

Notice to clients

**MF Global Australia Limited (administrators appointed)
MF Global Securities Australia Limited (administrators appointed)
Brokerone Pty Limited (administrators appointed)
together, the "Companies".**

Futures Clients Update

- **US futures positions**

Any instructions received by MFGA from clients on 3 November 2011 were transmitted for execution in the evening of 3 November 2011 (Sydney time). It has since transpired that only a limited number of close out instructions were processed, and that some transfer instructions were processed. Further investigation into this matter suggests that MFGA's clearing participant in respect of US futures positions did not, or was not able to, all of MFGA's orders.

MFGA made two further attempts on Friday 4 November 2011 to transmit client orders for close out or transfer of open positions. For reasons that are still to be confirmed, it does not appear that MFGA client orders were accepted for clearing/transfer. The administrators will continue to liaise with the relevant executing brokers, US clearing participants and offshore exchanges in respect of these positions .

We have confirmed in discussions with various overseas parties and will attempt to have client instructions processed in accordance with our previous communications to clients.

- **Singapore and Tokyo futures positions**

We understand that open positions in respect of Singapore and Tokyo exchanges may have been closed out. We are awaiting confirmation of the position from offshore parties and will provide updates in respect of further developments.

- **Other International futures positions**

As noted in our correspondence to you on 4 November 2011, we are awaiting confirmation of the position in other markets.

CFD Clients Update

- **FX CFDs and Margin FX**

These CFDs and open positions have all been closed out.

MFGA received notice after close of trading Friday 4 November 2011 that MFGA's underlying Hedge Position with MF Global Singapore Pte Limited (provisional liquidators appointed) (**MFGS**) had been closed out.

Accordingly:

- (a) it was necessary for MFGA to close out all FX CFD and all Margin FX positions held by clients of MFGA; and

- (b) for 4 November 2011 (being the first date on which MFGA received notice of MFGS' action) to be declared by MFGA as the Closing Date for the purposes of the CFD Client Agreement and the Margin FX Client Agreement (as applicable).

The Closing Rate for each FX CFD and Margin FX position closed out will be the rate determined by the administrators in due course and following the receipt by MFGA of further information from MFGS as to the price at which it closes out MFGA's Hedge Positions.

The administrators understand from the notice of close out received on 4 November 2011 that MFGS has closed out MFGA's Hedge Positions based on the rates at close of trading on 1 November 2011.

- **International Index and Commodity CFDs**

We understand that some of underlying Hedge Positions (being futures contracts executed on various offshore exchanges) may have been closed out. We are awaiting confirmation of this from the relevant members of the MF Global group who held those positions on the relevant exchanges.

As noted in our earlier communications, these counterparties have entered into insolvency procedures which have complicated the process of ascertaining whether MFGA's Hedge Position has been closed out.

- **European and US Equity CFDs**

We have no further update on these CFD open positions. Please refer to our previous communication on 3 November 2011.

- **Australian and Asian Equity CFDs**

We have no further update on these CFD open positions. All CFD positions in respect of Australian and Asian Equity CFDs have been closed out. Please refer to our previous communication on 3 November 2011.

- **Australian Index and Commodity CFDs**

We have no further update on these CFD open positions. All CFD positions in respect of Australian index and commodity CFDs have been closed out. Please refer to our previous communication on 3 November 2011.

- **Online FX**

We are awaiting confirmation in relation to the status of the Hedge Position in relation to MFGA's Online FX accounts. MFGA's Hedge Counterparty for transactions in respect of these accounts is MF Global Mauritius Pvt Limited, a company incorporated in Mauritius.

Christopher Campbell

Joint administrator

MF Global Australia Limited (administrators appointed)

MF Global Securities Australia Limited (administrators appointed)

Brokerone Pty Limited (administrators appointed)