IN THE MATTERS OF
FAIRFIELD SENTRY LIMITED
FAIRFIELD SIGMA LIMITED
FAIRFIELD LAMBDA LIMITED
(ALL IN LIQUIDATION)
(Collectively "the Funds")

CLAIM NUMBERS: 0136, 0139 AND 0074 OF 2009

TWENTIETH INTERIM REPORT OF THE LIQUIDATORS TO THE CREDITORS AND REGISTERED SHAREHOLDERS

AS AT 31 AUGUST 2024

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1. INTRODUCTION

1.1 This report provides an update to Creditors and Registered Shareholders on the current position of the liquidations of the Funds and the work performed by the Liquidators since the Last Report.

1.2 There have been nineteen prior interim consolidated reports of the Liquidators, including the 19th Interim Report of the Liquidators dated 31 August 2023 (the "**Last Report**"), and these should be read in conjunction with this report. These prior reports are available at www.fairfieldsentry.com, www.fairfieldsigma.com, and www.fairfieldlambda.com. This report adopts the terms, definitions, and content of the previous nineteen reports. Specific attention is directed to the Restrictions and Qualifications in the previous reports, which are also adopted in this report.

2. HIGHLIGHTS

Distributions to the Registered Shareholders

2.1 Despite the unencumbered cash increasing from the previous period (and pending settlements with some defendants expected to increase the assets held by the Liquidators) the Liquidators have not been in a position to declare any further distributions to Registered Shareholders. The reason for this is that, as discussed below, the Liquidators are required to hold any further recoveries sufficient to cover the risk of the Farnum appeal.

2.2 To date the following distributions have been declared to Registered Shareholders:

Sentry Distributions		
Date of Distribution	$ per Share	Distributions Declared
31 August 2017	$15.00	72,167,280.78
15 December 2017	$15.00	68,671,722.78
15 November 2018	$8.50	$38,909,528.21
Total	**$38.50**	**$179,748,531.77**

Sigma Distribution		
Date of Distribution	$ per Share	Distribution Declared
15 November 2018	**$10.00**	**$30,139,288.52**

2.3 Included in the above figures are sums held in escrow for Registered Shareholders who, either because they are defendants in the US litigation (discussed further below) or have not submitted the required anti-money laundering and other documentation to the Liquidators, cannot be paid their distribution at this time. The sums held in escrow are summarised below:

Escrow as of 31 August 2024	
Sentry	$106,948,484
Sigma	$22,719,390

2.4 During the period of this report, further distributions have been made to Registered Shareholders who either resolved the US litigation issues or submitted the necessary documentation to the satisfaction of the Liquidators.

2.5 To date Lambda has not had sufficient funds to enable a distribution to be declared or made to its eligible Registered Shareholders.

US Litigation

2.6 The Liquidators' primary and continuing asset recovery strategy is the pursuit of legal proceedings in the United States against Registered Shareholders and their underlying clients who redeemed from the Funds prior to the Funds going into liquidation.

2.7 There are in broad terms three different claims that the Liquidators are making against those who redeemed from the Funds prior to liquidations:

(a) BVI law common law claims for a period of six years prior to issuance of the claims,

(b) BVI law statutory avoidance claims for a period of two years prior to the application for appointment of Fund liquidators, and

(c) BVI law constructive trust claims, for redemption payments within a period of six years prior to issuance of the claims, against those who redeemed shares in bad faith, knowing or willfully blinding themselves to the risk that those shares were inflated through fraud at Madoff Investment Securities LLC ("**BLMIS**"). These defendants are referred to as "**Knowledge Defendants**."

Common Law Claims and Statutory Avoidance Claims

2.8 In its 6 December 2018 decision, the US Bankruptcy Court dismissed all common law claims other than for a constructive trust in the 18 proceedings involving Knowledge Defendants. In a separate 14 December 2020 decision, the US Bankruptcy Court dismissed the statutory avoidance claims. The Liquidators appealed both decisions. The District Court issued an opinion and order on 24 August 2022 ("**24 August Order**") affirming the Bankruptcy Court's decision on both matters. The Liquidators thereafter appealed these decisions to the US Court of Appeals for the Second Circuit, and oral argument was conducted on 12 April 2024. A decision on the appeals is expected in the coming months, possibly by the end of 2024.

Knowledge Defendant Claims

2.9 The US Bankruptcy Court denied the motion to dismiss the Knowledge Defendants' constructive trust claims based on the US Bankruptcy Code's section 546(e) safe harbor provisions. The Knowledge Defendants have appealed that ruling, and the Second Circuit consolidated such appeal with the Second Circuit appeals referenced in paragraph 2.8 above, and argument was

held on 12 April 2024. The Knowledge Defendants did not apply to stay the current proceedings in the US Bankruptcy Court, and oral arguments in respect of the Motions to Dismiss based on personal jurisdiction proceedings began in October 2023, with further oral arguments on the motions continuing into 2024.

2.10 The current status of the Motion to Dismiss ("MTDs") as at the date of this Report is as follows:

(i) briefing has been completed on all 47 MTDs,

(ii) oral argument has taken place with regard to 14 MTDs, waived by the defendants on 30 MTDs, other motions having been withdrawn, and

(iii) the US Bankruptcy Court has denied 10 MTDs. The Liquidators await decisions on the remainder.

2.11 In addition to the above MTDs, one defendant applied for summary judgement to have the Liquidators claim dismissed. The US Bankruptcy Court denied the defendant their application.

2.12 With respect to next steps in the US Bankruptcy Court cases, the US Bankruptcy Court is expected to proceed to briefing of a final round of motion to dismiss issues. The parties have not reached agreement on timing of such motions and have contacted the US Bankruptcy Court for guidance.

2.13 In addition, should any previously dismissed claims be reinstated as a result of the appeals discussed in Paragraph 2.8 above, the parties and US Bankruptcy Court would, following any such decision from the Second Circuit, address the scheduling of further proceedings in the US Bankruptcy Court on those reinstated claims.

Disputed Claim of FGG

2.14 There is only one claim that remains outstanding and that claim concerns deferred management and performance fees due to Fairfield Greenwich Bermuda Limited ("**FGBL**"). This is being addressed as a counterclaim in legal proceedings in the United States that the SIPA Trustee brought against FGBL and other parties following an assignment from Sentry.

2.15 The parties are continuing with the discovery process previously ordered in these proceedings. This discovery process affects the Funds as documents produced during these proceedings are also sent to the Liquidators for review and therefore form part of Liquidators' discovery review process. The SIPA Trustee has periodically applied to the Bankruptcy Court to extend this discovery process, and discovery thus remains open and ongoing at this time.

Farnum (Sale of SIPC Claim)

2.16 On 10 March 2022, over eight years after the initial application had been filed, the Liquidators received a decision from the ECCA denying the Liquidators sanction to appeal the decision of the District Court's decision on the Farnum litigation to the Second Circuit. As a reminder, the Farnum litigation pertained to the contract to sell the SIPA claim in BLMIS to Farnum, in which the Second Circuit found in favor of the Liquidators and disapproved the transaction. The Liquidators have since collected $164 million from the U.S. Trustee in respect of that asset.

2.17 The Liquidators sought leave to appeal to the Privy Council, which the ECCA granted. A date of 20 January 2025 has been fixed to hear the appeal in Privy Council. In the interim, in an overabundance of caution, the Liquidators will be setting aside assets to cover the difference between the amounts recovered and what the price they would have received (c. $94 million) until there is a resolution or the Court otherwise directs.

3. FINANCIAL POSITION

3.1. Appendix A details the cash receipts and disbursements since the commencement of the liquidations. As at 31 August 2024, the Liquidators have achieved recoveries in Sentry, Sigma and Lambda of $657 million compared with cash disbursements of $151 million and Liquidators and legal fees of $242 million.

3.2 There has been to date net recoveries of $263 million. Distributions of $210 million have been declared, of which $84 million has been distributed to creditors and Registered Shareholders and $130 million is held in escrow for Registered Shareholders who are currently not eligible for distributions.

3.3 As referred to above the Liquidators continue to negotiate settlements with defendants with, in some instances BVI Court approval being granted. These settlements have resulted in cash inflows of $44 million during the period of this report. The Liquidators and/or SIPA Trustee are either close to resolving or in advanced phases of negotiation on several settlements with defendants which, subject to finalising terms and again in some instances BVI Court approval being granted, further cash inflows are anticipated.

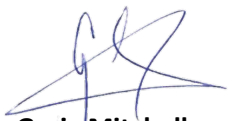
3.4 Combined interest of $5 million, gross of charges and fees, has also been realised, resulting in a net increase in unencumbered cash of $22.9 million at 31 August 2024.

4. CONCLUSION

4.1 The Liquidators' efforts continue to concentrate on progressing the U.S. litigation. Settlements completed and in progress, during the period of this report, demonstrate the success of the litigation at present and the willingness of the Liquidators to discuss settling these claims out with the Court process to manage the costs involved in the litigation.

4.2 The Liquidators continue to be confident that the US Litigation will generate further recoveries for Registered Shareholders. Any future distributions to Registered Shareholders will be dependent on the amounts of future recoveries, the result of the FGG matter and the result of the appeal to Privy Council on the Farnum matter.

Should you have any queries please do not hesitate to contact fairfieldsentry@KRyS-Global.com; fairfieldsigma@KRyS-Global.com; or fairfieldlambda@KRyS-Global.com, quoting your holder and account ID numbers.



Greig Mitchell
Joint Liquidator
30 September 2024

Fairfield Sentry Limited, Fairfield Sigma Limited and Fairfield Lambda Limited – All In Liquidation
Liquidators' cash receipts and disbursements statement
For the period to 31 August 2024

	SENTRY USD $ 31-Aug-24	SIGMA USD $ 31-Aug-24	LAMBDA USD $ 31-Aug-24	TOTAL USD $ 31-Aug-24
Cash Receipts				
Cash Held At Citco	70,099,114.70	62,411,835.00	-	132,510,949.70
Other Cash at Bank	-	260,264.82	-	260,264.82
Compromise Receipts	69,603,696.97	-	-	69,603,696.97
Non-BLMIS Investments	78,555,565.55	-	-	78,555,565.55
Pre-Liquidation Redemption Receipts	47,629,696.22	4,287,268.72	-	51,916,964.94
US Trustee Redemption Recovery Allocation	67,906,395.94	41,532,739.92	-	109,439,135.86
Distributions on SIPA Claim in BLMIS	164,112,730.00	-	-	164,112,730.00
Third Party Service Provider Actions	2,091,531.07	724,718.24	26,484.72	2,842,734.03
Recovery of retainers	-	316,952.00	-	316,952.00
Interest received	17,140,725.36	7,045,108.80	-	24,185,834.16
Other Income	25,832.47	17,054.02	-	42,886.49
Loan Receivable	-	113,551.38	-	113,551.38
Distribution from Sentry	-	22,066,554.90	1,046,122.90	23,112,677.80
	517,165,288.28	138,776,047.80	1,072,607.62	657,013,943.70
Cash Disbursements				
Payment Pursuant to Agreement	70,000,000.00	-	-	70,000,000.00
Payment Pursuant to Compromise	-	69,603,696.97	1,014,277.76	70,617,974.73
Allocation to Trustee of Redemption Receipts	3,067,826.04	292,608.00	-	3,360,434.04
Database & web fees	2,355,420.96	196,324.58	7,447.56	2,559,193.10
Office rental expenses	13,200.00	18,800.00	-	32,000.00
Petitioner's Costs	185,666.68	-	-	185,666.68
Interest Paid	-	1,678,574.97	58,329.86	1,736,904.83
Bank charges and other costs	2,430,818.62	485,019.16	-	2,915,837.78
Database & web fees Paid on behalf of Lambda	7,447.56	-	(7,447.56)	-
	78,060,379.86	72,275,023.68	1,072,607.62	151,408,011.16
Net Cash Before Liquidators Fees and Expenses and Distributions	439,104,908.42	66,501,024.12	(0.00)	505,605,932.54
Legal fees and expenses	129,464,534.84	16,688,124.93	785,779.00	146,938,438.77
Legal Contingency Fees	15,109,762.31	7,586,912.41	-	22,696,674.72
Liquidators fees and expenses	55,862,900.06	9,003,738.63	1,545,705.17	66,412,343.86
Adverse Costs (net of costs recovered)	5,380,318.95	-	-	5,380,318.95
Other professional fees	615,928.10	47,210.01	-	663,138.11
Liquidation committee expenses	153,128.79	-	-	153,128.79
Legal Fees Paid on behalf of Lambda	785,779.00	-	(785,779.00)	-
Liquidators Fees and Expenses paid on behalf of Lambda	1,535,459.93	10,245.24	(1,545,705.17)	-
	208,907,811.98	33,336,231.22	-	242,244,043.20
Net Cash Before Distribution to Creditors and Shareholders	230,197,096.44	33,164,792.90	(0.00)	263,361,889.34
Distribution to Trade Creditors	813,262.81	-	617,887.68	1,431,150.49
Due from Sigma	9,914.58	(9,914.58)	-	-
Payment of Loan on Behalf of Lambda	617,887.68	-	(617,887.68)	-
Payments to Unpaid Redeemers	3,727,564.43	-	-	3,727,564.43
Distributions to Registered Shareholders	71,541,712.61	7,271,070.27	-	78,812,782.88
	76,710,342.11	7,261,155.69	-	83,971,497.80
Net Cash Position	153,486,754.33	25,903,637.21	(0.00)	179,390,391.54
Net Cash Position Consists of:				
Unencumbered Cash	46,538,269.43	3,184,247.06	-	49,722,516.49
Distributions Held Pending Litigation and KYC	106,948,484.90	22,719,390.15	-	129,667,875.05
	153,486,754.33	25,903,637.21	-	179,390,391.54
Cash Postion as Per Bank	153,486,754.33	25,903,637.21	-	179,390,391.54

Notes
The receipts and disbursements account reflects cash transactions since the liquidation date as approved by the Court