

**MF GLOBAL HOLDINGS LTD., ET AL.**  
**Post-Effective Date Quarterly Operating Report**  
**For the period ending March 31, 2016**

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**BACKGROUND**

This post-Effective Date quarterly operating report (“QOR”) of MF Global Holdings Ltd. (“Holdings Ltd.”) and its affiliated debtors, MF Global Finance USA Inc. (“Finance USA”), MF Global Capital LLC (“Capital”), MF Global FX Clear LLC (“FX Clear”), MF Global Market Services LLC (“Market Services”), and MF Global Holdings USA Inc. (“Holdings USA”) (collectively, the “Debtors”<sup>1</sup>) covers a specific time period and has been prepared solely for the purpose of complying with the reporting requirements of the *Second Amended and Restated Joint Plan of Liquidation Pursuant to Chapter 11 of the Bankruptcy Code for MF Global Holdings Ltd., MF Global Finance USA Inc., MF Global Capital LLC, MF Global FX Clear LLC, MF Global Market Services LLC, and MF Global Holdings USA Inc.* (Docket No. 1382) (the “Second Amended Plan”). The financial information contained in this QOR is preliminary and unaudited, and as such may be subject to revision. The information in this QOR should not be viewed as indicative of future results. The Second Amended Plan is a joint plan for six separate Debtors. The Debtors are not consolidated for financial reporting and should be viewed as standalone entities. The total columns in each of the tables of the QOR are for illustrative purposes only.

The Debtors filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) in the Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”) as follows: (i) Holdings Ltd. and Finance USA filed on October 31, 2011; (ii) Capital, FX Clear, and Market Services filed on December 19, 2011; and (iii) Holdings USA filed on March 2, 2012. Each respective Debtor’s bankruptcy filing dates are referred to in this QOR as the “Petition Date” and any period prior to such Debtor’s bankruptcy filing date is referred to as “pre-petition” for the respective Debtor. The Debtors’ chapter 11 cases are assigned to the Honorable Judge Martin Glenn and are being jointly administered under the caption “In re MF Global Holdings Ltd., et al.” Case No. 11-15059 (MG). Shortly after each respective Petition Date, Louis J. Freeh, Esq. (the “Chapter 11 Trustee”) was appointed as chapter 11 trustee of the Debtors. On the Effective Date, the Chapter 11 Trustee ceased his stewardship of the Debtors and Holdings Ltd. became the Plan Administrator under the Second Amended Plan, with a newly appointed board of directors.

The last date and time for any person or entity, including MF Global affiliates, to file a proof of claim against the Debtors (the “Bar Date”) has passed as of the issuance of this QOR. During the reporting period, the Plan Administrator continued to review and reconcile certain pre-petition and administrative claims filed against the Debtors. The Plan Administrator has identified and will continue to identify claims that it believes should be disallowed for a number of reasons, including but not limited to: claims that are duplicative of other claims; claims that are amended by later filed claims; claims that are not properly filed against a Debtor in the Debtors’ chapter 11 cases; and claims that are either overstated, assert an incorrect priority, or that cannot otherwise properly be asserted against the Debtors. The Plan Administrator has objected and will continue to object to such claims as appropriate. Accordingly, adjustments to the financial information provided herein may be reflected in future QORs as a result of the claims reconciliation process, and such adjustments may be material.

On July 24, 2015, the Plan Administrator and James W. Giddens (the “SIPA Trustee”), as Trustee for the liquidation of MF Global Inc. (“MFGI”), entered into a Sale and Assumption Agreement pursuant to which the SIPA Trustee assigned to the Plan Administrator (or its designee), among other things, all of the SIPA Trustee’s rights and interest in (a) the claims asserted in the case captioned “In re MF Global Holdings Ltd. Investment Litigation,” 11 Civ. 7866 (the “MDL”), (b) MFGI’s E&O Policies, D&O Policies, and other insurance policy proceeds, (c) recoveries in the MF Global UK Limited (“MFGUK”) insolvency proceeding, (d) certain contracts, and (e) cash and miscellaneous accounts receivables (the “Sale and Assumption Agreement”). In exchange, the Plan Administrator agreed that (a) the Debtors and certain of their non-Debtor affiliates waived their right to further distributions from the MFGI estate, which allowed the SIPA Trustee to make final distributions to all other unsecured creditors in an amount that satisfied such claims at 95%, and (b) the Plan Administrator’s designee assumed, among other things, certain of the SIPA Trustee’s discovery obligations, the SIPA Trustee’s obligations under the assigned contracts, and certain tax obligations. Pursuant to the agreement, the Plan Administrator’s designee is entitled to receive amounts in the future pending the outcome of certain events relating to disputed claims and expense reserves.

On September 8, 2015, pursuant to the Sale and Assumption Agreement, the Plan Administrator designated MF Global Assigned Assets LLC (“MFGAA” or “Assigned Assets”) its assignee and Holdings Ltd., Finance USA, Holdings USA, Capital, FX Clear, MF Global FX LLC (“FX LLC”), and MF Global Special Investor LLC (“Special Investor”) (the “Members”) made an initial capital contribution to Assigned Assets in the form of an assignment of all of that Member’s rights and interests in its allowed MFGI claims in exchange for a ratable membership interest in Assigned Assets. Future proceeds will be distributed to the Members in proportion to their respective membership interests in Assigned Assets.

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<sup>1</sup> Throughout this QOR, the term “Debtors” refers collectively to MF Global Holdings Ltd., MF Global Finance USA Inc., MF Global Capital LLC, MF Global FX Clear LLC, MF Global Market Services LLC, and MF Global Holdings USA Inc.

## **CURRENT QUARTER ACTIVITY SUMMARY**

The Plan Administrator is currently updating its calculations of Net Available Cash, as defined in the Second Amended Plan, to make distributions in May 2016.

During the period, Assigned Assets received \$26.3 million from MFGI resulting from the settlement and release of a claim, as well as the discharge of the SIPA liquidation proceedings.

On February 11, 2016, the Bankruptcy Court entered a final decree for the closing of the Chapter 11 Cases of Capital, FX Clear and Market Services (the "Closing Debtors") (Docket No. 2201). As a result, the Closing Debtors no longer have any reporting or administrative obligations under the Second Amended Plan including, without limitation, the obligation to file post-Effective Date quarterly reports. The Chapter 11 Cases of Holdings Ltd., Finance USA, and Holdings USA remain open.

On March 10, 2016 MF Global Singapore Pte Ltd. made distributions on segregated customer claims and Finance USA and Special Investor received \$13.0 million and \$1.4 million, respectively. See Note 5 for further information.

On March 14, 2016, the Bankruptcy Court entered an order extending the term of the Plan Trust and the time for the Plan Administrator to effectuate the wind down and liquidation of assets under the Second Amended Plan for three years, to and through June 4, 2019 (Docket No. 2232).

During the period, MF Global Holdings Europe Limited ("MFGHEL"), MF Global Intellectual Properties Kft ("MFGIP") and Special Investor assigned all assets, including cash, accounts receivable and any membership interests in MFGAA, to their direct parent entity Holdings Ltd. In addition, FX LLC also assigned all assets, including cash, accounts receivable, and its membership interest in MFGAA, to its direct parent entity Holdings USA. Future recoveries from other controlled affiliates MF Global Holdings Overseas Limited ("MFGHOL") and MF Global Assurance Co. Ltd., whose assets have not been consolidated into the remaining Debtors' financial statements, will continue to be reported herein as provided by the Second Amended Plan.

**MF Global Holdings Ltd., et al.**  
**Schedules of Cash Flows (Unaudited)**  
**For the Period January 1, 2016 through March 31, 2016**

	MF Global Finance USA Inc.	MF Global Holdings Ltd.	MF Global Holdings USA Inc.	Total
<b>Cash balance at January 1, 2016</b>	<b>\$ 19,128,770</b>	<b>\$ 44,842,194</b>	<b>\$ 8,874,688</b>	<b>\$ 72,845,652</b>
<b>Cash Inflows:</b>				
Expense Reimbursement from Debtor Affiliates	-	1,702,861	935,556	2,638,417
Pre-petition Receivables from Debtor Affiliates	-	-	-	-
Pre-petition Receivables from Non-Debtor Affiliates	-	-	-	-
Other	13,006,685	3,263,392	367,171	16,637,248
<b>Total Inflows</b>	<b>13,006,685</b>	<b>4,966,253</b>	<b>1,302,727</b>	<b>19,275,665</b>
<b>Cash Outflows:</b>				
Payroll, Payroll Taxes and Employee Benefits	-	-	(1,236,705)	(1,236,705)
Operating Costs	(8,385)	(676,706)	(28,622)	(713,713)
Professional Fees	-	(684,299)	-	(684,299)
US Trustee Fees	-	(55,850)	-	(55,850)
Other	-	(1,390)	-	(1,390)
<b>Total Operating Expenses</b>	<b>(8,385)</b>	<b>(1,418,245)</b>	<b>(1,265,327)</b>	<b>(2,691,956)</b>
Expense Reimbursement to Debtor Affiliates	(2,264,989)	(316,303)	(57,124)	(2,638,417)
<b>Distributions:</b>				
Administrative Claims	-	-	-	-
Priority Tax Claims (includes Admin tax claims)	-	-	-	-
1 - Priority Non-Tax Claims	-	-	-	-
2 - Secured Claims	-	-	-	-
3 - JPMorgan Secured Setoff Claim	-	-	-	-
4 - Convenience Claims	-	-	-	-
5 - Liquidity Facility Unsecured Claims	-	-	-	-
6 - General Unsecured Claims	-	-	-	-
7 - Subordinated Claims	-	-	-	-
8 - Preferred Interests	-	-	-	-
9 - Common Interests	-	-	-	-
<b>Total Distributions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Cash Outflows</b>	<b>(2,273,374)</b>	<b>(1,734,548)</b>	<b>(1,322,451)</b>	<b>(5,330,373)</b>
<b>Net Cash Flows:</b>	<b>10,733,311</b>	<b>3,231,705</b>	<b>(19,724)</b>	<b>13,945,292</b>
<b>Cash balance at March 31, 2016</b>	<b>\$ 29,862,082</b>	<b>\$ 48,073,898</b>	<b>\$ 8,854,964</b>	<b>\$ 86,790,944</b>

The accompanying notes are an integral part of this report

**MF Global Holdings Ltd., et al.**  
**Statements of Net Assets (Liquidation Basis)**  
**As of March 31, 2016**

	<u>Note</u>	<u>MF Global Finance USA Inc.</u>	<u>MF Global Holdings Ltd.</u>	<u>MF Global Holdings USA Inc.</u>	<u>Total</u>
Cash		\$ 29,862,082	\$ 48,073,898	\$ 8,854,964	\$ 86,790,944
Non-affiliate pre-petition receivables	4	-	-	794,455	794,455
Debtor affiliate pre-petition receivables	4	216,946,899	1,442,150,728	28,292,779	1,687,390,407
Other affiliate pre-petition receivables	4	18,000,000	57,320,687	4,892,184	80,212,871
Debtor affiliate post-petition receivables	4	-	833,925	285,494	1,119,419
Other affiliate post-petition receivables	4	-	1,162,542	-	1,162,542
Other assets	5	102,666,728	247,787	-	102,914,516
MFGAA membership interests	6	209,709,329	18,717,590	7,516,955	235,943,874
<b>Total assets</b>		<b>577,185,038</b>	<b>1,568,507,158</b>	<b>50,636,831</b>	<b>2,196,329,027</b>
Liabilities subject to compromise:	8				
Claims subject to reconciliation					
Other		(414,758)	(27,826,701)	(2,666,524)	(30,907,983)
Subordinated		(1,085)	(22,094,153)	(1,986,436)	(24,081,673)
Allowed claims:					
Debtor affiliate		(1,445,927,256)	(23,842,601)	(216,946,899)	(1,686,716,756)
Other affiliate		(3,376,894)	(802,735)	(77,229)	(4,256,858)
Liquidity Facility unsecured claim		(757,796,585)	(907,546,951)	-	(1,665,343,535)
Notes claim		-	(809,363,035)	-	(809,363,035)
Other unsecured		-	(28,745,313)	(19,564,819)	(48,310,133)
Subordinated		-	(100,000,000)	-	(100,000,000)
Liabilities to be settled in full:	9				
Administrative, secured and priority		-	-	(11,725)	(11,725)
Debtor and other affiliate charges		(890,136)	(354,517)	(124,418)	(1,369,072)
Professional fees - post-effective date	10	-	(6,799,386)	-	(6,799,386)
Estimated Plan Administration Expenses	11	(20,356,246)	(28,080,041)	(4,883,648)	(53,319,935)
<b>Total Liabilities</b>		<b>(2,228,762,960)</b>	<b>(1,955,455,434)</b>	<b>(246,261,698)</b>	<b>(4,430,480,092)</b>
<b>Net assets in liquidation</b>		<b>\$ (1,651,577,922)</b>	<b>\$ (386,948,276)</b>	<b>\$ (195,624,867)</b>	<b>\$ (2,234,151,065)</b>

The accompanying notes are an integral part of this report

## NOTES AND DEFINITION OF TERMS

### ***Note 1: Basis of Presentation***

The Plan Administrator has prepared this QOR in accordance with the Second Amended Plan. While the Plan Administrator has exercised its best efforts to ensure that this QOR is accurate, based on information that was available at the time of preparation, inadvertent errors or omissions may exist. The Plan Administrator reserves the right to amend this QOR from time to time as may be necessary or appropriate. This QOR is not meant to be relied upon as a complete description of the Debtors, their businesses, condition (financial or otherwise), results of operations, prospects, assets or liabilities.

The unaudited balance sheets (“statements of net assets in liquidation”) and statements of cash flows (“schedules of cash flows”) in this QOR have been prepared in accordance with the requirements of the Second Amended Plan. The statements of net assets in liquidation and schedules of cash flows were not prepared in accordance with U.S. generally accepted accounting principles (“US GAAP”) and neither purport to represent nor reconcile with financial statements prepared in accordance with US GAAP. This QOR does not include explanatory footnotes and other disclosures required under US GAAP, and is not presented in a US GAAP-based reporting format. Certain classifications utilized in this QOR may differ from prior report classifications and accordingly amounts may not be comparable. The statements of net assets in liquidation and the schedules of cash flows have been presented in at least the level of detail required by the Second Amended Plan.

Certain items presented in this QOR remain under review by the Plan Administrator and may be accounted for differently in future QORs. Accordingly, the financial information herein is subject to change and any such change could be material. The statements of net assets in liquidation do not reflect or provide for all the consequences of the Debtors’ chapter 11 cases including (i) as to assets, a wide range of legal claims that are being pursued or are under consideration to pursue, their realizable values on a liquidation basis or their availability to satisfy liabilities, and (ii) as to pre-petition liabilities, the amounts that may ultimately be allowed for claims or contingencies, or the ultimate status or priority of claims filed. Accordingly, future QORs may reflect adjustments (including write-downs and write-offs) to the assets and adjustments to the liabilities, which may be material.

Prior to October 31, 2011, the majority of the Debtors’ operational accounting functions, including day-to-day maintenance of the Debtors’ books and records, were fulfilled by an accounting group located in Chicago, Illinois and employed by MFGI which commenced its separate liquidation proceeding under the Securities Investor Protection Act on October 31, 2011 and which proceeding is currently pending in the Bankruptcy Court. As a result, the Debtors had limited access to certain books and records, certain back office systems and certain document repositories.

### ***Note 2: Use of Estimates***

In preparing the statements of net assets in liquidation, the Plan Administrator has made various estimates that may affect reported amounts and disclosures. Estimates are based on available information and judgment. Actual results could differ from estimates and could have a material effect on the statements of net assets in liquidation. As more information becomes available to the Plan Administrator, including the outcome of various negotiations and litigation, amongst other matters, it is expected that estimates could be revised. Such revisions may be material.

### ***Note 3: Schedules of Cash Flows***

#### *Expense reimbursement from/to debtor affiliates*

Holdings Ltd. and Holdings USA incur disbursements for operating costs and professional fees on behalf of all three remaining Debtors, and in return are reimbursed by each Debtor for such Debtor's allocated portion of these expenses.

#### *Other cash inflows*

During the period, Finance USA received a \$13.0 million segregated customer claim distribution from MF Global Singapore Pte Ltd. In addition, Holdings Ltd. received (i) dividends of \$1.5 million and \$0.8 million from other controlled affiliates Special Investor and MFGHEL, respectively, (ii) \$0.2 million from MFGHOL held on behalf of MFGIP and (iii) \$0.6 million in reimbursements of defense costs incurred in connection with the WARN litigation which were proportionally allocated to Finance USA and Holdings USA. Furthermore, Holdings USA received a \$0.2 million corporation tax refund and a \$0.1 million dividend from FX LLC. Finally, the Debtors collectively earned \$0.1 million in interest on cash balances.

**Note 4: Receivables**

The Plan Administrator has presented all receivables on a net basis, categorized by owing entity and whether the receivable was generated before or after the Debtors' respective Petition Date. The three types of owing parties are defined as follows: (i) "Non-affiliates" refer to third-parties, who were not a direct or indirect subsidiary of Holdings Ltd. on October 31, 2011; (ii) "Debtor affiliate" refers to one of the Debtors that is being jointly administered with Holdings Ltd.; and (iii) "Other affiliates" refer to non-Debtor entities that were a direct or indirect subsidiary of Holdings Ltd. on October 31, 2011.

"Debtor affiliate pre-petition receivables" include amounts per the Intercompany Settlement contained in the Second Amended Plan. During the period, MFGIP assigned all remaining assets to its direct parent entity Holdings Ltd. Per the Second Amended Plan, Holdings Ltd.'s right to receive distributions on account of \$275,000,000 of its \$1,886,930,980 claim against Finance USA is subordinated to the rights of the holders of the Allowed Class 5B Liquidity Facility Unsecured Claims<sup>2</sup> until such time that the Class 5B Liquidity Facility Unsecured Claims are paid in full. Below is a roll forward of Debtor affiliate pre-petition receivables as of March 31, 2016.

	MF Global Finance USA Inc.	MF Global Holdings Ltd.	MF Global Holdings USA Inc.	Total
Balance at September 30, 2014	\$ 258,790,163	\$ 1,886,952,872	\$ 27,939,696	\$ 2,173,682,731
Distributions received	(41,843,264)	(445,475,795)	353,084	(486,965,975)
Balance at December 31, 2015	\$ 216,946,899	\$ 1,441,477,078	\$ 28,292,779	\$ 1,686,716,756
Asset assignment	-	673,651	-	673,651
Balance at March 31, 2016	\$ 216,946,899	\$ 1,442,150,728	\$ 28,292,779	\$ 1,687,390,407

"Other affiliate pre-petition receivables" contain pre-petition amounts owed from non-debtor former MF Global affiliates. The impact of exchange rate fluctuations on receivables denominated in foreign currency is recorded in these assets. During the period, Special Investor and MFGHEL assigned all remaining assets to their direct parent entity Holdings Ltd. Below is a roll forward of other affiliate pre-petition receivables as of March 31, 2016.

	MF Global Finance USA Inc.	MF Global Holdings Ltd.	MF Global Holdings USA Inc.	Total
Balance at September 30, 2014	\$ 1,555,558,294	\$ 134,072,690	\$ 165,616,158	\$ 1,855,247,142
Distributions received	(798,878,506)	(35,898,902)	(25,151,180)	(859,928,588)
Distribution credit	-	(3,438,445)	-	(3,438,445)
MFGI Sub-Debt w rite-off	(470,000,000)	-	(130,000,000)	(600,000,000)
Foreign exchange movement	-	(2,868,457)	(161,717)	(3,030,174)
MFGAA Member contributions	(268,679,788)	(12,615,157)	(5,307,514)	(286,602,459)
Other cash received	-	-	(30,000)	(30,000)
MFGHOL loan repayment	-	(22,145,794)	-	(22,145,794)
Balance at December 31, 2015	\$ 18,000,000	\$ 57,105,935	\$ 4,965,747	\$ 80,071,682
Asset assignments	-	1,047,461	-	1,047,461
Foreign exchange movement	-	(832,709)	(73,563)	(906,273)
Balance at March 31, 2016	\$ 18,000,000	\$ 57,320,687	\$ 4,892,184	\$ 80,212,871

"Debtor affiliate post-petition receivables" contain amounts owed between Debtors for post-petition obligations arising from the operating expenses of the Debtors' estates.

"Other affiliate post-petition receivables" contain post-petition amounts owed from non-debtor former MF Global affiliates. Below is a roll forward of other affiliate post-petition receivables as of March 31, 2016.

	MF Global Finance USA Inc.	MF Global Holdings Ltd.	MF Global Holdings USA Inc.	Total
Balance at September 30, 2014	\$ -	\$ 5,874,116	\$ 43,766	\$ 5,917,882
MFGHOL accrued interest repayment	-	(7,054,206)	-	(7,054,206)
Interest income on MFGHOL loan	-	3,790,123	-	3,790,123
Other cash received	-	(2,014,104)	(43,766)	(2,057,870)
Other fees	-	-	2,640	2,640
Balance at December 31, 2015	\$ -	\$ 595,930	\$ 2,640	\$ 598,570
Interest income on MFGHOL loan	-	566,612	-	566,612
Other cash received	-	-	(2,640)	(2,640)
Balance at March 31, 2016	\$ -	\$ 1,162,542	\$ -	\$ 1,162,542

Receivables are reported at the face amount of the receivable or at settlement agreement value, less amounts received through the end of the reporting period. Provisions and write-downs to receivables may be recorded in the future when greater clarity on the financial situation of each counterparty and collectability of each receivable becomes known.

<sup>2</sup> As such term is defined in the Second Amended Plan.

**Note 5: Other Assets**

The Plan Administrator does not have current valuations of all assets as of the reporting date. Other Assets include professional fee retainers and security deposits, as well as receivables arising from the purchase of Taiwanese customer claims filed against MF Global Singapore Pte Ltd. and the assignment of certain insurance litigation from MFGI. During the period, MF Global Singapore Pte Ltd. made a \$13.0 million distribution and as of March 31, 2016 other assets held by Finance USA reflect \$0.7 million in receivables remaining from the aforementioned purchase of Taiwanese customer claims. In addition, pursuant to an Assignment Agreement between the SIPA Trustee and Finance USA dated May 23, 2014, the SIPA Trustee assigned his rights in certain insurance litigation related to the unauthorized trading activity of Evan Dooley to Finance USA in exchange for, among other things, \$102.0 million. In order to effect this \$102.0 million payment, the SIPA Trustee, as permitted by the Assignment Agreement, withheld \$102.0 million from the distributions made from MFGI on October 31, 2014 that otherwise would have been distributed to Finance USA. Amounts ultimately realized may vary materially from amounts currently recorded in the statements of net assets in liquidation. Additional information on potential ranges of recoveries by the Debtors is included in the Disclosure Statement for the Amended Joint Plan of Liquidation Pursuant to Chapter 11 of the Bankruptcy Code for the Debtors (as supplemented "Disclosure Statement") (Docket Nos. 1111-1 & 1193). Accordingly, the Plan Administrator may amend or adjust the value of these assets in the future.

**Note 6: MF Global Assigned Assets LLC**

On September 8, 2015, pursuant to the Sale and Assumption Agreement, the Plan Administrator designated Assigned Assets its assignee under the agreement and the Members made an initial capital contribution in the form of an assignment of all of that Member's rights and interests in its MFGI claims in exchange for a ratable membership interest. Subsequent to the capital contribution, solvent Debtors Capital and FX Clear assigned all assets to their direct parent entity Holdings USA. During the period, Special Investor and FX LLC also assigned all assets to their direct parent entities Holdings Ltd. and Holdings USA, respectively. Below is a breakdown of the allowed general unsecured claim each Member held at MFGI as well as the corresponding membership percentage in Assigned Assets, both at the time of the initial contribution and at March 31, 2016.

Member	Allowed General Unsecured Claim at MFGI	Membership Percentage as of September 8, 2105	Membership Percentage as of March 31, 2106
MF Global Finance USA Inc.	\$ 1,033,383,802	88.862192%	88.862192%
MF Global Holdings Ltd.	48,712,140	4.188829%	7.952576%
MF Global Special Investor LLC	43,768,836	3.763747%	0%
MF Global Holdings USA Inc.	33,656,292	2.894154%	3.185234%
MF Global Capital LLC	3,044,660	0.261815%	0%
MF Global FX Clear LLC	311,014	0.026745%	0%
MF Global FX LLC	29,300	0.002520%	0%
<b>TOTAL</b>	<b>\$ 1,162,906,045</b>	<b>100%</b>	<b>100%</b>

During the period, Assigned Assets received (i) \$26.3 million from MFGI resulting from the settlement and release of a claim, as well as the discharge of the SIPA liquidation proceedings, (ii) \$1.4 million from Goldman Sachs on behalf of DTCC, and (iii) \$0.3 million related to outstanding accounts receivables assigned from MFGI. In addition, Assigned Assets maintained its \$3.0 million expense reserve for assumed liabilities. Below is a roll forward of selected balance sheet accounts of Assigned Assets as of March 31, 2016.

	Cash	MFGUK Receivable	Other Accounts Receivable (at face amounts)	Other Assets <sup>(1)</sup>	Equity - Member contributions of MFGI claims
Balance at December 31, 2015	\$ 2,413,074	\$ 37,023,772	\$ 1,511,122	\$ 193,536,561	\$ 234,484,529
Post-closing distributions from MFGI	26,290,327	-	-	(26,195,507)	94,821
DTCC distribution	1,393,571	-	-	(1,393,571)	-
Foreign exchange movement	-	(1,076,226)	-	-	(1,076,226)
Cash received	347,048	-	(347,048)	-	-
Operating expenses	(1,091,203)	-	-	-	(1,091,203)
Interest on cash balances	22,847	-	-	-	22,847
Balance at March 31, 2016	<u>\$ 29,375,663</u>	<u>\$ 35,947,546</u>	<u>\$ 1,164,074</u>	<u>\$ 165,947,483</u>	<u>\$ 232,434,767</u>

<sup>(1)</sup> Other assets are reported at the carrying amount of the remaining uncollected balance of the former MFGI claims. Provisions and adjustments may be recorded in the future when greater clarity on collectability becomes known.

**Note 7: Foreign Currency**

The functional currency of each of the Debtors is U.S. dollars. The Debtors hold receivables from former UK affiliates of approximately £21.4 million as of the reporting date, and those balances have been converted to U.S. dollars as of the reporting date for presentation purposes. During the period, Special Investor, MFGHEL and MFGIP assigned their receivables from former UK affiliates



to their direct parent entity Holdings Ltd. The GBP/USD exchange rate used at March 31, 2016 was 1.43927 compared to the December 31, 2015 rate of 1.48236. As of March 31, 2016, the breakdown of these receivables in pounds sterling is as follows:

	MF Global Finance USA Inc.	MF Global Holdings Ltd.	MF Global Holdings USA Inc.	Total
Balance at December 31, 2015	£ -	£ 294,608	£ 1,703,384	£ 1,997,992
Assigned receivables	-	316,904	-	316,904
Total MF Global UK Limited claim remaining at March 31, 2016	£ -	£ 611,512	£ 1,703,384	£ 2,314,896
Balance at December 31, 2015	£ -	£ 19,029,309	£ -	£ 19,029,309
Assigned receivables	-	82,543	-	82,543
Total MF Global Finance Europe Limited claims remaining at March 31	£ -	£ 19,111,852	£ -	£ 19,111,852
<b>Total receivables in GBP at March 31, 2016</b>	<b>£ -</b>	<b>£ 19,723,364</b>	<b>£ 1,703,384</b>	<b>£ 21,426,748</b>

In addition to the direct foreign currency exposure detailed above, the Debtors also have indirect exposure resulting from the Debtors' claims against certain former MF Global affiliates, which in turn have asset recoveries with direct foreign currency exposure. The largest example is the Debtors' combined general unsecured claims against MFGI, which has remaining pound sterling exposure due to its claims against the MFGUK estate. The Debtors have also filed claims against other former affiliates in U.S. dollars that may be allowed in local currency, causing additional foreign currency exposure. While the Debtors' largest currency exposure (direct and indirect) is pound sterling, the Debtors' also have direct and/or indirect exposure to Singapore dollars, New Taiwan dollars, Australian dollars, Hong Kong dollars and Canadian dollars, amongst other currencies. The Debtors have not hedged any foreign currency exposure.

#### **Note 8: Liabilities Subject to Compromise**

Liabilities subject to compromise include claims filed by creditors asserting obligations incurred prior to the Debtors' respective Petition Dates, which have not yet been withdrawn, expunged, resolved, or paid and satisfied. Liabilities subject to compromise do not represent the amounts that may ultimately be paid in respect of such claims. Liabilities subject to compromise exclude claims and interests classified as either preferred interests or common interests. Additional information on potential ranges of recoveries to holders of allowed pre-petition claims is included in the Disclosure Statement.

"Claims Subject to Reconciliation" refers to claims filed for potential pre-petition obligations, for which reconciliation of the claims has not yet been completed. The amounts of the claims are reported at the face values of the claims, which do not necessarily represent the amounts that may ultimately be allowed, if any. Claims filed for unliquidated amounts are presented at zero value until reconciliations of the claims are completed.

"Allowed claims – Debtor affiliate" refers to claims allowed by the Second Amended Plan for pre-petition obligations between the Debtors, and are reported at the allowed values of the claims less any distributions that have been made. These balances include amounts allowed by the Intercompany Settlement as defined in the Second Amended Plan. Below is a roll forward of allowed claims – debtor affiliate as of March 31, 2016.

	MF Global Finance USA Inc.	MF Global Holdings Ltd.	MF Global Holdings USA Inc.	Total
Balance at September 30, 2014	\$ (1,893,080,591)	\$ (30,270,015)	\$ (258,790,163)	\$ (2,182,140,769)
Distribution payments	447,153,335	6,427,414	41,843,264	495,424,013
Balance at December 31, 2015	\$ (1,445,927,256)	\$ (23,842,601)	\$ (216,946,899)	\$ (1,686,716,756)
Distribution payments	-	-	-	-
Balance at March 31, 2016	\$ (1,445,927,256)	\$ (23,842,601)	\$ (216,946,899)	\$ (1,686,716,756)

"Allowed claims – Other affiliate" refers to non-Debtor entities that were a direct or indirect subsidiary of Holdings Ltd. on October 31, 2011, and are reported at the allowed values of the claims less any distributions that have been made. Below is a roll forward of allowed claims – other affiliate as of March 31, 2016.

	MF Global Finance USA Inc.	MF Global Holdings Ltd.	MF Global Holdings USA Inc.	Total
Balance at September 30, 2014	\$ (4,666,462)	\$ (1,019,133)	\$ (94,356)	\$ (5,779,951)
Distribution payments	1,289,567	216,399	-	1,505,966
Balance at December 31, 2015	\$ (3,376,894)	\$ (802,735)	\$ (94,356)	\$ (4,273,985)
Asset assignment	-	-	17,127	17,127
Balance at March 31, 2016	\$ (3,376,894)	\$ (802,735)	\$ (77,229)	\$ (4,256,858)

"Allowed claims – Liquidity Facility Unsecured Claim" refers to the unsecured claims allowed under the Second Amended Plan for the revolving credit facility dated as of June 15, 2007 for which Holdings Ltd. and Finance USA were borrowers, and are

reported at the allowed values of the claims less any distributions that have been made. Below is a roll forward of allowed claims – liquidity facility unsecured claim as of March 31, 2016.

	MF Global Finance USA Inc.	MF Global Holdings Ltd.	MF Global Holdings USA Inc.	Total
Balance at September 30, 2014	\$ (1,152,200,622)	\$ (1,152,200,622)	\$ -	\$ (2,304,401,244)
Distribution payments on \$1,152 million allowed claim	318,408,338	244,653,671	-	563,062,009
Distribution payments on \$275 million settlement	75,995,700	-	-	75,995,700
Balance at December 31, 2015	\$ (757,796,585)	\$ (907,546,951)	\$ -	\$ (1,665,343,535)
Distribution payments	-	-	-	-
Balance at March 31, 2016	\$ (757,796,585)	\$ (907,546,951)	\$ -	\$ (1,665,343,535)

“Allowed claims – Notes Claim” refers to the claim for principal and interest allowed under the Second Amended Plan for the (a) 1.875% convertible senior notes due 2016, (b) 9% convertible senior notes due 2038, (c) 3.375% convertible senior notes due 2018, and (d) 6.25% senior notes due 2016, and is reported at the allowed value of the claim less any distributions that have been made. Below is a roll forward of allowed claims – notes claim as of March 31, 2016.

	MF Global Finance USA Inc.	MF Global Holdings Ltd.	MF Global Holdings USA Inc.	Total
Balance at September 30, 2014	\$ -	\$ (1,027,548,593)	\$ -	\$ (1,027,548,593)
Distribution payments	-	218,185,558	-	218,185,558
Balance at December 31, 2015	\$ -	\$ (809,363,035)	\$ -	\$ (809,363,035)
Distribution payments	-	-	-	-
Balance at March 31, 2016	\$ -	\$ (809,363,035)	\$ -	\$ (809,363,035)

“Allowed claims – Other unsecured” represents all other currently allowed and unpaid general unsecured claims filed for pre-petition obligations and are reported at the allowed values of the claims less any distributions that have been made. Below is a roll forward of allowed claims – other unsecured as of March 31, 2016.

	MF Global Finance USA Inc.	MF Global Holdings Ltd.	MF Global Holdings USA Inc.	Total
Balance at September 30, 2014	\$ -	\$ (39,814,603)	\$ (21,603,980)	\$ (61,418,583)
Allowed claims	-	(1,472,477)	(2,958,762)	(4,431,238)
Withdrawal claims	-	3,598,197	-	3,598,197
Distribution payments	-	8,943,569	4,997,923	13,941,492
Balance at December 31, 2015	\$ -	\$ (28,745,313)	\$ (19,564,819)	\$ (48,310,133)
Distribution payments	-	-	-	-
Balance at March 31, 2016	\$ -	\$ (28,745,313)	\$ (19,564,819)	\$ (48,310,133)

“Allowed claims – Subordinated” represents currently allowed and unpaid claims filed for pre-petition obligations that have been subordinated and are reported at the allowed values of the claims. As of March 31, 2016, no distributions have been made on the \$100.0 million subordinated claim allowed at Holdings Ltd.

Included in Claims Subject to Reconciliation are amounts claimed for which objections may be filed in the Bankruptcy Court. If objections are sustained, the related claimed amounts will be withdrawn and removed from Claims Subject to Reconciliation. There is no guarantee that the Bankruptcy Court will sustain objections. If objections are not sustained, the claimed amounts will either remain in Claims Subject to Reconciliation or be reclassified to Allowed Claims, as appropriate. As of March 31, 2016, details of Claims Subject to Reconciliation by type of claim are as follows:

	MF Global Finance USA Inc.	MF Global Holdings Ltd.	MF Global Holdings USA Inc.	Total
Priority	\$ -	\$ 51,483	\$ 62,925	\$ 114,408
Convenience	414,758	1,983,323	1,181,113	3,579,194
Unsecured	-	25,791,895	1,422,485	27,214,380
Subtotal	414,758	27,826,701	2,666,524	30,907,983
Subordinated	1,085	22,094,153	1,986,436	24,081,673
<b>Total</b>	<b>\$ 415,842</b>	<b>\$ 49,920,854</b>	<b>\$ 4,652,959</b>	<b>\$ 54,989,656</b>

***Note 9: Liabilities to be Settled in Full***

Liabilities to be Settled in Full represent liabilities that are expected to be paid at 100% of the reported amount.

- “Administrative, secured and priority” refer to claims filed for obligations incurred after the Debtors’ respective Petition Dates and prior to the Effective Date, claims secured by a lien on property in which the Debtors have an interest, or claims entitled to priority in payment pursuant to the Bankruptcy Code, all as defined by the Second Amended Plan.
- “Debtor and other affiliate charges” refer to amounts owed between Debtors or other controlled affiliates for post-petition obligations arising from the operating expenses of the Debtors’ estates or the assignment of assets from non-Debtors.

***Note 10: Professional Fees***

Professional Fees are presented based on the date incurred and include amounts that have been incurred but are unpaid for professionals retained by the Plan Administrator on behalf of the Debtors through the reporting date. Amounts accrued for Professional Fees include invoices received and estimates.

***Note 11: Estimated Plan Administration Expenses***

Estimated Plan Administration Expenses represent (i) an estimate of future operating expenses and professional fees (including litigation costs) and (ii) accrued, but unpaid, operating expenses. The Plan Administrator evaluated the Plan Administration Expenses Reserve and determined not to make changes to its \$52.9 million in estimates of future operating expenses and professional fees at March 31, 2016, but expects to make necessary adjustments for future distributions. The Plan Administrator may revise the estimate of future Plan Administration Expenses periodically, as necessary.

***Note 12: Subsequent Events***

On April 20, 2016 MF Global Singapore Pte Ltd. made distributions on house estate claims and Finance USA, Holdings USA and Holdings Ltd. received \$16.1 million, \$0.8 million and \$0.4 million, respectively. The Plan Administrator is currently updating its calculations of Net Available Cash, as defined in the Second Amended Plan, to make distributions in May 2016.

The Plan Administrator has recorded amounts in the financial statements as of the reporting date based on the information available at the time the review was performed. Any events subsequent to the time of the review are not reflected in the statements of net assets in liquidation or schedule of cash flows and will be reflected in future QORs.

## MATERIAL EVENTS

**For the period ending March 31, 2016**

	<b>Event</b>	<b>Yes</b>	<b>No</b>	<b>Notes</b>
<b>1</b>	Any settlement of an individual Claim greater than \$25 million		X	
<b>2</b>	Any litigation settlement where the Cause of Action was greater than \$25 million or the settlement is for more than \$25 million		X	
<b>3</b>	Any sale of Property of the Estate where the face amount of such asset is \$25 million or greater		X	
<b>4</b>	Other significant events	X		(i) - (iv)

- (i) During the period, Assigned Assets received \$26.3 million from MFGI resulting from the settlement and release of a claim, as well as the discharge of the SIPA liquidation proceedings.
- (ii) On February 11, 2016, the Bankruptcy Court entered a final decree for the closing of the Chapter 11 Cases of Capital, FX Clear and Market Services (the “Closing Debtors”) (Docket No. 2201). As a result, the Closing Debtors no longer have any reporting or administrative obligations under the Second Amended Plan including, without limitation, the obligation to file post-Effective Date quarterly reports. The Chapter 11 Cases of Holdings Ltd., Finance USA, and Holdings USA remain open.
- (iii) On December 24, 2015, a notice was filed describing a settlement in principle with respect to certain claims in the MDL and related matters and disputes. Assuming the settlement is consummated, aggregate recoveries have been estimated to range between \$110.0 million to \$150.0 million, net of expected holdbacks, fees, and costs of litigation. Documentation of the settlement is continuing and the final terms and timing of the settlement approval process cannot be predicted with certainty at this time. For more information, see Status Report Notice of Settlement in Principle Filed by Jane Rue Wittstein on behalf of MF Global Holdings, Ltd., as Plan Administrator, In re MF Global Holdings, Ltd., et al. Chapter 11 Case No. 11-15059 (MG) at Docket No. 2183).
- (iv) In March 2016, the WARN litigation plaintiffs and Holdings Ltd., Holdings USA and Finance USA reached an agreement in principle to settle the WARN litigation. The parties are preparing the settlement documents and after they are finalized, a motion for Bankruptcy Court approval of the settlement will be filed with the Bankruptcy Court.