



Joint Liquidators' Analysis of Estimated Outcomes As at 30 June 2016

In respect of "The Funds":

Fairfield Sentry Limited
Fairfield Sigma Limited
Fairfield Lambda Limited

(All in Liquidation)

29 July 2016

KRYs GLOBAL

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

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Purpose

Following the meeting of the Funds' shareholders held on 24 June 2016, the Joint Liquidators ("JLs") were requested to provide shareholders with an estimate of the range of potential distribution outcomes that they consider may be achievable, following conclusion of the various litigation actions currently ongoing.

This document sets out the JLs' estimated range of possible outcomes as at 30 June 2016, based on a number of assumptions. It is therefore important that the analysis is read in conjunction with the 'Notes and Assumptions'. It is also important to acknowledge that the range of litigation outcomes estimated for the purposes of this analysis are based on the JLs' experience and knowledge of sums that have been awarded or settled in similar such litigations, and is in no way reflective of the JLs' views on the merits of the litigation. Any litigation is inherently risky but the JLs continue to be of the view that the prospects of success for the Funds in the various litigations are strong.

In summary, the JLs estimate that a range of \$261.1m to \$2.2bn will be available to distribute amongst the shareholders of the Funds. The estimated distributions per share from each Fund are included in the following pages.

Analysis of Outcomes

The table below shows the JLs' estimated total assets and liabilities of the Funds as at 30 June 2016. The JLs have assumed for the purposes of this analysis that the intercompany claims between the three Funds will be compromised and their assets and liabilities consolidated for the purposes of a distribution.

All amounts are in USD, unless otherwise stated.

	ESTIMATED RANGE OF OUTCOMES	NOTES
ASSETS		
Cash at Bank	\$ 247,871,671	1
SIPA Claim	\$ 40,752,800	2
Future Litigation Recoveries	\$ 150,000,000 - \$ 2,254,423,627	3
LIABILITIES		
Creditors	\$ 5,859,916 - \$ 123,859,916	4
Future Liquidation Fees and Expenses	\$ 53,650,000 - \$ 339,424,135	5
ASSETS AVAILABLE TO DISTRIBUTE	\$ 261,114,555 - \$ 2,197,764,047	

Analysis of Outcomes

The table below shows the JLs' estimated allocation of the net consolidated assets to each Fund individually.

ALLOCATION OF ASSETS TO EACH FUND				NOTES
FUND	Sentry	Sigma	Lambda	
ASSET ALLOCATION	\$ 232,828,033 - \$ 1,991,348,520	\$ 27,123,778 - \$ 195,239,740	\$ 1,162,744 - \$ 11,175,787	6

The JLs calculate that the allocation above may result in a range of potential distributions per share, as set out below.

ESTIMATED TOTAL DISTRIBUTIONS PER SHAREHOLDER				NOTES
FUND	Sentry	Sigma	Lambda	
PER SHARE DISTRIBUTION	\$ 64 - \$ 893	€ 9 - € 128	CHF 10 - CHF 138	7

Based on the October 2008 NAV that was last struck by the Funds, these ranges represent a return of between 5% and 66% to all shareholders.

Notes and Assumptions

1. Cash at Bank reflects the balance at 30 June 2016.
2. The full SIPA claim is \$230m. We estimate a 75% recovery, less distributions of \$131.7m received to date.
3. The JLs are currently pursuing litigation against various parties, including PWC and the US redeemers, as well as having tolled with the Citco entities to progress negotiations. The JLs do not consider it appropriate at this juncture, given the status of the litigation and/or negotiations, to provide specifics as to what recoveries they expect from each defendant or the basis for how the estimated sum recoverable from the litigation was determined. The range included within this analysis of \$150m to \$2.25bn is the JLs' estimate of the range of possible outcomes based on the information in their possession regarding the defendants and the risks and potential recoveries in the litigation.

The sums include an estimate for recoveries that the US Trustee may recover, which would result in fee sharing with the Funds, as well as any allocations that need to be made to the US Trustee, all pursuant to the Settlement Agreement. Further, a number of factors or contingencies have been taken account of in the estimates, resulting in a wide range of outcomes, namely: (i) the section 273 appeals - and potential further appeals to the Privy Council; (ii) various dismissal and strike-out motions likely to be brought in New York; (iii) the fact that any trial in New York will be hotly contested; (iv) likely appeals in New York; and (v) uncertainties regarding recoverability (and possibly enforcement, where outside the US).

Notes and Assumptions

4. The estimated range of creditor liabilities is based on the current claims filed in the liquidations and represents the JLs' estimate of the range of possible outcomes, based on the information in their possession regarding the claims and potential appeals.
5. The estimated costs of the liquidations include general liquidation costs (including but not limited to cash management, reporting, Liquidation Committee communications, fee applications and seeking directions from the BVI court when appropriate), the costs to pursue the litigation to trial, and any contingent fee arrangements the JLs have entered into with service providers.
6. The JLs assume, for the purposes of estimating these potential outcomes, that the net assets of the Funds will be consolidated at some juncture and the intra-company claims between the Funds compromised. The current proposed compromise envisions that assets will be pooled and allocated to the Funds in an effort to ensure that all shareholders receive the same percentage return from distributions, irrespective of the Fund in which they invested.
7. The JLs anticipate that not all current registered shareholders will participate in future distributions. Our estimated calculation of the range of potential outcomes per Fund takes this into account.

Disclaimers

- This document has been prepared in good faith, however, no representation or warranty, express or implied, is or will be made and no responsibility or liability is or will be accepted by the JLs, their advisors, or the Funds in respect of the truth, accuracy or completeness of the information provided in this document and such persons will not be liable to the recipients in respect of the information provided in this document or its use.
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- The values referred to in this document should be considered as the JLs' rough guess only of potential outcomes. Actual outcomes will vary from these estimates (potentially significantly) depending on the outcome of events.

Disclaimers

- This document has not been prepared in contemplation of it being used, and it is not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in the Funds.
- Nothing in this document constitutes a valuation or legal advice. Where legal issues are discussed, the information is only intended to be of a general nature and not a full review of the issues covered.
- No assurances can be given as to the level of any distributions from the Liquidations.

If you have any questions or comments regarding the foregoing, please contact Lee Hart on the JLs' team as follows:

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