



Fairfield Sentry Limited  
Fairfield Sigma Limited  
Fairfield Lambda Limited  
(in Liquidation)

# MEETING OF CREDITORS AND REGISTERED SHAREHOLDERS

24<sup>th</sup> June 2016

Cayman Islands  
British Virgin Islands (EC)  
Bahamas  
Bermuda  
Guernsey  
London  
Cyprus (CIS/CEE)  
USA

# Creditors and Investors Meeting

Fairfield Sentry Limited (in Liquidation)  
Fairfield Sigma Limited (in Liquidation)  
Fairfield Lambda Limited (in Liquidation)

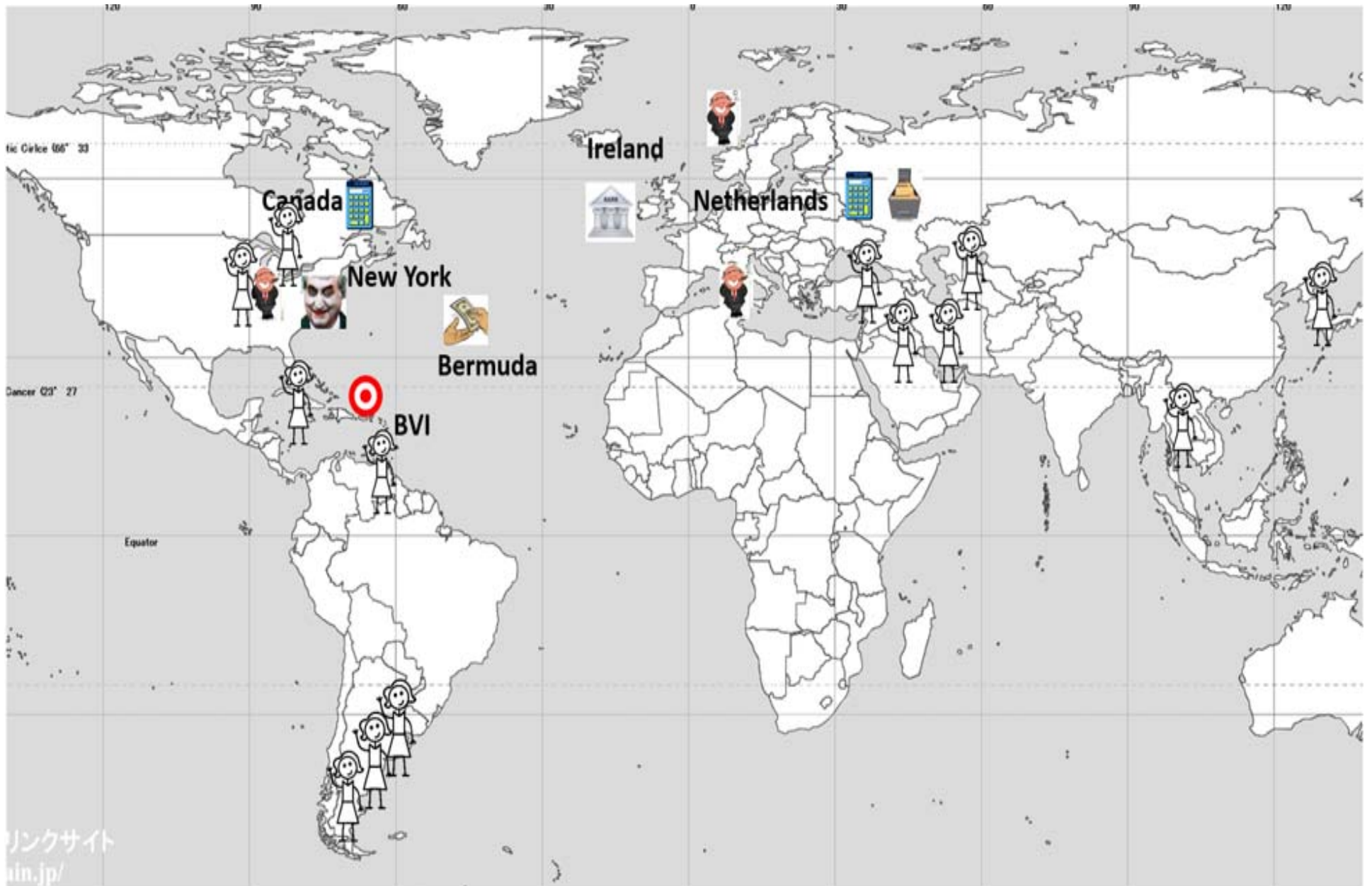
## Update and Next Steps



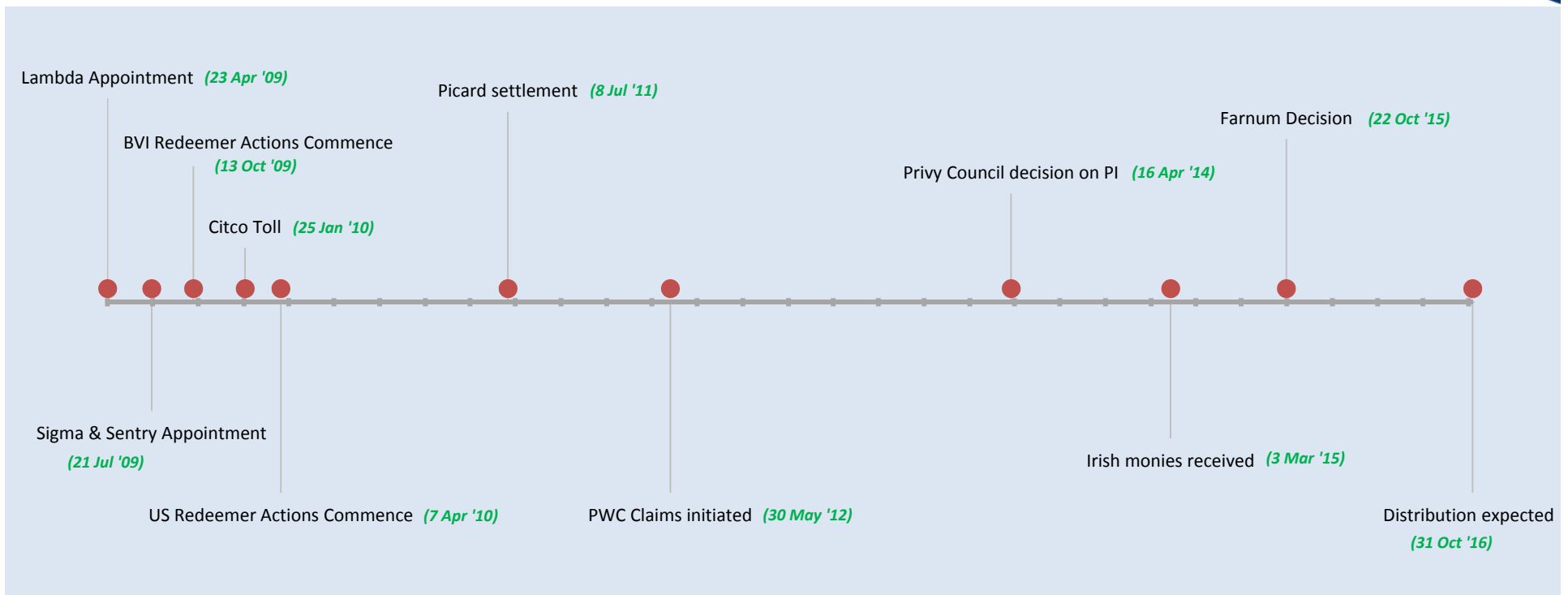
## Agenda

1. Welcome
2. Third party litigation: PWC & Citco
3. US Redeemer Actions
4. Cash Position
5. Distributions
6. Questions





# Timeline



# PriceWaterhouseCooper (“PWC”)

## Dutch proceedings:

Re: Audit for Years ended 2003 to 2005

- 30 May 2012 – Writ of Summons filed for unspecified damages in Amsterdam District Court.
- 22 October 2015 – Oral hearing.
- 13 July 2016 – Decision scheduled.



## Canadian proceedings:

Re: Audit for Years ended December 2006 to 2007

- 28 May 2012 – Statement of Claim filed in the Ontario Supreme Court for breach of contract, negligence and negligent misrepresentation.
- Statement of Defence and counterclaims filed.
- 20 November 2015 – Application for summary judgment by PWC.
- 29 April 2016 – Response by JLS filed.
- Discovery on response currently being done.
- Fall 2016 – Decision on summary judgement motion expected.



**Citco Bank Nederland (“CBN”) – banker & custodian**

**Citco Fund Services (Europe) BV (“CFSE”) – administration**

**Citco Global Custody (“CGC”) – Registered shareholder**

- January 2010 toll; extended numerous times, most recently to July 2016.
- Sharing of information and negotiation toward settlement ongoing.

**CITCO**

## Claims Against the Funds' Redeeming Investors

### *Redeemer claims – common law restitutionary claims, contractual claims and statutory avoidance claims*

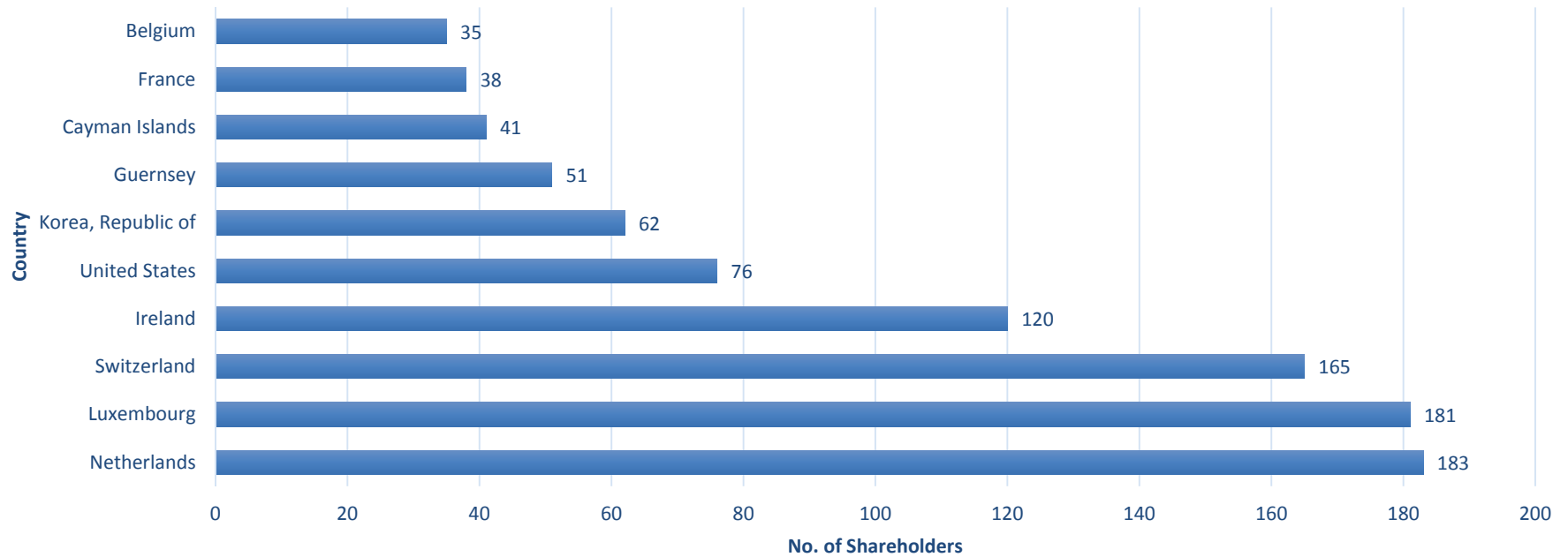
- Decision rendered by Privy Council on Preliminary Issues in April 2014, with a final order entered in October 2014.
- Remaining BVI redeemers are in the process of being discontinued.
- S273 application made by certain defendants in 2011.
  - Heard in March 2015.
  - Judgment received March 2016 dismissing application on various grounds.
  - Applicants have appealed decision.
- Continued sanction to pursue US redeemer claims sought (only impacts costs).
  - Declined April 2016.
  - JLs have appealed.
- Settlement negotiations ongoing: Recoveries of US \$28 million.
- Sharing agreement with SIPA Trustee: Recoveries of US \$51 million.



# US Redeemer Actions

## By Jurisdiction

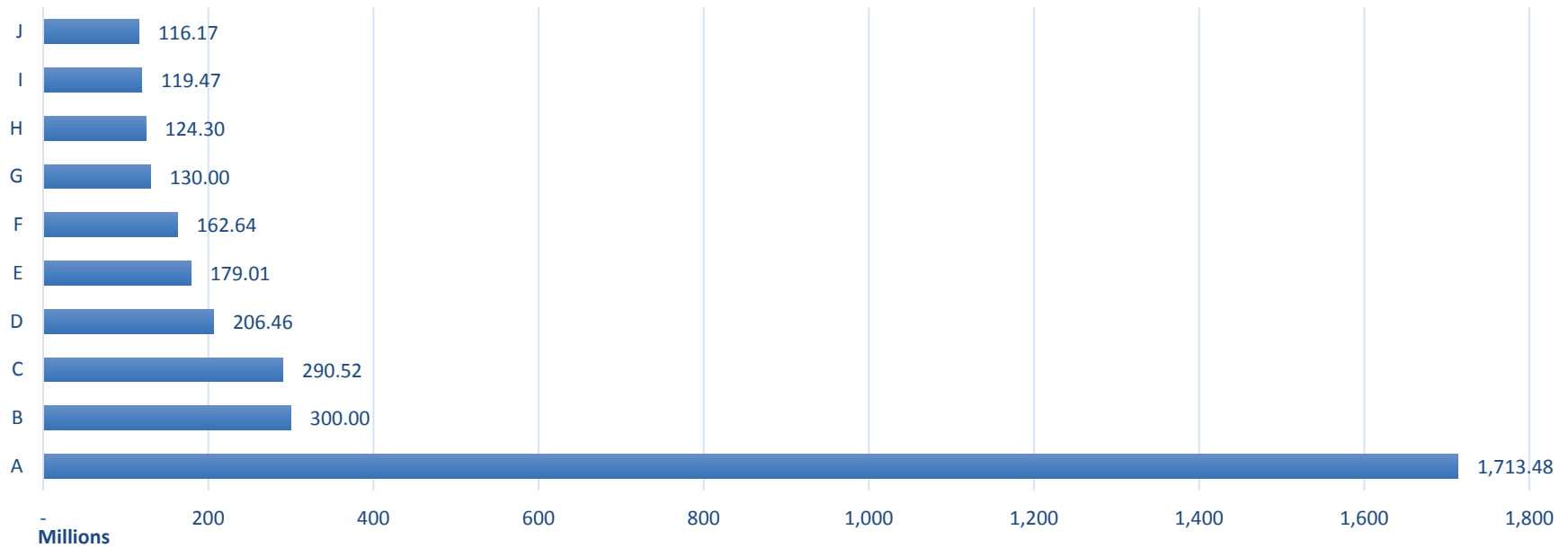
**Top 10 Countries by Shareholder**



# US Redeemer Actions

## By Value

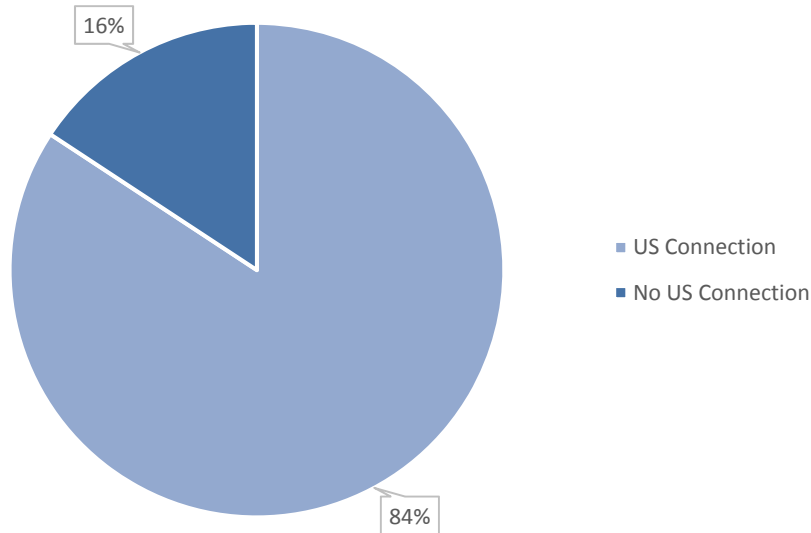
### 10 Largest US Redeemer Claims



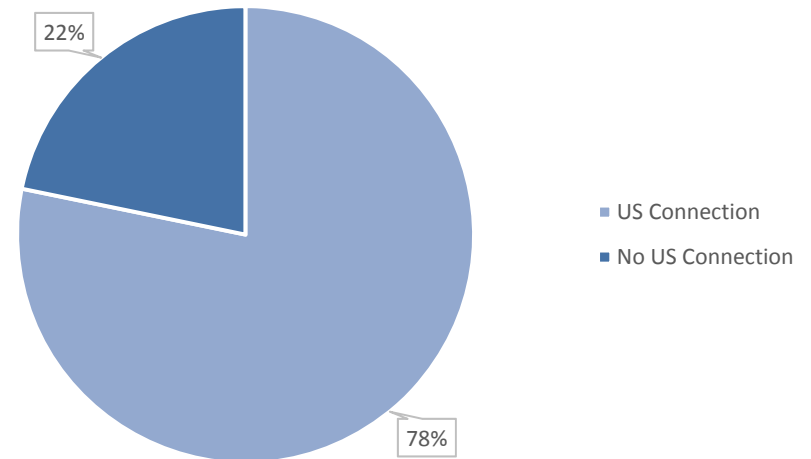
# US Redeemer Actions

## US Connections

Proportion of Defended Claims by Value



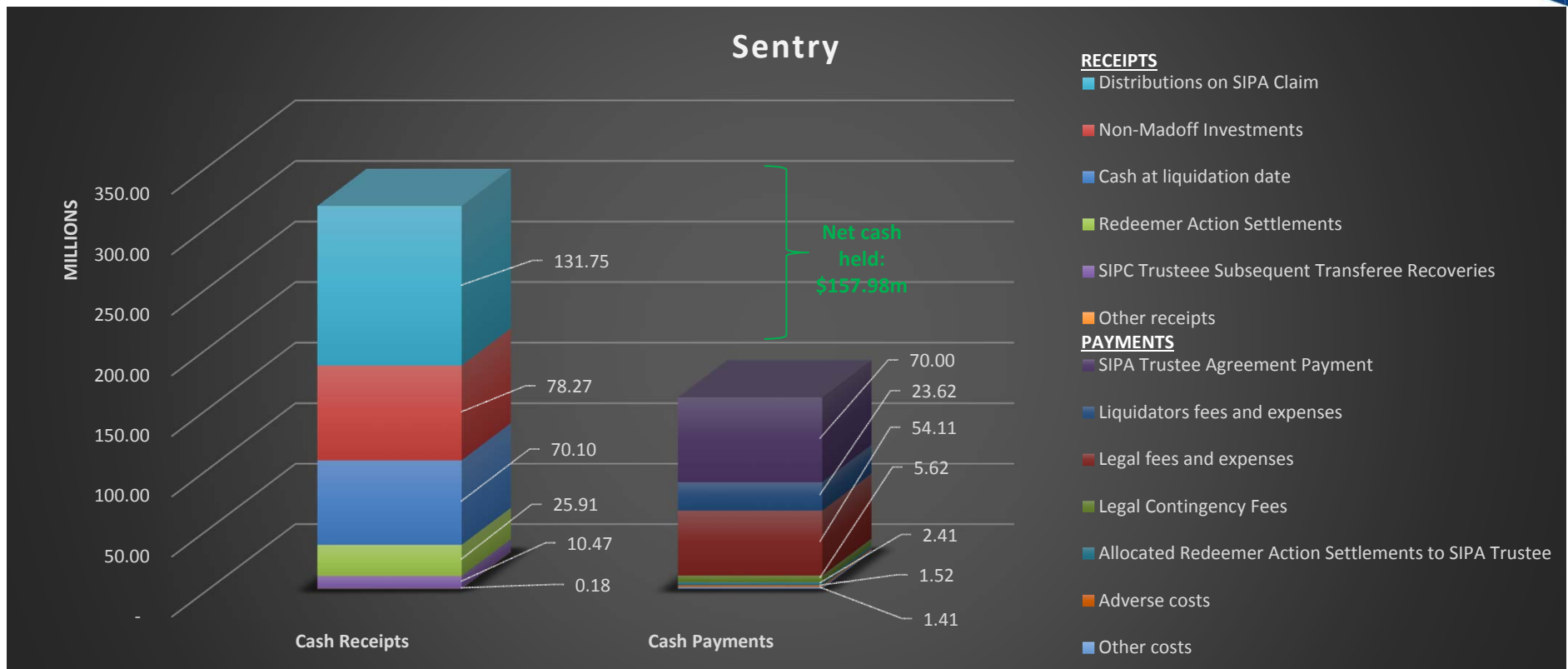
Proportion of Non-Responded Claims by Value



\*\* Does not take into consideration claims against Citco entities.

# Cash Position

## Receipts and Payments July 2009 to 13 April 2015

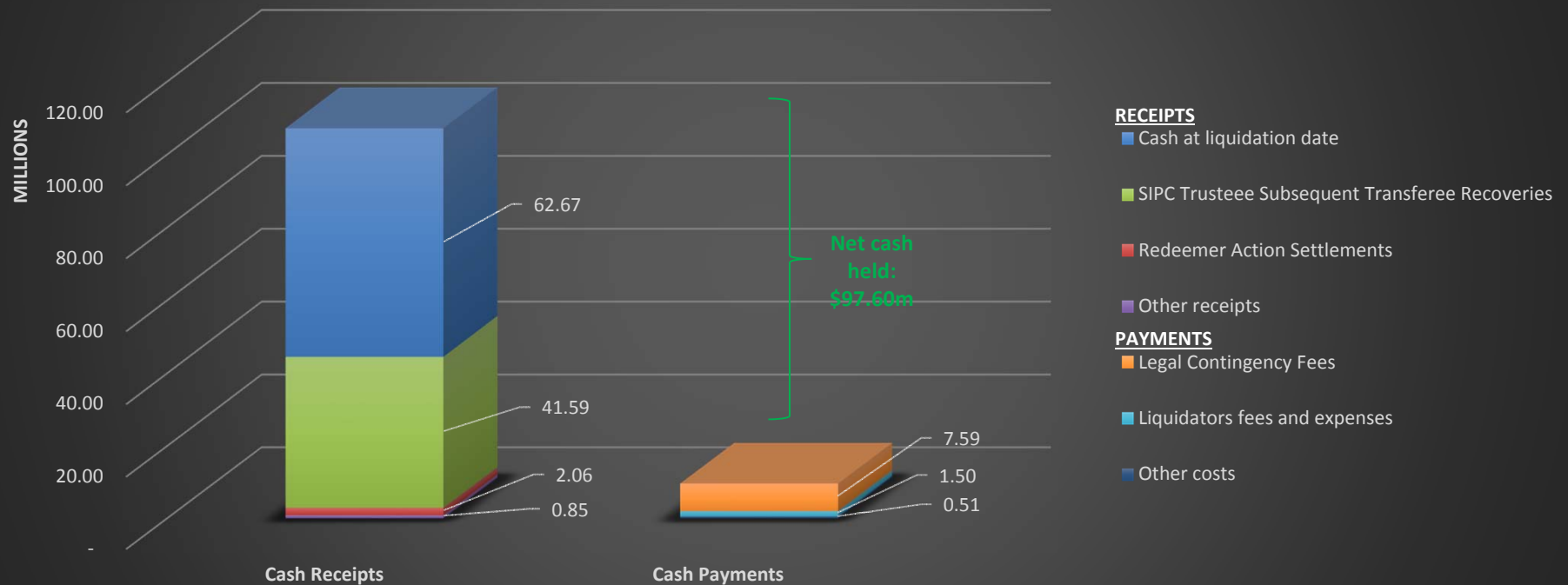


\*\* Does not take into consideration costs incurred by Sentry, which are to be shared with Sigma & Lambda

# Cash Position

## Receipts and Payments July 2009 to 13 April 2015

### Sigma



\*\* Does not take into consideration costs incurred by Sentry, which are to be shared with Sigma & Lambda

# Distributions

## Introduction

- Early 2014 – BVI Court permitted JLs to explore distribution methodology and resolve issues.
  
- Issues
  - Unpaid Redemption Request
    - Hearing June 2015.
    - Settlement with 5 appearing applicants (approved earlier this month).
    - Remaining claimants rejected as time to object expired .
  
  - Indemnity Reserves
    - Most issues resolved with Anwar settlements.
    - Remaining risk can be quantified.
  
  - Compromise of Inter-Fund Claims
    - Await pending s273 appeal.

# Distributions

## Adjudication of claims

### 138 claims received

- 64: Late redeemers – 5 settled/59 rejected
- 3: Late subscribers – in progress
- 5: Trade creditors/indemnity - 3 admitted/2 in progress
- 1: Negligence/misrepresentation - rejected

65: Registered Shareholders – 38 accepted/27 rejected



# Distributions

## Following methodology will be applied

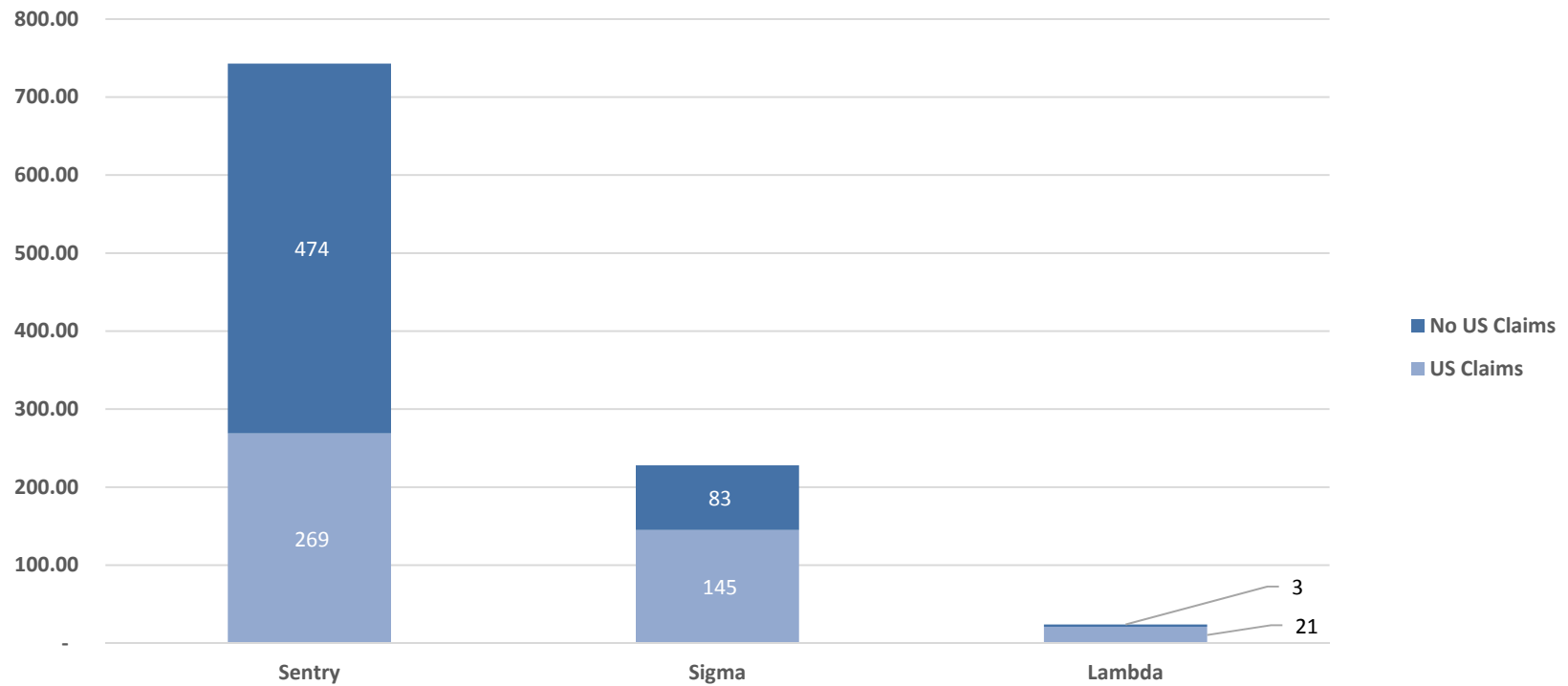
- Pay admitted trade creditors, indemnity & late subscribers in full plus interest (if applicable).
- Misrepresentation/negligence claim rejected – if admitted will need to pay.
- No deferred creditors (as a result of settlements and court orders).
- Registered shareholders paid on per share basis.



# Distributions

## Share Register

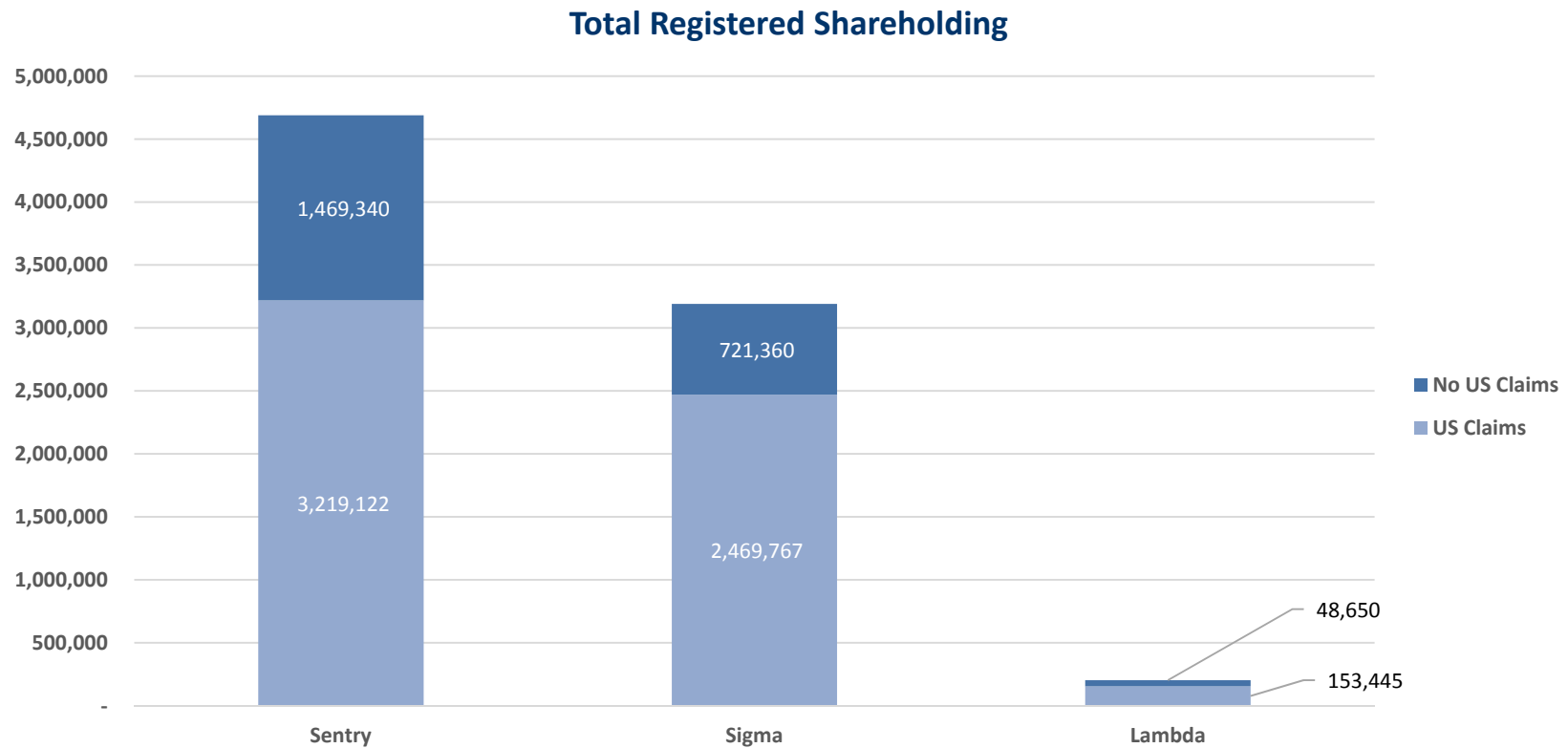
Total Registered Shareholders



\*\* Includes Citco registered shareholders.

# Distributions

## No. of Registered Shareholders who are US Redeemer Defendants

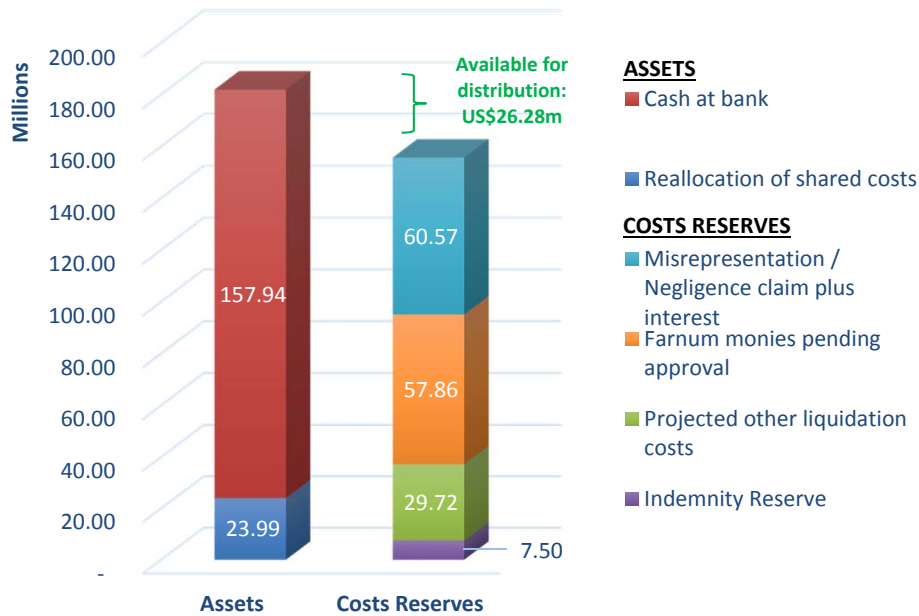


\*\* Includes Citco registered shareholders.

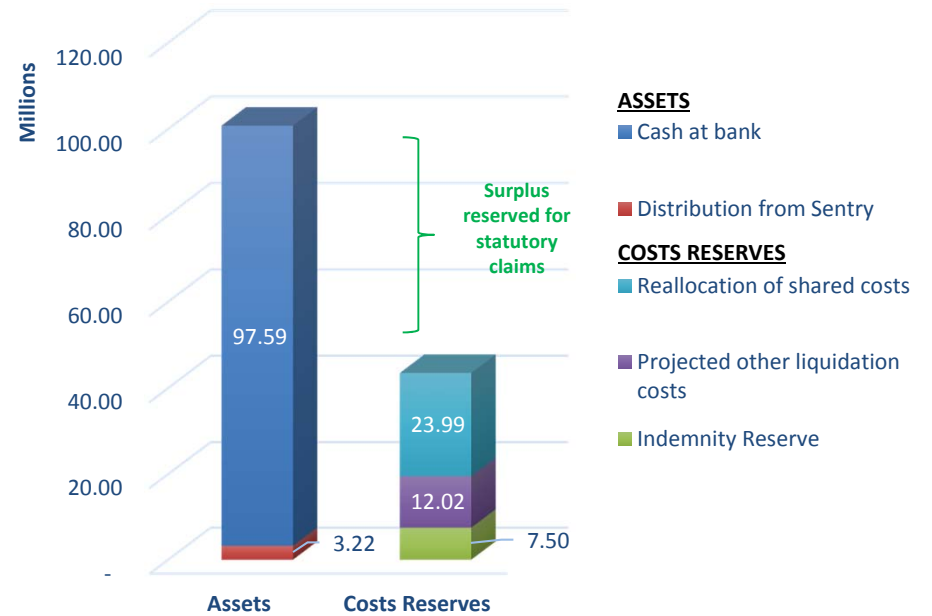
# Distributions

## Projected Distribution

### Sentry



### Sigma



# Distributions

## Estimated timeline to distribution

- Current - Adjudication and obtaining updated client information.
- September 2016 – Assuming no appeals, seek Court direction re: distribution.
- October 2016 – Distribution from Sentry.



The background is a complex, abstract geometric pattern. It consists of a network of small, light-colored nodes connected by thin lines, forming a mesh-like structure. The nodes are arranged in a way that creates a sense of depth and movement, with some areas appearing more prominent than others. The overall color palette is a range of greys, from light to dark, giving it a modern, technological feel.

**Any questions?**

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