



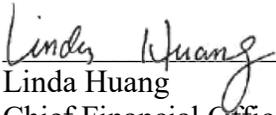
STATEMENT OF FINANCIAL CONDITION AND  
SUPPLEMENTAL INFORMATION

MFI Funding LLC  
As of December 31, 2025

With Report of Independent Registered Public Accounting Firm

## **Oath or Affirmation**

The futures commission merchant submitting this financial statement and the person whose signature appears below represent that, to the best of their knowledge, all information contained therein is true, correct and complete. It is understood that all required items, statements and schedules are integral parts of this financial statement and that the submission of any amendments represents that all unamended items, statements and schedules remain true, correct and complete as previously submitted. It is further understood that any intentional misstatements or omissions of facts shall be unlawful.

By:  \_\_\_\_\_  
Linda Huang  
Chief Financial Officer

Date: February 23, 2026

MFI Funding LLC

Statement of Financial Condition and Supplemental Information

As of December 31, 2025

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Ernst & Young LLP  
One Manhattan West  
New York, NY 10001

Tel: +1 212 773 3000  
Fax: +1 212 773 6350  
ey.com

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## **Report of Independent Registered Public Accounting Firm**

The Manager of  
MFI Funding LLC

### **Opinion on the Financial Statement**

We have audited the accompanying statement of financial condition of MFI Funding LLC (the “Company”) as of December 31, 2025 and the related notes (the “financial statement”). In our opinion, the financial statement presents fairly, in all material respects, the financial position of the Company at December 31, 2025, in conformity with U.S. generally accepted accounting principles.

### **Basis for Opinion**

This financial statement is the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s financial statement based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB and in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audit included performing procedures to assess the risks of material misstatement of the financial statement, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.



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### **Critical Audit Matters**

Critical audit matters are matters arising from the current period audit of the financial statement that were communicated or required to be communicated to those charged with governance and that: (1) relate to accounts or disclosures that are material to the financial statement and (2) involved our especially challenging, subjective, or complex judgments. We determined that there are no critical audit matters.

### **Supplemental Information**

The accompanying information contained in the Statement of the Computation of the Minimum Capital Requirements and the Reconciliation of Statement of Financial Condition to the Statement of the Computation of the Minimum Capital Requirements has been subjected to audit procedures performed in conjunction with the audit of the Company's financial statement. Such information is the responsibility of the Company's management. Our audit procedures included determining whether the information reconciles to the financial statement or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information. In forming our opinion on the information, we evaluated whether such information, including its form and content, is presented in conformity with Regulation 1.10 under the Commodity Exchange Act. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statement as a whole.

*Ernst & Young LLP*

We have served as the Company's auditor since 2020.

New York, New York

February 23, 2026

# MFI Funding LLC

## Statement of Financial Condition

December 31, 2025

*(In Thousands)*

### **Assets**

Cash	\$	405,987
Receivables from and deposits with financial institutions, net		358,043
Securities purchased under agreements to resell, net		6,106,181
Securities owned, at fair value		2,745
Exchange memberships		1,579
Stock in clearing organization		97
Total assets	\$	<u>6,874,632</u>

### **Liabilities and member's capital**

Payable to financial institutions, net	\$	12
Securities sold under agreements to repurchase, net		6,097,430
Payable to affiliate		315,180
Accounts payable and accrued expenses		302
Total liabilities		<u>6,412,924</u>

Member's capital		461,708
Total liabilities and member's capital	\$	<u>6,874,632</u>

# MFI Funding LLC

## Notes to Financial Statement

December 31, 2025

*(In Thousands)*

### **1. Organization**

MFI Funding LLC (“MFIF” or the “Company”), a Delaware limited liability company, was formed on July 24, 2020 and commenced operations on August 26, 2020. MFIF is a wholly-owned subsidiary of Millennium Fixed Income Ltd. (“MFI”), a Cayman Islands exempted limited company and wholly-owned subsidiary of Millennium Partners, L.P. (“MLP”), a Cayman Islands exempted limited partnership. MFIF is primarily engaged in proprietary securities financing transactions associated with MFI’s fixed income trading business and clearing futures contracts and options on futures contracts on behalf of MFI. Millennium International Management LP, a Delaware limited partnership, (the “Manager”) is the manager of MFIF and has the power and authority to manage the Company.

MFIF is registered as a futures commission merchant (“FCM”) with the Commodity Futures Trading Commission (“CFTC”), a member of the National Futures Association (“NFA”) and a netting member of the Government Securities Division of the Fixed Income Clearing Corporation (“FICC”). In August 2025, MFIF became a clearing member of Chicago Mercantile Exchange Inc. (“CME”) and Board of Trade of the City of Chicago, Inc. (“CBOT”).

### **2. Significant Accounting Policies**

MFIF’s financial statement has been prepared in accordance with accounting principles generally accepted in the United States of America (“US GAAP”) and is stated in U.S. Dollars. The preparation of the financial statement requires management to make estimates and assumptions that affect the amounts reported in the financial statement and accompanying notes. Management believes that the estimates utilized in preparing its financial statement are reasonable and prudent. Actual results could differ from those estimates.

Cash consists of deposits with banks.

Receivables from and deposits with financial institutions, net, represent net cash and margin balances held at the Company’s clearing agent and with the FICC in connection with MFIF’s repurchase and reverse repurchase transactions, as well as cash, margin, guarantee deposits, open trade equity and net option value held at the CME in connection with clearing futures transactions on behalf of MFI. Amounts are reported on a net basis to the extent that the netting criteria under US GAAP have been met.

Securities purchased under agreements to resell (“reverse repurchase agreements”) and securities sold under agreements to repurchase (“repurchase agreements”) primarily represent short-term financings and are collateralized by negotiable U.S. government securities. These agreements are

# MFI Funding LLC

## Notes to Financial Statement

### 2. Significant Accounting Policies (continued)

reported on a net basis to the extent that the netting criteria under US GAAP have been met and are recorded at their contracted amounts plus accrued interest.

Securities owned are recorded at fair value. Transactions in securities are recorded on a trade date basis. At December 31, 2025, all securities owned were posted as collateral to a clearing agent in connection with MFIF's trading activities.

Exchange memberships and stock in a clearing organization are held for membership privileges and carried at cost less impairment on the statement of financial condition. The exchange memberships and stock are assessed for impairment on an annual basis. As of December 31, 2025, the Company recognized an impairment loss of \$2,398 for the exchange memberships.

### 3. Fair Value of Financial Instruments

The fair value of a financial instrument is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). The transaction to sell an asset or transfer a liability is a hypothetical transaction at the measurement date, considered from the perspective of a market participant. A fair value measurement also assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market for the asset or liability.

US GAAP establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

- Level 1      Inputs that reflect unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets and liabilities;
- Level 2      Inputs other than quoted prices included within Level 1 that are observable for assets and liabilities either directly or indirectly at the measurement date; and
- Level 3      Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable at the measurement date.

# MFI Funding LLC

## Notes to Financial Statement

### 3. Fair Value of Financial Instruments (continued)

In some cases, the inputs used to measure fair value might fall in different levels of the fair value hierarchy. In such circumstances, the level of the financial instrument in the fair value hierarchy is determined based on the lowest level input that is significant to the fair value measurement in its entirety. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment and involves considering a number of factors specific to the financial instrument.

The Manager's valuation committee (the "Valuation Committee") is responsible for providing guidance relating to, and oversight and monitoring of, the valuation of the Company's financial instruments in accordance with US GAAP and the classification of assets and liabilities in accordance with the fair value hierarchy therein. Portfolio managers may not be members of the Valuation Committee.

U.S. government securities are valued using market prices obtained from independent pricing services and are categorized in Level 1 of the fair value hierarchy.

The following table summarizes the Company's assets measured at fair value within the fair value hierarchy as of December 31, 2025.

<u>Description</u>	<u>Assets at Fair Value as of December 31, 2025</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Securities Owned</u>				
U.S. government securities	\$ 2,745	\$ -	\$ -	\$ 2,745

For financial instruments that are not held at fair value on the statement of financial condition, the carrying value approximates fair value.

### 4. Collateralized Transactions

The Company's policy is to obtain possession or control of securities collateralizing reverse repurchase agreements, on terms which permit the Company to repledge or resell the securities to others. The Company is required to provide securities to counterparties in order to collateralize repurchase agreements. The fair value of the securities received or pledged as collateral is monitored daily.

Reverse repurchase and repurchase transactions that are subject to an enforceable master netting arrangement and meet other criteria under US GAAP are offset on the statement of financial condition. During 2025, the Company entered into repurchase and reverse repurchase agreements with MFI, and certain third party counterparties whereby those transactions were novated to the FICC and the FICC became the Company's counterparty. The following tables present gross and net assets and liabilities by counterparty for all such transactions at December 31, 2025.

# MFI Funding LLC

## Notes to Financial Statement

### 4. Collateralized Transactions (continued)

	Securities Purchased Under Agreements to Resell		
	MFI	FICC	Total
<b>Amounts included on the Statement of Financial Condition</b>			
Gross carrying value	\$ 9,927,027	\$ 3,820,846	\$ 13,747,873
Counterparty netting <sup>(1)</sup>	(3,820,846)	(3,820,846)	(7,641,692)
<b>Total Net Carrying Value</b>	<b>\$ 6,106,181</b>	<b>\$ -</b>	<b>\$ 6,106,181</b>
Collateral received/pledged <sup>(2)</sup>	(6,106,181)	-	(6,106,181)
<b>Total Net Exposure</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

	Securities Sold Under Agreements to Repurchase		
	MFI	FICC	Total
<b>Amounts included on the Statement of Financial Condition</b>			
Gross carrying value	\$ 3,820,846	\$ 9,918,276	\$ 13,739,122
Counterparty netting <sup>(1)</sup>	(3,820,846)	(3,820,846)	(7,641,692)
<b>Total Net Carrying Value</b>	<b>\$ -</b>	<b>\$ 6,097,430</b>	<b>\$ 6,097,430</b>
Collateral received/pledged <sup>(2)</sup>	-	(6,097,430)	(6,097,430)
<b>Total Net Exposure</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

(1) Amounts offset on the statement of financial condition as they relate to transactions under master netting agreements which have been determined by the Company to be legally enforceable in the event of default and where certain other criteria are met in accordance with applicable offsetting accounting guidance.

(2) Collateral amounts shown above are limited to the total net carrying value.

At December 31, 2025, the Company received securities with a fair value of \$13,705,767 as collateral for reverse repurchase transactions and pledged securities with a fair value of \$13,696,890 as collateral for repurchase transactions.

As part of the Company's FICC membership and related repurchase and reverse repurchase transactions, the Company is required to post margin to the FICC. As of December 31, 2025, the amount posted is included in receivables from and deposits with financial institutions, net, on the statement of financial condition.

On an ongoing basis, in connection with the repurchase and reverse repurchase transactions with MFI, the Company receives collateral from MFI equal to the required amount the Company has to post with the FICC. At December 31, 2025, the collateral received is included in payable to affiliate on the statement of financial condition.

The Company minimizes credit risk associated with these activities by monitoring credit exposure and collateral values, and requiring collateral to be obtained or returned when deemed appropriate.

The following table presents the gross carrying value of repurchase transactions, by collateral type and by the remaining contractual maturity of those transactions at December 31, 2025.

# MFI Funding LLC

## Notes to Financial Statement

### 4. Collateralized Transactions (continued)

Securities sold under agreements to repurchase <sup>(1)</sup>	Overnight and Continuous	Up to 30 Days	30-90 Days	Greater than 90 Days	Total
U.S. government securities	\$ 10,380,273	\$ 2,577,369	\$ 524,792	\$ 256,688	\$ 13,739,122

<sup>(1)</sup> The amounts presented in this table are on a gross basis while the amounts shown on the statement of financial condition are after applying master netting provisions.

### 5. Income Taxes

MFIF is classified as a disregarded entity for income tax purposes. It is 100% owned by MFI and currently there is no taxation imposed on income or capital gains by the government of the Cayman Islands. As a result, no tax liability has been recorded on the financial statement.

MFIF accounts for income taxes under US GAAP, which provides guidance related to the evaluation of uncertain tax positions. US GAAP requires MFIF to review and evaluate positions in its major jurisdictions and determine whether or not there are uncertain tax positions that require financial statement recognition. Tax positions not deemed to meet a “more likely than not” threshold would be recorded in the current year. As of December 31, 2025, the tax years that remain subject to examination (under the statute of limitations) by the Internal Revenue Service are from the year 2022 and forward. Other tax jurisdictions may have longer periods. MFIF has evaluated its uncertain tax positions under US GAAP and has concluded that there are no material uncertain tax positions requiring recognition, measurement or disclosure in the financial statement.

### 6. Related Party Transactions

MFIF entered into a services and expense agreement with MPG Operations LLC (“MPG”), a wholly-owned subsidiary of Millennium International Management LP, and MFI. Pursuant to the agreement, MPG provides certain administrative and support services to MFIF and charges MFIF an agreed upon amount.

In addition, in accordance with the agreement, MFIF provides MFI with services associated with MFI’s fixed income trading business and charges MFI a fee equal to MFIF’s total expenses, excluding non-operating expenses, plus an agreed upon markup.

MFIF executes and clears trades for MFI in a noncustomer account and earns commissions for these services. At December 31, 2025, cash, margin, open trade equity and net option value related to the futures clearing transactions and net payables related to the services agreement are included in payable to affiliate on the statement of financial condition.

Refer to note 4 for a discussion on related party repurchase and reverse repurchase transactions with MFI.

# MFI Funding LLC

## Notes to Financial Statement

### **7. Member's Capital**

The Company's member's capital is held solely by MFI, which generally may contribute to and withdraw from the Company at any time with the approval of the Manager, and gain or loss is allocated to the member. During the year ended December 31, 2025, there were contributions of \$335,000 and no withdrawals.

### **8. Net Capital Requirements**

The Company is subject to the net capital requirements of the CFTC, NFA and CME. Under CFTC Regulation 1.17, Minimum Financial Requirements for Futures Commission Merchants and Introducing Brokers, the Company is required to maintain a minimum adjusted net capital of the greater of \$5,000 or 8% of MFIF's risk margin requirement. At December 31, 2025, the Company had adjusted net capital and excess net capital of \$455,346 and \$433,689, respectively.

In addition, the Company is subject to minimum capital requirements of the FICC.

At December 31, 2025, the Company was in compliance with all of its net capital requirements.

### **9. Risk Management**

Credit risk is the risk that counterparties may fail to fulfill their obligations, or that the collateral value becomes inadequate. The Company attempts to minimize its credit risk by monitoring the credit exposure and the creditworthiness of counterparties, requiring additional collateral where appropriate, and using master netting agreements and the right of setoff whenever possible. The Company clears its securities transactions through major financial institutions pursuant to clearance, custody and prime brokerage arrangements. Trades pending at December 31, 2025 were settled without an adverse effect on the Company's statement of financial condition.

Market risk is the potential loss the Company may incur as a result of adverse changes in the fair value of a particular instrument. The Company manages market risk by establishing guidelines for portfolio managers as to the types and degrees of risk that may be undertaken. In addition, the Company monitors position concentration, exposure to crises and significant historical market events.

The Company may also be affected by international economic or political events (including wars, terrorist acts or security operations), developments or trends in any particular industry, natural disasters, pandemics or health crises. The Company has devoted resources to prepare for a variety of potential disruptions and continues to operate normally in the current global climate, without material disruption. The Company continues to closely monitor related developments and any such impact they may have on its operations.

In the normal course of business, MFIF may enter into contracts which provide a variety of general indemnifications. Such contracts may include those with certain service providers, brokers and

# MFI Funding LLC

## Notes to Financial Statement

### **9. Risk Management (continued)**

trading counterparties. The maximum exposure under these contracts is not known. Any exposure to MFIF under these arrangements would involve future claims that may be made against MFIF. No such claims have occurred and the risk of loss is expected to be remote. Therefore, MFIF has not accrued any liability in connection with such indemnifications.

### **10. Commitments and Contingencies**

The Company may enter into forward starting repurchase and reverse repurchase transactions that settle at a future date. The forward starting repurchase and reverse repurchase agreements at December 31, 2025, were settled without an adverse effect on the Company's statement of financial condition.

From time to time, MFIF may be involved in litigation matters arising in connection with the conduct of its business. Based on available information and consultation with legal counsel, MFIF does not believe that there are currently such matters that would have a material effect on MFIF's financial condition.

Associated with the Company's memberships in various clearing organizations, the Company may be required to pay a proportionate share of the financial obligations of another member who may default on its obligation to the exchange. Although the rules governing different exchange memberships vary, in general the Company's guarantee obligations would arise only if the exchange had previously exhausted its resources. In addition, any such guarantee obligation would be apportioned among the other non-defaulting members of the exchange. Any potential contingent liability under these membership agreements cannot be estimated. The Company has not recorded any contingent liability on the statement of financial condition for these agreements and believes that any potential requirement to make payments under these agreements is remote. At December 31, 2025, the Company posted \$3,968 as the guarantee deposit, which is included in receivables from and deposits with financial institutions, net, on the statement of financial condition.

### **11. Subsequent Events**

MFIF has evaluated subsequent events through February 23, 2026, which is the date its financial statement was available to be issued. There are no subsequent events that require disclosure under US GAAP.

## Supplemental Information

MFI Funding LLC

Reconciliation of Statement of Financial Condition to the Statement of the  
Computation of the Minimum Capital Requirements

December 31, 2025  
(In Thousands)

**Assets**

Total assets reflected on the statement of financial condition \$ 6,874,632

Deduct:

Noncurrent assets

Exchange memberships (1,579)

Stock in clearing organization (97)

Add:

Value of net non-customer options positions 127

**Current assets reported on the statement of the computation of the  
minimum capital requirements** \$ 6,873,083

**Liabilities**

Total liabilities reflected on the statement of financial condition \$ 6,412,924

Add:

Value of net non-customer options positions 127

**Total liabilities reported on the statement of the computation of the  
minimum capital requirements** \$ 6,413,051

## MFI Funding LLC

### Statement of the Computation of the Minimum Capital Requirements

December 31, 2025

*(In Thousands)*

**Net Capital Calculation:**

Current assets		\$ 6,873,083
Less: Total liabilities		6,413,051
Net capital before deductions		460,032
Less: Deductions		4,686
Adjusted net capital		\$ 455,346

**Net Capital Required:**

A. Risk-based requirement:		
Amount of customer risk maintenance margin	\$ -	
8% of customer risk maintenance margin		\$ -
Amount of non-customer risk maintenance margin	270,716	
8% of non-customer risk maintenance margin		21,657
Total risk-based requirement		21,657
B. Minimum dollar amount required		\$ 1,000
C. Other NFA Requirement		\$ 5,000
Amount required (greater of A, B or C)		\$ 21,657
Excess net capital		\$ 433,689
<u>Computation of Early Warning Level:</u>		
110% of minimum dollar amount required		\$ 23,823

There are no differences between this statement of the computation of the minimum capital requirements and as reported on the unaudited Form 1-FR-FCM filing as of December 31, 2025, filed on January 27, 2026.

## MFI Funding LLC

### Information on Other Statements

The following statements specified in CFTC Regulation 1.10(d), Contents of Financial Reports, are not included in this report because MFIF does not hold or invest customer funds and these statements are not applicable for MFIF:

- Statement of Segregation Requirements and Funds in Segregation for Customers Trading on U.S. Commodity Exchanges
- Statement of Segregation Requirements and Funds in Segregation for Customers' Dealer Options Accounts
- Statement of Secured Amounts and Funds Held in Separate Accounts Pursuant to Commission Regulation 30.7
- Statement of Cleared Swaps Segregation Requirements and Funds in Cleared Swaps Customer Accounts Under 4D(F) of the CEA