables from foreign brokers | <u>(18,305)</u> | |
| | | (103,941) |
| Adjusted Net Capital (Net Capital less charges against Net Capital) | | \$28,043,421 |
| Net capital required using risk-based requirement: | | |
| Amount of customer risk maintenance margin | \$92,544,053 | |
| 8% of customer risk-based requirement | | \$7,403,524 |
| Amount of noncustomer risk maintenance margin | 51,918,185 | |
| 8% of noncustomer risk-based requirement | | 4,153,455 |
| Net Capital required using risk-based requirement | | \$11,556,979 |
| Minimum dollar amount requirement | | \$1,000,000 |
| Minimum Net Capital Requirement (greater of the two lines above) | | \$11,556,979 |
| Excess Net Capital | | \$16,486,442 |
| Computation of Early Warning Level (110% of Minimum Net Capital Requirement) | | \$12,712,677 |

There are no material differences between the above computation and the Company's corresponding unaudited Form 1-FR-FCM filing as of March 31, 2022.

G. H. FINANCIALS, LLC

Schedule II - Reconciliation of Statement of Financial Condition to the Statement of the Computation of the Minimum Capital Requirements Pursuant to Regulation 1.10(d)(3)

As of March 31, 2022

| | |
|--|------------------------|
| Total Assets per Statement of Financial Condition | \$236,781,244 |
| Net market value of open option contracts | 5,487,004 |
| Deduct noncurrent assets (as defined): | |
| Exchange stock | 389,353 |
| Furniture, equipment and leasehold improvements, net | 17,744 |
| Deferred taxes | 139,000 |
| Commission and brokerage receivable | 84,974 |
| Other assets (cash collateral arrangement, pre-paid expenses and taxes receivable) | 93,190 |
| Current Assets (as defined) | \$241,543,987 |
| Total Liabilities per Statement of Financial Condition | \$(211,909,621) |
| Liabilities subordinated to claims of general creditors | 4,000,000 |
| Net market value of open option contracts | (5,487,004) |
| Net Capital | \$28,147,362 |

G. H. FINANCIALS, LLC

Schedule III - Statement of Segregation Requirements and Funds in Segregation for Customers Trading on U.S. Commodity Exchanges

As of March 31, 2022

| | |
|--|----------------------|
| Segregation requirement: | |
| Net ledger balance: | |
| Cash | \$129,478,268 |
| Net unrealized gain/(loss) in open futures contracts traded on a contract market | 6,141,455 |
| | 135,619,723 |
| Exchange traded options: | |
| Market value of open option contracts purchased on a contract market | 2,417,523 |
| Market value of open option contracts granted (sold) on a contract market | (2,743,659) |
| Net equity | \$135,293,587 |
| Amount required to be segregated | \$135,293,587 |
| Funds on deposit in segregation: | |
| Deposited in segregated funds bank accounts: | |
| Cash | \$10,547,966 |
| Margins on deposit with clearing organizations of contract markets: | |
| Cash | 144,037,203 |
| Net settlement due from clearing organizations of contract markets | 2,748,127 |
| Net liquidation equity with other futures commission merchants | 3,693,363 |
| Customers' Segregated Funds per Statement of Financial Condition (Note 4) | 161,026,660 |
| Exchange traded options: | |
| Value of open long option contracts | 2,417,523 |
| Value of open short option contracts | (2,743,659) |
| Total amount in segregation | \$160,700,524 |
| Excess funds in segregation | \$25,406,937 |
| Management Target Amount Excess funds in segregation | \$5,500,000 |
| Excess funds in segregation over Management Target Amount Excess | \$19,906,937 |

There are no material differences between the above computation and the Company's corresponding unaudited Form 1-FR-FCM filing as of March 31, 2022.

G. H. FINANCIALS, LLC

Schedule IV - Statement of Segregation Requirements and Funds in Segregation for Customers' Dealer Options Accounts

As of March 31, 2022

| | | |
|--|-----|------------|
| Amount required to be segregated in accordance with CFTC Regulation 32.3 | | \$- |
| Funds in segregated accounts: | | |
| Cash | \$- | |
| Securities (at market) | - | |
| Total | | - |
| Excess (deficiency) funds in segregation | | \$- |

There are no material differences between the above computation and the Company's corresponding unaudited Form 1-FR-FCM filing as of March 31, 2022.

G. H. FINANCIALS, LLC

Schedule V - Statement of Secured Amounts and Funds Held in Separate Accounts for Foreign Futures and Foreign Options Customers Pursuant to Commission Regulation 30.7

As of March 31, 2022

| | |
|--|--------------------|
| Foreign futures & foreign options secured amounts: | |
| Net ledger balance: | |
| Cash | \$7,812,948 |
| Unrealized gain on open futures contracts | 19,356 |
| <hr/> | |
| Net equity | 7,832,304 |
| <hr/> | |
| Amount required to be set aside in separate Section 30.7 accounts | \$7,832,304 |
| <hr/> | |
| Funds deposited in separate Section 30.7 accounts: | |
| Cash: | |
| Banks located in the United States | \$7,991,883 |
| Equities with registered futures commissions merchants: | |
| Cash | 1,346,776 |
| Unrealized gain on open futures contracts | 19,356 |
| Secured 30.7 Funds per Statement of Financial Condition (Note 4) | 9,358,015 |
| <hr/> | |
| Total funds in separate Section 30.7 accounts | \$9,358,015 |
| <hr/> | |
| Excess set aside funds for secured amount | \$1,525,711 |
| Management Target Amount for Excess funds in separate Section 30.7 accounts | 250,000 |
| <hr/> | |
| Excess funds in separate Section 30.7 accounts over Management Target | \$1,275,711 |

There are no material differences between the above computation and the Company's corresponding unaudited Form 1-FR-FCM filing as of March 31, 2022.

G. H. FINANCIALS, LLC

Schedule VI - Statement of Cleared Swaps Customer Segregation Requirements and Funds in Cleared Swaps Customer Accounts Under 4D(F) of CEA

As of March 31, 2022

| | | |
|---|-----|------------|
| Cleared Swaps Customer Requirements: | | |
| Net ledger balance: | | |
| Cash | | \$- |
| Securities (at market) | | - |
| Net unrealized profit(loss) in open cleared swaps | | |
| | | - |
| Cleared swaps options | | |
| Market value of open cleared swaps option contracts purchased | | - |
| Market value of open cleared swaps option contracts granted (sold) | | - |
| <hr/> | | |
| Net equity | | \$- |
| <hr/> | | |
| Accounts liquidating to a deficit and accounts with debit balances | | |
| Gross amount | \$- | |
| Less: amount offset by customer securities | - | - |
| <hr/> | | |
| Amount required to be segregated for cleared swaps customers | | \$- |
| <hr/> | | |
| Funds in Cleared Swaps Customer Segregated Accounts: | | |
| Deposited in cleared swaps customer segregated accounts at banks: | | |
| Cash | | \$- |
| Securities representing investments of cleared swaps customers' funds (market) | | - |
| Securities held for particular cleared swaps customers in lieu of cash (market) | | - |
| Deposited in cleared swaps customer segregated accounts at banks: | | |
| Cash | | - |
| Securities representing investments of cleared swaps customers' funds (market) | | - |
| Securities held for particular cleared swaps customers in lieu of cash (market) | | - |
| Net settlement from (to) derivatives clearing organizations | | |
| | | - |
| Cleared swaps options: | | |
| Value of open cleared swaps long option contracts | | - |
| Value of open cleared swaps short option contracts | | - |
| Net equities with other FCMs: | | |
| Net liquidating equity | | - |
| Securities representing investments of cleared swaps customers' funds (market) | | - |
| Securities held for particular cleared swaps customers in lieu of cash (market) | | - |
| Cleared swaps customer funds on hand | | |
| | | - |
| <hr/> | | |
| Total amount in cleared swaps customer segregation | | \$- |
| <hr/> | | |
| Excess (deficiency) funds in segregation | | |
| Management Target Amount for Excess funds in cleared swaps segregated accounts | | \$- |
| | | \$- |
| <hr/> | | |
| Excess (deficiency) funds in cleared swaps customer segregation over (under) Management Target | | \$- |

There are no material differences between the above computation and the Company's corresponding unaudited Form 1-FR-FCM filing as of March 31, 2022.