

THE SIPA LIQUIDATION OF MF GLOBAL INC.

FREQUENTLY ASKED QUESTIONS

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OVERVIEW

What happened to MF Global Inc.?

- On October 31, 2011, the United States District Court for the Southern District of New York entered an Order granting the application of the Securities Investor Protection Corporation (SIPC) finding that the customers of MF Global Inc. were in need of the protection afforded by the Securities Investor Protection Act (SIPA). James W. Giddens was appointed trustee for the liquidation of the business of MF Global Inc., and Hughes Hubbard & Reed LLP was appointed as counsel to the Trustee.
- MF Global Inc., by court order, is undergoing a liquidation process. MF Global Inc. is currently being wound down. The broker-dealer is not conducting business and will not be reorganized.

MF GLOBAL HOLDINGS LTD.

What is the status of the bankruptcy of MF Global Holdings Ltd.?

- These Frequently Asked Questions relate to the MF Global Inc. SIPA proceeding only. If you are seeking information regarding the Chapter 11 case, please refer to www.mfglobalcaseinfo.com.

ACCOUNT TRANSFERS & DISTRIBUTIONS

What funds have been transferred to date?

- Distributions to nearly all MF Global Inc. former retail commodities and securities clients will have been made within weeks of the bankruptcy filing:
 - By seeking Court approval on an emergency basis, the Trustee, in coordination with the CFTC, SIPC, and the CME and other exchanges, as of November 7, 2011, has been able to transfer approximately 14,500 customer accounts with open U.S. commodities positions, along with approximately \$1.55 billion in collateral. This court-authorized bulk transfer was the maximum relief available under the law and the circumstances, and it averted mandatory liquidation of the transferred positions under governing CFTC rules.
 - On November 17, Judge Martin Glenn approved the Trustee's request to allow the bulk transfer of 60% of the cash attributable to approximately 23,000 commodities accounts holding only

unencumbered cash, or cash equivalents, on October 31, 2011. The cash transfer could be approximately \$500 million. The Trustee is working with the Chicago Mercantile Exchange (CME) to effect the transfers in a quick and orderly fashion. It is hoped that the CME can begin cash transfers within one week of the court's approval.

- On November 29, the Trustee filed an expedited motion with the Bankruptcy Court seeking approval of a bulk transfer and distribution of up to \$2.1 billion to restore approximately two-thirds or more of US segregated customer property pro rata to all former MF Global Inc. retail commodities customers with US positions. The approval of this bulk transfer, which must be granted by the Bankruptcy Court before the transfer can be implemented, will mean that approximately \$4.1 billion will have been distributed to former customers of MF Global Inc. Once approved by the Court, the Trustee expects that the process can start immediately on a rolling basis and will take derivative clearing organizations two to four weeks to complete.
- On November 30, the Trustee filed an expedited motion with the United States Bankruptcy Court for the Southern District of New York seeking authorization to sell and transfer substantially all retail securities accounts to Perrin, Holden & Davenport Capital Corp. This transfer will allow former MF Global Inc. retail securities customers to receive all or a majority of the net equity in their accounts. The proposed transfer requires Bankruptcy Court approval and subsequent finalization with Perrin, Holden & Davenport Capital Corp.

Should I post collateral if that is requested by the FCM?

- In order to protect their transferred positions, former MF Global Inc. customers who have been transferred should consider posting collateral if that action is requested by the transferee Futures Commission Merchant (FCM). As an alternative, these former MF Global Inc. customers can request to have accounts liquidated.

If my account was not transferred as part of the bulk transfer, what should I do?

- The Trustee does not have the authority to transfer commodity accounts except in bulk, as granted by the Bankruptcy Court.
- As of November 14, certain customer positions had not been transferred and remained at Facilitating Designated Clearing Organizations (DCOs) in MF Global Inc. accounts. Despite the Trustee's and the Facilitating DCOs' best efforts, it appears that a transfer of these positions to a Transferee FCM for the benefit of customers cannot be accomplished. Therefore, the Trustee requested that, once Facilitating DCOs had accomplished all pending position transfer requests, the DCOs commence a prompt and orderly liquidation of the remaining positions and provide a prompt accounting to the Trustee when complete. The Trustee noted that it is not necessary that liquidation be immediate but rather that it be prompt and orderly.

CLAIMS PROCESS

What will the claims process be?

- On November 22, 2011, U.S. Bankruptcy Judge Martin Glenn approved the Trustee's request for approval of a claims process for former customers of MF Global Inc. The Trustee will now establish

separate, parallel customer claims processes: one for MF Global Inc.'s commodity future customers, and the other for its securities customers, as well as an additional claims process for MF Global Inc.'s general creditors.

- To assist in the prompt processing of claims, the Trustee has placed on this website PDF claims forms. In addition, the Trustee will be mailing paper forms to former customers of MF Global Inc. on or before December 2, 2011. The Notice of Commencement also will be published in the *Wall Street Journal*, the *New York Times*, the *Financial Times*, and the *Chicago Tribune* on December 2, 2011.
- Completed forms may be mailed to the Trustee at the address included in the instruction packet. To submit your claim electronically, please email your completed claim form and supporting documents to MFGlobalClaims@epiqsystems.com.
- Claims will be reviewed promptly, and the Trustee's staff will communicate directly with claimants regarding questions related to their claims. Court approval of the claims process supports the Trustee's goal of returning as much customer property as possible, as quickly as possible, in a manner that is fair to all customers, and consistent with the law.
- These claims processes are in addition to, and do not replace nor prevent, the Trustee's efforts to transfer accounts and property on a bulk basis.

Where can I obtain a claim form?

- To assist in the prompt processing of claims, the Trustee has placed on this website, mfglobaltrustee.com, PDF claims forms. In addition, the Trustee will be mailing paper forms to former customers of MF Global Inc. on or before December 2, 2011. Claim forms are also available by writing to the Trustee at the address of his counsel:

Hughes Hubbard & Reed LLP
One Battery Park Plaza
New York, NY 10004
Attn: MF Global Inc. Claim Form Request

Why can't I receive 100% of my account immediately?

- Under the law, the Trustee must use his best efforts to ensure that similarly situated former customers are treated as equally as possible, and he therefore cannot distribute more property than he will have or expects to have under his control. Until an investigation into complex cash movements at MF Global is completed by the Department of Justice, the Commodity Futures Trading Commission, the Securities and Exchange Commission, and the Trustee's staff in cooperation with the Securities Investor Protection Corporation, we will not know the extent of any deficiency in funds that should have been segregated by MF Global for the benefit of former customers of MF Global Inc. At present, the Trustee believes that even if he recovers everything that is at US depositories, the apparent shortfall in what MF Global management should have segregated at US depositories may be as much as \$1.2 billion or more. The Trustee wants to stress that these are preliminary numbers that may well change, and the Trustee will update in due course. While the investigation is proceeding around the clock we are unable to estimate when it will be complete. The Trustee's investigation will be deliberate, thorough, and independent.

COMMODITIES ACCOUNTS

How do I get information about my commodities account, including its balance and whether and to whom it has been transferred?

- For information on your commodities account, please send an e-mail message to clearinginformation@cmegroup.com, indicating your name, MF Global account number, office code and contact details. The clearing houses will respond to the e-mails by phone or in writing as soon as possible in order to confirm your receiving firm. Clearing house representatives will also provide contact information for the receiving firm so that clients can confirm the amount of any transferred customer collateral and positions with the receiving firm.

Should I be closing out my open positions? How should I do this?

- At this time, the Trustee is working with its regulators to determine an appropriate process for closing out open positions. Until a procedure has been put in place, we suggest you contact your financial advisor or see the Liquidation Order.

Why was collateral held back?

- The law requires that all commodities customers be treated fairly, and on a pro rata basis. Under applicable law, we can only distribute an amount of collateral estimated with the relevant commodities exchanges, the CFTC and SIPC, that will not exceed the contemplated pro rata shares of each commodity customer's claim to the amount of funds segregated for commodities customers.
- We have established an expedited claims process to accelerate this process and to enable us to make additional distributions as soon as possible.

SECURITIES ACCOUNTS

I want my securities or cash back. What should I do?

- Should you believe that MF Global Inc. owes you cash or securities from your customer account, you should file a customer claim form. Information regarding securities customer claim forms and instructions may be found on the Trustee's website at mfglobaltrustee.com.
- Claims will be reviewed promptly, and the Trustee's staff will communicate directly with claimants regarding questions related to their claims. Court approval of the claims process supports the Trustee's goal of returning as much customer property as possible, as quickly as possible, in a manner that is fair to all customers, and consistent with the law.

What is the status of my securities account?

- On November 30, the Trustee filed an expedited motion with the United States Bankruptcy Court for the Southern District of New York seeking authorization to sell and transfer substantially all retail securities accounts to Perrin, Holden & Davenport Capital Corp. This transfer will allow former MF Global Inc. retail securities customers to receive all or a majority of the net equity in their accounts. The proposed transfer requires Bankruptcy Court approval and subsequent finalization with Perrin, Holden & Davenport Capital Corp.

Can I cash a check made out by MF Global?

- Whether or not you can cash a check depends on what the check was for - generally, the check cannot be cashed because all of MF Global's bank accounts are frozen due to its bankruptcy. Please send an e-mail to MFGITRUSTEE@HUGHESHUBBARD.COM with the title "Check Request" and provide information regarding the type of check you would like to cash.

THE TRUSTEE

What is the Trustee's mission?

- The Trustee's obligations under the law are to preserve assets and identify and marshal other assets to maximize the estate in a manner that is fair to all customers and other creditors of MF Global Inc. He has taken immediate steps to protect customers and set in place the process for an orderly and efficient liquidation of MF Global Inc.
- The Trustee's team is working to get money back to customers as quickly as possible following the failure of MF Global Inc., and is facing several circumstances as it works toward that goal: there was no single purchaser for MF Global Inc.'s commodities or securities accounts, the books and records require further analysis and reconciliation, and there is an apparent shortfall of segregated customer property.
- The Trustee's goal remains returning as much customer property as possible, as quickly as possible, in a manner that is fair to all customers and that is consistent with the law.

Who is assisting the Trustee in his efforts?

- The Trustee has assembled a professional staff consisting of experienced legal counsel, forensic accountants and other expert consultants with liquidation experience. The Trustee's staff includes professionals from Hughes Hubbard & Reed, all of whom have broker dealer liquidation experience. They are overseeing and supervising 100 Deloitte consultants and 60 Ernst & Young forensic investigative accountants and consultants, and a staff of 190 former MF Global employees. This team shares vast experience in commodities brokers and stockbroker liquidations, forensic accounting, and technology consulting.
- In addition, the Trustee's expert staff has also been working side-by-side with the SEC, SIPC, the CFTC, the CME, and other self-regulatory organizations and derivative clearing organizations. The staff of these organizations has been providing additional industry knowledge and assisting the Trustee in structuring and completing the bulk transfers. The Trustee has also welcomed suggestions and advice from other knowledgeable parties in the futures, options and commodity industries.

What is the status of the Trustee's efforts to bring assets of former MF Global Inc. customers under his control?

- The Trustee's efforts to collect funds from US depositories continue around the clock, and it is expected that the US funds available to the Trustee will increase in the coming weeks. Assets located in foreign depositories for customers that traded in foreign futures are now under the control of

foreign bankruptcy trustees, and while the Trustee will pursue them vigorously, it has been his experience that recovery of these foreign assets may take more time.

What is the status of the distributions to former MF Global Inc. customers?

- Distributions to nearly all MF Global Inc. former retail commodities and securities clients will have been made within weeks of the bankruptcy filing:
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What is the status of the Trustee's investigation into the apparent 'shortfall'?

- The Trustee is continuing his deliberate, independent, and thorough investigation. At present, the Trustee believes that even if he recovers everything that is at US depositories, the apparent shortfall in what MF Global management should have segregated at US depositories may be as much as \$1.2 billion or more. The Trustee wants to stress that these are preliminary numbers that may well change, and the Trustee will update in due course. The Trustee felt obligated to disclose the preliminary numbers, and we will update the numbers as needed. For the benefit of all, the Trustee hopes the apparent shortfall decreases. The Trustee's investigative team, consisting of counsel experienced in broker-dealer liquidations and expert consultants and forensic accountants from both Deloitte and Ernst & Young, continues around the clock in close coordination with the Department of Justice, the CFTC, the SEC, SIPC, the CME, and others.

THE SECURITIES INVESTOR PROTECTION CORPORATION

What is SIPC?

- The Securities Investor Protection Corporation, or SIPC, was created by Congress in 1970. When a brokerage firm is closed due to bankruptcy or other financial difficulties, SIPC steps in to work with the Trustee to, within certain limits, return customers' cash, stock and other securities as quickly as possible. SIPC may also provide cash advances within proscribed limits if needed to help satisfy customer claims.
- Customers share pro rata in the funds held by the brokerage firm for securities customers. To the extent that distribution is less than 100%, SIPC may advance up to \$500,000 for the valid claims of each securities customer, including up to \$250,000 for claims for cash deposited for the purpose of purchasing securities. Assets held in or margin associated with commodities accounts are not eligible for SIPC protection.
- SIPC is not the FDIC. SIPC is not intended to bail out investors when the value of their stocks, bonds and other investments falls for any reason. Instead it replaces missing stocks and other securities that may be missing where it is possible to do so.
- For more information about SIPC, you can visit its website at www.sipc.org.