

MF GLOBAL HOLDINGS LTD., ET AL.
Post-Effective Date Quarterly Operating Report
For the period ending September 30, 2018

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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”¹) 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. The Plan Administrator has objected to such claims as appropriate. Accordingly, some additional adjustments to the financial information provided herein may be reflected in future QORs as a result of the claims reconciliation process.

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”) (collectively 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.

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.

¹ 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

On October 27, 2016, Holdings Ltd. and MFGAA (the “MFG Plaintiffs”) commenced an Adversary Proceeding related to the Stipulation and Settlement Agreement approved on August 10, 2016 (D.I. 2282) (the “MDL Settlement”) against Allied World Assurance Company, Ltd. (“AWAC”), Iron-Starr Excess Agency Ltd. and certain affiliates (collectively, “Iron-Starr”), and Federal Insurance Company (“Federal,” collectively with AWAC and Iron-Starr, the “Dissenting Insurers”) to, among other things, recover (i) \$25 million in aggregate policy limits not contributed to the MDL Settlement by the Dissenting Insurers, and (ii) damages for the Dissenting Insurers’ “bad faith” refusal to fund the settlement (D.I. 2304; Adv. Proceeding 16- 01251)². After various proceedings in New York and Bermuda (as described in previous quarterly reports), including settlements with all insurers except AWAC and the dismissal of all Bermuda court proceedings, the Bankruptcy Court on August 24, 2017, entered a Memorandum Opinion and Order (the “August 24 Order”) (Adv. D.I. 200) which granted AWAC’s motion to compel arbitration of the insurance coverage dispute, while retaining jurisdiction and without ruling on approximately \$0.3 million in outstanding additional fees requested as a result of a finding of contempt against AWAC. The MFG Plaintiffs subsequently filed a motion for leave to appeal the August 24 Order in the District Court, which was denied by the District Court on November 1, 2017 (Adv. D.I. 215). A three member arbitral panel was selected and a five-day final hearing was scheduled for February 4-8, 2019 (Adv. D.I. 217). Pursuant to a confidential settlement agreement between the MFG Plaintiffs and AWAC, the claims asserted in the Adversary Proceeding and related arbitration were settled and voluntarily dismissed with prejudice on July 2, 2018 (Adv. D.I. 220) and July 4, 2018, respectively.

In February 2008, Evan Dooley, a MFGI registered broker, trading for his own account out of a MFGI branch office in Memphis, Tennessee, put on a significant wheat futures position that was beyond his trading authority and was liquidated at a loss of \$141 million. MFGI suffered the loss because, as a clearing member of the exchange, it was required to pay the \$141 million shortfall and the broker had no means of paying MFGI for the losses (the “Dooley trading incident”). MFGI filed a claim for payment of its \$141 million loss from the Dooley trading incident plus statutory interest under its Fidelity Bond Insurance (the “Bond”), which provides coverage for wrongful or fraudulent acts of employees, seeking indemnification for the loss on the Dooley trading incident. After months of investigation, MFGI’s insurers denied payment of this claim based on certain definitions and exclusions to coverage in the Bond. They also initiated an action against MFGI in the Supreme Court of the State of New York, New York County, *New Hampshire Insurance Co. et al. v. MF Global Finance USA, Inc.*, No. 601621/09 (MF), seeking a declaration that there is no coverage for this loss under the Bond. MFGI filed a counterclaim to enforce its right to payment. Pursuant to an Assignment Agreement between the SIPA Trustee and Finance USA, in May 2014, the SIPA Trustee assigned his rights in this litigation to Finance USA. As of September 30, 2018, Finance USA has entered into confidential settlements with insurers representing \$97.2 million of the approximately \$141 million principal amount of Finance USA’s asserted claim, with each settlement in excess of the settling insurer’s principal obligation. The parties completed discovery in April 2017, the insurers and Finance USA filed motions for summary judgment in June 2017, opposition papers were filed in July 2017, reply papers were filed in August 2017, and arguments were heard by Justice Friedman on January 16, 2018.

During the third fiscal quarter of 2018, the joint special administrators (the “JSAs”) of MFGUK proposed a company voluntary arrangement (“CVA”) in order to give creditors the option to exit the administration early in exchange for a cash payment that would bring their total return to 99.75p in the pound against existing distributions of 90p in the pound. A small number of creditors, including MFGAA, agreed to participate alongside of Attestor Capital LLP (“Attestor”) as Participating Creditors in the funding of the exit payments and to remain in the estate long-term, in exchange for a beneficial interest in the claims of the exiting creditors (“Exiting Creditors”). However, prior to the implementation of the CVA Deutsche Bank AG submitted an unanticipated claim for a total amount of €126.7 million (“DB Market Claim”). Although this claim was rejected by the JSAs it remained subject to an appeal filed by Deutsche Bank. As a result, Attestor, with Holdings Ltd.’s support, challenged the implementation of the CVA on the basis that the introduction of this claim fundamentally altered the economic circumstances under which the 99.75p exit price was derived. That challenge was successful, resulting in the termination of the CVA. Despite the termination of the CVA, the Plan Administrator continues to dialogue with the JSAs to explore ways to streamline the MFGUK estate and realize some of the originally intended benefits from such a transaction.

During the CVA process, the Federal Central Tax Office of the Federal Republic of Germany (“GTA”) submitted a claim against MFGUK for the amount of €52.4 million (“GTA Claim”). The GTA Claim was rejected by the JSAs and the GTA has appealed against the rejection. It is intended that the appeals of the rejections of the DB Market Claim and the GTA Claim (together with the appeal of an additional claim submitted by Deutsche Bank against MFGUK in the event that the GTA seeks to recover certain amounts under the GTA Claim directly from Deutsche Bank instead of MFGUK) will be heard together in the UK courts. A preliminary hearing had been set for October 2018 before the High Court of England to agree directions and the timetable in respect of the three appeals. However, on August 17, 2018 the JSAs received an application from the GTA that its appeal in the UK courts against the rejection of the GTA Claim be stayed pending resolution in the German courts of certain claims between the GTA and MFGUK relevant to the GTA Claim. Deutsche Bank subsequently submitted an application seeking a stay of the appeals against the rejection of its claims pending resolution of the issues outlined in the GTA’s application. Subsequently, the JSAs, the GTA and Deutsche Bank agreed to adjourn the

² Citations to “D.I.” refer to docket items in the main bankruptcy case of MFGH, Case No. 11-15059 (MG) (Jointly Administered). Citations to “MDL D.I.” refer to docket items in the consolidated MDL proceeding *Deangelis v. Corzine*, No. 11-cv-7866 (S.D.N.Y.) (VM) (the “MDL”). Citations to “Adv. D.I.” refer to docket items in Adversary Proceeding Number 16- 01251 (MG) (Bankr. S.D.N.Y.).

October hearing and are in the process of fixing a new date which is likely to be in January or February 2019. The intention is that the new hearing will be a substantive hearing in order for the court to determine whether the GTA and Deutsche Bank appeals will be decided by the UK court or stayed in order to allow the German courts to adjudicate the underlying issues.

MF Global Holdings Ltd., et al.
Schedules of Cash Flows (Unaudited)
For the Period July 1, 2018 through September 30, 2018

	MF Global Finance USA Inc.	MF Global Holdings Ltd.	MF Global Holdings USA Inc.	Total
Cash balance at July 1, 2018	\$ 61,415,196	\$ 25,285,141	\$ 1,401,034	\$ 88,101,372
Cash Inflows:				
Expense Reimbursement from Debtor Affiliates	-	1,020,391	761,693	1,782,085
Pre-petition Receivables from Debtor Affiliates	-	-	-	-
Pre-petition Receivables from Non-Debtor Affiliates	-	-	-	-
Other	241,439	753,229	8,844	1,003,512
Total Inflows	241,439	1,773,621	770,537	2,785,597
Cash Outflows:				
Payroll, Payroll Taxes and Employee Benefits	-	-	(527,797)	(527,797)
Operating Costs	(1,927)	(1,271,322)	(17,680)	(1,290,928)
Professional Fees	-	(1,796,983)	-	(1,796,983)
US Trustee Fees	-	-	-	-
Other	-	(25,334)	-	(25,334)
Total Operating Expenses	(1,927)	(3,093,638)	(545,477)	(3,641,042)
Expense Reimbursement to Debtor Affiliates	(1,373,210)	(131,314)	(277,561)	(1,782,085)
Distributions:				
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	-	-	-	-
Total Distributions	-	-	-	-
Total Cash Outflows	(1,375,137)	(3,224,952)	(823,038)	(5,423,127)
Net Cash Flows:	(1,133,698)	(1,451,331)	(52,501)	(2,637,530)
Cash balance at September 30, 2018	\$ 60,281,499	\$ 23,833,810	\$ 1,348,533	\$ 85,463,842

The accompanying notes are an integral part of this report.

MF Global Holdings Ltd., et al.
Statements of Net Assets (Liquidation Basis)
As of September 30, 2018

	Note	MF Global Finance USA Inc.	MF Global Holdings Ltd.	MF Global Holdings USA Inc.	Total
Cash		\$ 60,281,499	\$ 23,833,810	\$ 1,348,533	\$ 85,463,842
Non-affiliate pre-petition receivables	4	-	-	103,984	103,984
Debtor affiliate pre-petition receivables	4	200,095,260	1,320,781,259	24,062,851	1,544,939,370
Other affiliate pre-petition receivables	4	-	48,167,224	1,954,802	50,122,026
Debtor affiliate post-petition receivables	4	49,194	318,108	162,302	529,604
Other affiliate post-petition receivables	4	-	1,156,055	-	1,156,055
Other assets	5	-	405,549	-	405,549
MFGAA membership interests	6	133,319,809	11,881,236	4,778,800	149,979,845
Total assets		393,745,762	1,406,543,241	32,411,273	1,832,700,275
Liabilities subject to compromise:	8				
Claims subject to reconciliation		(414,758)	(414,758)	-	(829,515)
Allowed claims:					
Debtor affiliate		(1,324,165,073)	(20,075,437)	(200,095,260)	(1,544,335,771)
Other affiliate		(3,025,738)	(675,902)	(77,229)	(3,778,869)
Liquidity Facility unsecured claim		(650,398,311)	(764,153,279)	-	(1,414,551,590)
Notes claim		-	(681,482,558)	-	(681,482,558)
Other unsecured		-	(25,026,312)	(18,034,773)	(43,061,085)
Subordinated		-	(106,232,679)	-	(106,232,679)
Subordinated claims not allowed		(1,085)	(16,685,153)	(1,986,436)	(18,672,673)
Liabilities to be settled in full:	9				
Administrative, secured and priority		-	-	-	-
Debtor and other affiliate charges		(422,480)	(92,500)	(14,624)	(529,604)
Professional fees - post-effective date	10	-	(1,414,290)	-	(1,414,290)
Estimated Plan Administration Expenses	11	(14,953,596)	(19,018,726)	(923,383)	(34,895,705)
Total Liabilities		(1,993,381,041)	(1,635,271,592)	(221,131,706)	(3,849,784,338)
Net assets in liquidation		\$ (1,599,635,279)	\$ (228,728,351)	\$ (188,720,433)	\$ (2,017,084,063)

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 now completed.

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, Holdings Ltd. received a \$0.4 million federal tax refund and \$0.2 million related to a 2015 funding reimbursement. In addition, the Debtors collectively earned \$0.3 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. 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 Claims³ 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 September 30, 2018.

	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	(58,694,903)	(566,845,264)	(3,876,845)	(629,417,012)
Asset assignment from other affiliates	-	673,651	-	673,651
Balance at June 30, 2018	\$ 200,095,260	\$ 1,320,781,259	\$ 24,062,851	\$ 1,544,939,370
Distributions received	-	-	-	-
Balance at September 30, 2018	\$ 200,095,260	\$ 1,320,781,259	\$ 24,062,851	\$ 1,544,939,370

“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. Below is a roll forward of other affiliate pre-petition receivables as of September 30, 2018.

	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	(816,878,506)	(37,949,458)	(27,331,568)	(882,159,531)
Distribution credit from MFGI	-	(3,438,445)	-	(3,438,445)
MFGI Sub-Debt w rite-off	(470,000,000)	-	(130,000,000)	(600,000,000)
Asset assignments from other affiliates	-	1,047,461	-	1,047,461
Foreign exchange movements	-	(6,119,688)	(451,504)	(6,571,192)
MFGAA Member contributions	(268,679,788)	(12,615,157)	(5,307,514)	(286,602,459)
Other affiliate w rite-downs/offers	-	(523,150)	(523,132)	(1,046,283)
Other cash received	-	-	(30,000)	(30,000)
MF Global Holdings Overseas Limited ("MFGHOL") loan repayments	-	(26,063,226)	-	(26,063,226)
Balance at June 30, 2018	\$ -	\$ 48,411,028	\$ 1,972,440	\$ 50,383,468
Foreign exchange movements	-	(243,804)	(17,638)	(261,442)
Balance at September 30, 2018	\$ -	\$ 48,167,224	\$ 1,954,802	\$ 50,122,026

“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 September 30, 2018.

	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 repayments	-	(12,636,774)	-	(12,636,774)
Interest income on MFGHOL loan	-	9,440,826	-	9,440,826
Other cash received	-	(2,050,635)	(46,406)	(2,097,041)
Other fees	-	39,829	2,640	42,469
Balance at June 30, 2018	\$ -	\$ 667,361	\$ -	\$ 667,361
Interest income on MFGHOL loan	-	489,824	-	489,824
Other cash received	-	(1,130)	-	(1,130)
Balance at September 30, 2018	\$ -	\$ 1,156,055	\$ -	\$ 1,156,055

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.

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 claims filed against MFGUK that had payment guarantees from Holdings Ltd. 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

³ As such term is defined in the Second Amended Plan.

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 former Debtors Capital and FX Clear assigned all assets and MFGAA interests to their direct parent entity Holdings USA and in March 2016, Special Investor and FX LLC also assigned all assets and MFGAA interests 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 September 30, 2018.

Member	Allowed General Unsecured Claim at MFGI	Membership Percentage as of September 8, 2015	Membership Percentage as of September 30, 2018
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%
TOTAL	\$ 1,162,906,045	100%	100%

During the period, Assigned Assets received \$1.0 million related to an assigned receivable from MFGI. In addition, the Plan Administrator maintained the \$1.4 million MFGAA Expense Reserve for potential future operating expenses and professional fees. Below is a roll forward of selected balance sheet accounts of Assigned Assets as of September 30, 2018.

	Cash	MFGUK Receivable	Other Accounts Receivable (at face amounts)	Other Assets ⁽¹⁾	Equity - Member contributions of MFGI claims
Balance at September 30, 2015	\$ 58,669,784	\$ 37,874,962	\$ 1,059,924	\$ 204,673,608	\$ 302,278,278
Post-closing distributions from MFGI	36,976,177	-	-	(36,284,252)	691,925
Distributions to Members	(152,325,727)	-	-	-	(152,325,727)
Customer Class Counsel fees	29,800,000	-	-	(29,800,000)	-
MDL Settlement	12,015,468	-	-	(12,015,468)	-
Confidential settlements	11,220,000	-	-	(13,583,088)	(2,363,088)
Insurance settlements	5,806,250	-	362,500	(6,168,750)	-
Assigned receivables from MFGI	-	-	1,048,302	(1,048,302)	-
DTCC distribution	1,393,571	-	-	(1,393,571)	-
MF Global UK Limited distribution	5,940,659	(5,940,659)	-	-	-
Foreign exchange movements	-	(5,010,126)	-	-	(5,010,126)
Cash received	5,781,524	-	(944,153)	(4,653,047)	184,325
Operating expenses	(8,094,640)	-	-	255,674	(7,838,966)
Interest on cash balances	94,076	-	-	-	94,076
Balance at June 30, 2018	\$ 7,277,142	\$ 26,924,177	\$ 1,526,574	\$ 99,982,804	\$ 135,710,697
Foreign exchange movements	-	(261,022)	-	-	(261,022)
Assigned receivables from MFGI	1,049,154	-	(1,049,154)	-	-
Cash received	463,482	-	(362,500)	(42,048)	58,934
Operating expenses	(275,780)	-	-	-	(275,780)
Interest on cash balances	38,014	-	-	-	38,014
Balance at September 30, 2018	\$ 8,552,012	\$ 26,663,155	\$ 114,920	\$ 99,940,756	\$ 135,270,843

⁽¹⁾ 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 £20.8 million as of the reporting date, and those balances have been converted to U.S. dollars as of the reporting date for presentation purposes. The GBP/USD exchange rate used at September 30, 2018 was 1.30240 compared to the June 30, 2018 rate of 1.31515. As of September 30, 2018, 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 July 1, 2018	£ -	£ 464,083	£ 1,396,217	£ 1,860,300
Distributions received	-	-	-	-
Total MF Global UK Limited claim remaining at September 30, 2018	£ -	£ 464,083	£ 1,396,217	£ 1,860,300
Balance at July 1, 2018	£ -	£ 18,900,023	£ -	£ 18,900,023
Distributions received	-	-	-	-
Total MF Global Finance Europe Limited claims remaining at September 30, 2018	£ -	£ 18,900,023	£ -	£ 18,900,023
Total receivables in GBP at September 30, 2018	£ -	£ 19,364,106	£ 1,396,217	£ 20,760,323

In addition to the direct foreign currency exposure detailed above, the Debtors also have indirect exposure resulting from the Debtors' claims against, and interests in, certain former MF Global affiliates, which in turn have asset recoveries with direct foreign currency exposure. The largest example is the Debtors' combined interests in MFGAA, 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" and "Subordinated Claims not Allowed" refer 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.

Included in Claims Subject to Reconciliation are amounts claimed for which objections may be filed in the Bankruptcy Court, as well as subordinated claims which are not expected to be allowed or receive distributions. 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.

"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 September 30, 2018.

	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	568,915,518	10,194,578	58,694,903	637,804,998
Balance at June 30, 2018	\$ (1,324,165,073)	\$ (20,075,437)	\$ (200,095,260)	\$ (1,544,335,771)
Distribution payments	-	-	-	-
Balance at September 30, 2018	\$ (1,324,165,073)	\$ (20,075,437)	\$ (200,095,260)	\$ (1,544,335,771)

"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 September 30, 2018.

	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	1,640,723	343,232	-	1,983,955
Asset assignment from other affiliates	-	-	17,127	17,127
Balance at June 30, 2018	\$ (3,025,738)	\$ (675,902)	\$ (77,229)	\$ (3,778,869)
Distribution payments	-	-	-	-
Balance at September 30, 2018	\$ (3,025,738)	\$ (675,902)	\$ (77,229)	\$ (3,778,869)

“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 September 30, 2018.

	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	405,112,587	388,047,343	-	793,159,930
Distribution payments on \$275 million settlement	96,689,725	-	-	96,689,725
Balance at June 30, 2018	\$ (650,398,311)	\$ (764,153,279)	\$ -	\$ (1,414,551,590)
Distribution payments	-	-	-	-
Balance at September 30, 2018	\$ (650,398,311)	\$ (764,153,279)	\$ -	\$ (1,414,551,590)

“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 September 30, 2018.

	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	-	346,066,036	-	346,066,036
Balance at June 30, 2018	\$ -	\$ (681,482,558)	\$ -	\$ (681,482,558)
Distribution payments	-	-	-	-
Balance at September 30, 2018	\$ -	\$ (681,482,558)	\$ -	\$ (681,482,558)

“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 September 30, 2018.

	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	-	(3,696,600)	(3,101,083)	(6,797,683)
Withdrawal claims	-	3,598,197	-	3,598,197
Distribution payments	-	14,886,694	6,670,290	21,556,984
Balance at June 30, 2018	\$ -	\$ (25,026,312)	\$ (18,034,773)	\$ (43,061,085)
Distribution payments	-	-	-	-
Balance at September 30, 2018	\$ -	\$ (25,026,312)	\$ (18,034,773)	\$ (43,061,085)

“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 September 30, 2018, no distributions have been made on the \$106.2 million subordinated claims allowed at Holdings Ltd.

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 maintained the \$34.7 million Plan Administration Expenses Reserve for potential future operating expenses and professional fees, which includes reasonable contingency amounts. The Plan Administrator may further revise the estimate of future Plan Administration Expenses periodically, as necessary.

Note 12: Subsequent Events

On October 12, 2018, Holdings Ltd. recovered \$15.0 million which was the entire proceeds of a bank account that was established prior to the bankruptcy in order to secure trading by certain former foreign affiliates.

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 September 30, 2018

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