

Important Reminder: GFI Framing Disclosure

Where applicable¹, GFI² ("the firm") may from time to time, in response to market participant requests, or on its own initiative, provide quotes electronically or through our voice brokers to frame a market.³ These quotes are intended to indicate where the firm believes a market participant could find a matching counterparty with regard to a particular financial product. These quotes reflect GFI's good faith professional judgment as to a reasonable bid/offer for that particular product, even though no market participant is currently offering to trade that particular product at the time.

In many markets, GFI acts in a matched principal capacity against its market participants. When acting in a matched principal capacity, GFI may frame a market by posting or providing executable bids and offers in an effort to facilitate liquidity for the market participants trading on GFI's platforms.

When framing a market in a "name passing" marketplace, GFI may post or provide bids and offers that reflect contemporaneous and/or anticipated potential market interest, in an effort to facilitate liquidity for market participants on GFI's platform.

In the "name passing" marketplace, when a market participant aggresses against a quote, the firm typically identifies the counterparty to the participant in the participant's view of the Trade Log. When a market participant aggresses against a framed quote, the aggressor is notified of that fact in two ways: (i) his Trade Log lists "GFI Framed" as the counterparty; and (ii) he receives a pop-up screen stating "GFI Framed." When a framed quote is aggressed that quote on the screen will no longer be active and will be shaded grey. A quote that has been shaded grey is either (i) a framed quote that has been aggressed; or (ii) the level at which the last match occurred. When a framed quote is aggressed, GFI will use commercially reasonable efforts to find a counterparty to match the aggressor at the customary minimum-size level for that market. However, GFI does not and cannot guarantee it will be able to find a matching counterparty at the quoted level. Once a counterparty has agreed to match, taking the place of the framed quote, the Trade Log for the original aggressor as well as all market participants will be updated to reflect the anticipated trade.

GFI typically frames quotes based on a variety of factors, including but not limited to: previously executed transactions; executable or indicative bids or offers received by the firm; benchmark prices; options modelling using, but not limited to, industry standard Black Scholes, adjusted Black Scholes (Garman Kohlhagen) and Stochastic Options models on specific option structures to determine prices along the maturity curve; spot prices versus actual volatility; historical levels at which the firm has executed transactions or has received executable/ indicative bids or offers; transactional activity that takes place away from GFI if GFI reasonably believes that activity to have occurred; the views of active market participants; or transactions or executable/ indicative bids in a similar product.

Quotes are not firm unless otherwise specified.

¹ GFI will not frame quotes on the firm's execution platforms such as the firm's OTF, MTF or SEF market places, unless the firm has disclosed that it may provide liquidity in a market where it acts as a matched principal counterparty.

² The term GFI may refer to any GFI affiliate, including Amerex Brokers LLC, offering brokering services.

³ See <https://www.gfigroup.com/WorkArea/DownloadAsset.aspx?id=931> for further information on how GFI conducts business.