

Exhibit 60

Julius Bär

FIG-NYC

CONFIDENTIAL

Fund Name: Fairfield Sentry Limited

Category: Relative Value / Arbitrage
Sub-Category: Options Arbitrage

Decision NYC NTF IC: approved

Date: 3/28/00

Analyst: Stefan Muehleemann

Secondary Analyst: Tauheed Siddiqui

A) Strategy

The strategy is referred to as split strike conversion.

The investment strategy has defined risk and reward parameters. Typically a position will consist of the ownership of a basket of 30 to 35 S&P100 stocks most correlated to the S&P 100 Index ("OEX"), the sale of out-of-the-money calls on OEX and the purchase of out-of-the-money puts on OEX. Options on OEX are listed on the Chicago Board Options Exchange and are traded over-the-counter.

The sale of the calls is designed to increase the standstill rate of return, while allowing upward movement of the stock portfolio to the strike price of the calls. The puts, funded in large part by the sale of the calls, limit the portfolio's downside. The strategy has always been executed with the same 3 "legs": long the basket of stocks, long the puts and short the calls. A bullish or bearish bias can be achieved by adjusting the strike prices of the options (how much out of the money), overweighting the puts, or underweighting the calls. However, the dollar value of the OEX puts is always equal to or greater than that of the portfolio of stocks. -

It should be understood as part of the strategy that the manager makes short term market calls by selecting the level of the strike prices of the call and the put options relative to the index actual price. The risk taken in a new position is usually about 3% on the upside and about ¾% to 1% of invested assets on the downside (Madoff 2/10/00).

The OEX was used by the strategy since inception of the Fund, though split strike conversion was applied to individual stocks historically by the manager, Bernard L. Madoff Investment Securities ("BLM").

BLM's edge is the superior knowledge of flow of money in and out of the markets given their position as a market maker that transacts significant volumes for around 600 financial institutions (see also Organisational Structure).

Typical holding periods of a split strike position is one week to one month. Either the position is held till expiration of the put and then unwound or it could be rolled forward. Positions are usually built and unwound in steps (e.g. 45% of capital employed/unwound today, 45% of capital employed/unwound in one week from today). Puts and the basket of stocks are bought at the same time, the calls may be shorted with some delay the same day, rarely the next day.

Profits/Losses generated by the strategy can be decomposed in:

- Stocks P/L
- Stand-still rate of return of T-Bills (when not invested in split strike conversion)
- Index call premiums received minus index put premiums paid (OEX)
- Dividend Income

Dividend payments or the timing of dividend payments do not play a significant role in the strategy according to Bernie Madoff (2/10/00).

B) Risk Control

The strategy mainly implies the **risk of improper hedging, counterparty risk, liquidity risk.**

- The long stock exposure comprises about 30 to 35 of the stocks in OEX that (combined) explain most of the indexes variance (highest correlation). A minimum of 0.9 of correlation is required when selecting the basket, usually the correlation is about 0.95 (a good but **imperfect hedge**). A major and sudden price disparity between the 30 to 35 stocks of S&P 100 owned (i.e. marked down) versus the remaining stocks (i.e. marked up) of the S&P100 (i.e. staying about the same) could reduce the effectiveness of the downside hedge (i.e. OEX put option price not appreciating significantly) could cause some losses. The likelihood of this to happen is rather small. The basket of stocks changes over time due to the correlation requirement. A related risk is the proper hedge ratio between long stock exposure and options exposure: E.g. should the manager underweight the put exposure (which is not expected to happen!) a partial downside exposure would result.
- The upside reward and downside risk of a split strike position is given when entering the positions.
- However, a **timing risk** may occur if the long put and long stock positions are not put on or unwound at the same time. This could lead to a temporary un-hedged exposure. Bernard Madoff (2/10/00) assured to us that long stocks and long puts are established always at the same time and the call options are written the same day. Sometimes, the short call position is put on only the next day according to Jeffrey Tucker (2/10/00).
- **Counterparty risks:** About 25% to 75% of the options are OTC traded. Bernard Madoff (2/10/00) assured that at least 10 counterparties are used for OTC options, including the major broker dealers.
- **Liquidity risk** is related to the size of assets run in the same strategy. Assuming that USD 5 to 10 b are run in the same strategy, this raises the question of how easily positions can be established, rolled forward or unwound. Evidence from talks to Jeffrey Tucker from Fairfield Greenwich Limited ("**FGL**") and to Carlo Grosso from FIM (by J. Haindl/A. Gmuer) indicate that BLM sometimes builds/unwinds the full positions in stages instead of putting all the account's assets at work on the same day. This may also be applied across different accounts. BLM uses intermediaries to "quietly" establish and liquidate positions.
- **No leverage** is expected to be applied (leverage as gross long stock exposure in percent of net assets).

Operational and pricing risks are also relevant, but given the fact that BLM has a high technology operation, is a registered broker dealer with regular inspections by regulatory bodies and it has a huge reputation risk being a major player in the U.S. off-exchange or "third market", I consider this risk as acceptable.

- Pricing and valuation of assets is verified by Citco, being the administrator and custodian, using an independent price feed and tracking all the transactions in their systems.
- In addition, FGL employs a secondary verification of monthly P/L calculations and pricing of the Fund's BLM accounts through an independent accountant in Boulder, CO.
- Contingency planning: BLM operates a full-fledged backup site near La Guardia Airport (which is used to trade on a daily basis as well).

C) Organizational Structure

The Manager is Fairfield Greenwich Limited ("FGL"). However, FGL has delegated the management of the Company's investment activities to Bernard L. Madoff Investment Securities ("BLM").

The Directors, principal officers and shareholders of FGL are Walter M. Noel, Jr. and Jeffrey H. Tucker. Andres Piedrahita is the beneficial owner of the Manager's third shareholder and serves as a consultant to the Manager. See details in the back of this Questionnaire.

Bernard L. Madoff Investment Securities ("BLM") is a registered broker-dealer in New York. It currently ranks among the top 75 U.S. securities firm in total capital, and it is in the top 50 in excess capital, a measure of financial strength (source: BLM).

BLM is a highly successful family business, founded in 1960. The firm claims to be the world's largest market-maker in off-exchange trading of listed U.S. equities. BLM guarantees to buy or to sell up to 5000 shares of any stock in the Standard & Poors 500 Stock Index (S&P 500) at the best prevailing price. It also offers client opportunities for price improvement as well as highly competitive bids and offers on larger orders. The firm claims not only to be a leading market-maker in all of the S&P 500 stocks as well as over 200 NASDAQ issues, but also one of the largest market-makers in U.S. convertible bonds, preferred stocks, warrants, units, and rights. The firm claims to be the leader in the U.S. "third market," which trades U.S. listed equities away from the exchange floor. An affiliate, Madoff Securities International, is a member of the London Stock Exchange and is regulated by the Securities and Futures Authority.

The basis of success of BLM lies in the highly automated, price and time efficient execution offered through its proprietary technology. In fact, the impression at their offices confirms this: fully computerized trading floor, paper is virtually eliminated as a media. Some of their clients: Fidelity, SmithBarney, Schwab, among about 600 other brokers. Their biggest clients direct about 5% to 20% of their business to BLM (Madoff 2/10/00).

Sole owner is **Bernard L. Madoff**. Bernard Madoff has been chairman of the board of directors of the NASDAQ Stock Market as well as a member of the board of governors of the NASD and a member of numerous NASD committees and has been involved in various other institutions mainly related to the securities industry.

Peter B. Madoff, the brother of Bernard Madoff, is the senior managing director and head of trading. BLM has 200 employees.

Two sons of Bernard Madoff, **Mark Madoff** and **Andrew Madoff** assume positions as Head of Listed Trading and Head of NASDAQ Trading respectively. Additional family members are involved to different extents in the firm's business and share in profits.

A total of 12 senior traders are involved in executing the Fund's strategy in the discretionary accounts (2 stock and 2 options accounts are managed in the case of the Fund). The traders also assume other duties (trading) besides executing the strategy. Bernard Madoff is ultimately responsible for the investment decisions but he explained that the majority of the team of traders on the floor makes investment decisions (some degree of delegation of decision making is applied). A daily morning meeting facilitates the management process.

BLM does not share in the profits or has other benefits from the Fund. BLM's interest in managing the accounts of the Fund lies in the commission income and spreads that are generated as an agent in the options and a principal in stock transactions, respectively. The income relative to assets under management that is derived from the trading is estimated to range between 1% to 3% (average about 1.5%).

See further details in the back of this Questionnaire.

D) Analyst Recommendation

- The strategy of the Fund is not complex and if executed in a strictly disciplined manner, the risk profile is transparent and the risk of loss of principal is controllable. The strategy historically generated highly consistent (low volatility), attractive returns for over 10 years.
- BLM can facilitate premier execution (price and speed) and sees a lot of the transaction velocity and volume of NYSE and NASDAQ stocks. BLM accommodates about 10% of the NYSE's turnover through its third market system. It also uses intermediaries to establish or unwind exposures.
- The transparency of the Manager, Fairfield Greenwich Limited, and its investors services, has been very good. We can see managed account statements at their offices any time.
- The Fund only applies a performance fee, no management fee is charged.
- In spite of the inherent risks of the strategy and the concerns discussed below, I believe the Fund should be confirmed on the Approved List.

E) Concerns

- The **lack of transparency** of the family run business of Bernard L. Madoff Investment Securities is the major source of concerns:
- The **total assets** in the strategy are strictly kept as private information by BLM, but it is probably between USD 5 to 8 billion. Bernard Madoff believes that "It is not a liquidity issue, I could double the assets in the strategy. Our counterparties do not know my timing".

Given BLM's position in the market, I believe the firm is well suited to facilitate execution for such an asset base.

- The significant assets size leads to **related concerns**, such as:
 - **Counterparty risks** of OTC option transactions: Bernie Madoff stated to us (2/10/00) that a minimum of 10 counterparties are used to diversify this risk. This information is not contained in managed account statements consulted by the Analyst and cannot be independently verified.
 - **Liquidity**: If all the strategy's assets are invested at the same time, exposures to single stocks can become very sizeable, causing a liquidity risk.
Example: Assuming USD 8 billion of assets, and assuming USD 6 billion are invested in the basket of 30 to 35 stocks out of the OEX components at the same time. The 4 biggest stocks in the OEX are Microsoft, GE, Cisco and Intel, representing over 30% (3/28/2000). These four stocks would represent an exposure of over USD 1.8 billion.
- FGL (Jeffrey Tucker, 3/24/00) noticed over time, with the growth of assets in the strategy, that portions of the basket are sometimes built over 2 or 3 days, as compared to invest or liquidate the entire assets in a single day. In addition, the frequency and portion of net assets invested in split strike conversion versus being invested in T-Bills has decreased over time. It is also probable that not all managed accounts are invested at the same point in time. This could be interpreted that returns may become diluted with the growth of assets in the strategy.
- **Potential conflicts of interest** of BLM: The firm may use the discretionary managed accounts to manage its proprietary inventories of S&P100 stocks and "outsource" some of the required hedging on BLM's proprietary book.

F) Comments by Secondary Analyst

G) Documentation of Relevant Contacts

<i>Date</i>	<i>Description (time, location, attendance, comments)</i>
3/24/00	Telephone call with Jeffrey Tucker in Milan by Stefan Muehleemann to discuss remaining due diligence questions 45'
3/21/00	Meeting with Jeffrey Tucker at their NY offices by Stefan Muehleemann (about 90'). Primary purpose was to study the managed account statements of January 2000.
2/10/00	Meeting with Jeffrey Tucker and Cornelis Boele shortly, then went to meet Bernie Madoff at his offices (Jeffrey Tucker, Stefan Muehleemann, Tauheed Siddiqui) for about 90'. Saw trading floor.
8/25/99	Tauheed Siddiqui met with Philip Toub, Fairfield Greenwich Group
3/26/99	Meeting at Fairfield Greenwich Group with Harold Greisman by George Nikas and Tauheed Siddiqui
4/8/98	Meeting arranged through Fairfield Greenwich Ltd with Bernie Madoff.

	Tauheed Siddiqui and representatives of other clients were present
1997/1996	There were various contacts between the Fairfield Greenwich Group (mainly Jeffrey Tucker) with BJB-NYC, including Robert Discolo and George Nikas

Detailed Questionnaire

Section I - *Investment Advisor*

1. Investment Advisor Description

<i>a</i>	Name:	The Manager: Fairfield Greenwich Limited ("FGL") FGL has delegated the management of the Company's investment activities to Bernard L. Madoff Investment Securities ("BLM") , a registered broker-dealer in New York
<i>b</i>	Primary Location:	FGL: 399 Park Avenue, 36th Floor New York, New York 10022 Bernard L. Madoff Investment Securities: 885 Third Avenue, New York, NY 10022
<i>c</i>	Other Locations:	Fairfield Greenwich Group: London, Greenwich CT, Miami, Lugano Bernard L. Madoff Investment Securities' affiliate in London: Madoff Securities International, founded in 1983.
<i>d</i>	Telephone:	(212) 319-6060
<i>e</i>	Facsimile:	(212) 319-0450
<i>f</i>	E-mail:	Main@fggus.com Main@fairgeengroup.com
<i>g</i>	Internet Address:	FGL: www.fggus.com www.fairgreengroup.com Bernard L. Madoff Investment Securities: www.madoff.com
<i>h</i>	Principals:	The Directors, principal officers and shareholders of the Manager are Walter M. Noel, Jr. and Jeffrey H. Tucker. Andres Piedrahita is the beneficial owner of the Manager's third shareholder and serves as a consultant to the Manager. Bernard L. Madoff Investment Securities: Bernard L. Madoff is the founder and 100% sole owner. The firm is a family business. Other family members participate in the revenues but are not owners.
<i>i</i>	Principal Background:	FGL's Principals:

	<p>Jeffrey H. Tucker, age 53, is Vice President and a Director of the Manager. Mr. Tucker practiced law in New York City from 1970 - 1986. In January of 1987 he joined Fred Kolber & Co., and in September of 1987 he became a general partner of Fred Kolber & Co. which position he occupied until 1996. Mr. Tucker was also a general partner of GOF, Greenwich Strategies, LP and Greenwich Sentry, LP until January 1998 and is an officer and director of FIM and FGCPi.</p> <p>Andres Piedrahita, age 40, graduated from Boston University's School of Communications in 1981. Upon graduation from college, Mr. Piedrahita became employed as a financial consultant with Prudential Bache Securities Inc. in New York. From 1987 to 1990, Mr. Piedrahita was a Vice President at Shearson Lehman Hutton, specializing in money management consulting for non-U.S. institutions and individuals. From 1991 to 1997, Mr. Piedrahita was the Director and President of Littlestone Associates, Inc., a New York corporation, which until December 31, 1997, was the investment manager of Advanced Strategies Limited, Advanced Latin Fund, Ltd., Advanced Pacific Strategies Limited, Dynamic Alternative Strategies Limited and Dynamic Leveraged Strategies Limited, which are British Virgin Islands corporations.</p> <p>Walter M. Noel, Jr., age 68, graduated from Vanderbilt University in 1952, received a Master of Arts in Economics from Harvard University in 1953 and graduated from Harvard Law School in 1959. From 1959 to 1972, he was associated with the Management Services Division of Arthur D. Little Inc., an industrial and management consulting firm. From 1972 to 1974, Mr. Noel was President of Bahag Banking Ltd., in Lausanne, Switzerland. In 1974, Mr. Noel became Vice-President of the International Private Banking Department of Citibank, N.A., where he remained until 1977, when he became Senior Vice President of the International Private Banking Department of Chemical Bank. Since 1983, Mr. Noel has been a self-employed investment consultant and, until January 1992, was associated with Fahnestock & Co., Inc., a member firm of the New York Stock Exchange. From 1993 to 1996, Mr. Noel was a general partner of Fred Kolber & Co. Limited Partnership ("Fred Kolber & Co."), a broker dealer registered with the Securities and Exchange Commission, which is a member of the National Association of Securities Dealers, Inc. and various securities exchanges and clearing organizations. Until January 1998, Mr. Noel was a general partner of GOF Partners (Limited Partnership), a Connecticut limited partnership ("GOF"), and Greenwich Strategies, LP and Greenwich Sentry, LP, which are Delaware limited partnerships, each of which are private investment partnerships offered to United States residents and citizens. FGL is now the general partner of these</p>
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	<p>entities. He is a director of Fairfield International Limited ("FIL"), Advanced Strategies Limited ("Advanced"), Sentry Select Limited ("Sentry Select"), MJM International Limited, Advanced Pacific Strategies Limited, Glickenhau International Limited ("GIL") and Arlington International Fund Ltd. ("Arlington"), corporations organized under the laws of the British Virgin Islands (the "BVI"), which offer money management services to non-U.S. citizens and residents. He is an officer and director of Fairfield International Managers, Inc., a Delaware corporation, which, until December 31, 1997, served as the Company's investment manager. Finally, Mr. Noel is a Director of The Navigation Fund Limited, a Liberian corporation.</p> <hr/> <p>BLM's Principal:</p> <p>From www.madoff.com, Corporate Profile (3/26/00):</p> <p>"Bernard L. Madoff founded the investment firm that bears his name in 1960, soon after leaving law school. His brother, Peter B. Madoff, graduated from law school and joined the firm in 1970. While building the firm into a significant force in the securities industry, they have both been deeply involved in leading the dramatic transformation that has been underway in U.S. securities trading.</p> <p>Bernard L. Madoff has been a major figure in the National Association of Securities Dealers (NASD), the major self-regulatory organization for U.S. broker/dealer firms. The firm was one of the five broker/dealers most closely involved in developing the NASDAQ Stock Market. He has been chairman of the board of directors of the NASDAQ Stock Market as well as a member of the board of governors of the NASD and a member of numerous NASD committees.</p> <p>One major U.S. financial publication lauded Bernard Madoff for his role in "helping to make NASDAQ a faster, fairer, more efficient and more international system." He has also served as a member of the board of directors of the Securities Industry Association.</p> <p>Reflecting the growing international involvement of the firm, when Madoff Securities opened a London office in 1983, it would become one of the first U.S. members of the London Stock Exchange. Bernard Madoff was also a founding member of the board of directors of the International Securities Clearing Corporation in London.</p> <p>Peter B. Madoff has also been deeply involved in the NASD and other financial services regulatory organizations. He has served as vice chairman of the NASD, a member of its board of governors, and chairman of its New York region. He also has been actively involved in the NASDAQ Stock Market as a member of its board of governors and its executive</p>
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		committee and as chairman of its trading committee. He also has been president of the Security Traders Association of New York. Bernard and Peter Madoff have both played instrumental roles in the development of the fully computerized Cincinnati Stock Exchange. Peter Madoff has been a member of its board of governors and has served on its executive committee. They have helped make the Cincinnati Exchange the fastest growing regional stock exchange in the United States. ..."
j	Major Shareholders :	FGL: Walter M. Noel, Jr. Jeffrey H. Tucker Andres Piedrahita (through the beneficial ownership of a 3 rd shareholding entity)
k	Inception/domicile :	October 23, 1997/ a corporation organized under the laws of Ireland
l	Legal Counsel :	Several counsels are used, depending on type of mandate. A.o.: Andrew E. Goldstein for Fund Information Memorandi
m	Registrations :	FGL: None. Fairfield International Managers Inc is a CPO (related to other investment activities) BLM: Reg. Broker/Dealer

2. Summary of Investment Activities

List all funds / managed accounts the investment advisor currently advises or advised in the past in ascending chronological order (Check: Type I - Fund, Type II - Managed Account).

a. Type	Name	Assets	Period
X I <input type="checkbox"/> II	Fairfield Sentry Ltd	USD 2.5 b	11/90 -
X I <input type="checkbox"/> II	Greenwich Sentry LP (same strategy)	USD 78 m	1/93 -
X I <input type="checkbox"/> II	FGL is the general partner of GOF, Greenwich Strategies, LP, Greenwich Sentry, LP and Belmont Investors, L.P., a Delaware limited partnership. It is the investment manager of FIL, Advanced, Sentry Select, Arlington, Dynamic Alternative Strategies Limited, Dynamic Alternative Plus Strategies Limited, the last two of which are BVI corporations, and Sentry Assets (Euro), Ltd., a Cayman Islands corporation, and the administrative manager of GIL, Epsilon Global Active Value Fund Ltd., a BVI corporation, and The Navigation Fund Limited. It is also a co-venturer in J.P. Acquisition, LP, a Delaware limited partnership organized to acquire and manage private operating companies.	USD 1 b	Various
B. Total		USD 3.6 b	2/20/00

Bernard L. Madoff Investment Securities ("BLM"), a registered broker-dealer in New York:
Estimate of Assets in the same strategy

a. Type	Name	Assets
X <input type="checkbox"/> I <input type="checkbox"/> II	Fairfield Sentry Ltd and Greenwich Sentry LP Third party feeders into Fairfield Sentry Ltd: Auriga International Ltd. (leveraged)	USD 2.6 b
X <input type="checkbox"/> I <input type="checkbox"/> II	FIM: Kingate Global Fund Ltd. (Class Euro/Class B)	USD 1.2 b (1/00)
X <input type="checkbox"/> I <input type="checkbox"/> II	Tremont domestic: "Broad market"	Not known
X <input type="checkbox"/> I <input type="checkbox"/> II	"Thema" Mario Benbassat & Bank of Austria	Not known
X <input type="checkbox"/> I <input type="checkbox"/> II	Harley Madoff	Below USD 100 m
X <input type="checkbox"/> I <input type="checkbox"/> II	Santa Barbara (feeder to Harley Madoff)	Not known
<input type="checkbox"/> I <input checked="" type="checkbox"/> II	HNWIs in the US Charitable Trust accounts Pension Plans	Est. USD 1 b – 2 b
<input type="checkbox"/> I <input checked="" type="checkbox"/> II	Bernie Madoff's personal and family money (Estimate Jeffrey Tucker 3/2000)	Couple of USD 100 m Or around USD 1 b
B. Total	Not disclosed by Bernard L. Madoff Investment Securities	USD 5 to 10 b
	Estimate Jeffrey Tucker 3/2000	USD 5 – 8 b

b	Total Assets under Management:	See above
c	Are investment activities outsourced?	X Yes <input type="checkbox"/> No
	<i>Names of outside advisor(s) used:</i>	FGL has delegated the management of the Company's investment activities to Bernard L. Madoff Investment Securities, a registered broker- dealer in New York

3. Various

a	Is an outside consultant utilized?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	<i>Names of outside consultant(s) and area:</i>	

Section II - *Fund Profile*

1. Fund Description

a	Fund Name:	Fairfield Sentry Limited
b	If feeder, Master Fund name:	None

c	Inception Date:	November 30, 1990
d	Domicile:	The registered office of the Company is located in the BVI
e	Legal Structure:	International business company under the laws of the Territory of the British Virgin Islands ("BVI").
F	Board members:	<p>Walter M. Noel Jr. (for CV see FGL principal background) Jan R. Naess Peter P. Schmid</p> <p>Jan R. Naess, age 39, received a Bachelor of Arts degree in 1981 and a Masters degree in Economics in 1983 from the University of Oslo. From 1983 to 1987, he was employed in the Economic Research Department of R.S. Platou a.s. in Oslo, a leading ship-brokering firm. In 1987, Mr. Naess joined with R.S. Platou a.s. to form R.S. Platou Asset Management a.s., which was instrumental in the sale and purchase of 15 bulk carriers from 1987 to 1989. In 1989, Mr. Naess liquidated his interest in R.S. Platou Asset Management a.s. and formed PAN Shipping Ltd., a ship-owning/ operating and project development company, which merged with Northern Navigation International Limited ("NNI") in 1991. Mr. Naess is a Vice-President of NNI, a Liberian corporation, which is in the business of investing in and managing shipping assets and which is the investment manager of The Navigation Fund Limited. He serves as a Director of FIL, Sentry Select, GIL and Arlington.</p> <p>Peter P. Schmid, age 49, received a Swiss Federal Certificate of Capacity in 1968. Credit Suisse from 1968 to 1986 employed Mr. Schmid. From 1975 to 1977, he was employed in Credit Suisse's International Portfolio Management Department in Zurich. After a brief posting in Credit Suisse's New York office, Mr. Schmid was in charge of the Bank's representative office in Rio de Janeiro from 1977 to 1984. From 1984 to 1986, Mr. Schmid was Vice President in charge of Credit Suisse's Latin American Private Banking Desk in Geneva. Mr. Schmid has been an independent investment adviser since April 1986. He is President of Peter Schmid (Portfolio Management), P. Schmid & Associés, S.A., Rock Ltd. and Armor S.A. Mr. Schmid is a Director of Inter Asset Management Inc., FIL, Sentry Select, GIL and Arlington.</p>
G	Marketing contact:	Jeffrey Tucker
H	Reference currency:	USD
I	Fund asset target:	Not defined, the Fund can add 25 m per month as per BLM's instruction, but redemptions may be offset with subscriptions beyond the USD 25 m. BLM essentially dictates if new funds are accepted.
J	Will the fund close after?	<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes

2. Fund Administration

a	Open for investment:	<input type="checkbox"/> No (if No skip a - j)	<input checked="" type="checkbox"/> Yes
b	Minimum Subscription:	USD 100,000	
c	Minimum Subsequent:	USD 50,000	
d	Minimum Maintenance amt:	N/a	
e	Subscription Frequency:	<input type="checkbox"/> daily <input type="checkbox"/> weekly <input checked="" type="checkbox"/> monthly <input type="checkbox"/> quarterly <input type="checkbox"/> semi-annually <input type="checkbox"/> annually	
f	Subscription Fee:	<input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes
If yes indicate conditions:			
g	Lock-in Period:	N/a	
h	Redemption Notice:	10	
i	Redemption Frequency:	<input type="checkbox"/> daily <input type="checkbox"/> weekly <input checked="" type="checkbox"/> monthly <input type="checkbox"/> quarterly <input type="checkbox"/> semi-annually <input type="checkbox"/> annually	
j	Redemption Fee:	<input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes
If yes indicate conditions:			
k	Closed for investment	<input checked="" type="checkbox"/> No (if No skip k - m)	<input type="checkbox"/> Yes
If yes indicate when:			
l	Does the fund recapitalize?	<input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes
If yes indicate frequency:			
m	Name market maker:		

n	Closed End Fund:	<input checked="" type="checkbox"/> No (if No skip n - r)	<input type="checkbox"/> Yes
o	Exchange Listing:	Irish Stock Exchange in Dublin, Ireland on January 12, 1995. The Company was issued SEDOL number 0-334-934.	
p	Current Premium/Discount:		
q	Max Premium/Discount:		
r	Avg Premium/Discount:		
s	Management Fee:	None	
Frequency: N/a			
t	Performance Fee:	20%	
Frequency: Quarterly			
u	Hurdle Rate:	None	
v	High Water Mark:	<input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes
w	Is equalization used?	<input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes
If Yes explain:			
x	Other Fees:	The Company will bear, for each year, all continuing offering costs; all ordinary legal and auditing fees; all registrar, transfer agent and administration fees; and all expenses in maintaining the Company's office and all other expenses incurred in the operation of the Company, if any, including any legal fees that relate to extraordinary circumstances, such as tax examinations or litigation involving the Company, as well as all fees and all ordinary and necessary expenses related to the Company's investment and trading activities.	
y	Sales Fee:	Unaffiliated placement agents and money managers may charge their clients a placement fee of up to 5% of the total amount of the subscription for Shares sold with their assistance, and/or share in the fees earned by Fairfield Greenwich Limited, as Investment Manager. The unaffiliated placement agents and money managers may rebate all or a portion of such fees to their clients.	
z	Any external marketing	<input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes

contacts?	
<i>Please explain business arrangement of external marketers</i>	Many financial intermediaries are used (mainly banks). They also have 2 contacts on Dubai and some in London that are sourcing investments.
aa) Transaction Costs:	
Transactional costs will be included in the Company's calculation of profit and loss and therefore will be indirectly borne by the Fund.	
The Fairfield Greenwich Group estimates these costs at about 1% to 3%, average about 1.5% on net assets p.a. These costs are the income generated by Bernard L. Madoff Investment Securities from Fairfield Sentry's managed accounts (Jeffrey Tucker/Bernard Madoff 2/10/00).	
Bb	Special fee arrangements for other clients: <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes
<i>If Yes explain:</i>	Some clients receive rebates. The rebates would be paid by the Management Company, I understand. Rebates to JB: See LN email by Tauheed Siddiqui as of 2/22/99, "Fairfield Sentry Rebates"
Cc	Soft Dollar Arrangements: <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes
<i>If Yes explain:</i>	Fairfield Greewich Group (J. Tucker 3/24/00)

Dd	Administrator (name, loc.)	<p>Citco Fund Services (Europe) B.V., an affiliate of Curacao International Trust Company, N.V., acts as escrow agent, administrator, registrar and transfer agent for the Company.</p> <p>Citco Fund Services (Europe) B.V., Strawinskylaan 1725, 1077 XX Amsterdam, P.O. Box 7241, 1007 JE Amsterdam, The Netherlands</p>
	Contact Person:	Judit Terlien / Aicheline Ecerts / Anuschka Cova
	Telephone:	+31-20-472-2114 / +31-20-676-9611
	Facsimile:	+31-20-675-0881
	Was administrator changed?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes
	If Yes explain:	
Ee	Custodian (name, location)	<p>Citco Global Custody N.V. acts as custodian for the Company.</p> <p>The fund's escrow account is maintained at Citco Bank Nederland, N.V.</p> <p>The fund's managed accounts are managed and held by: Bernard L. Madoff Investment Securities (BLM) 885 Third Avenue, New York, NY 10022 Telephone: (212) 230-2424 Fax: (212) 486-8178</p>
	Contact Person:	All contacts are to be handled through FGL (as a client of BLM)!
	Telephone:	As above
	Facsimile:	As above
	Was custodian changed?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes
	If Yes explain:	
Ff	Auditor (name, location):	<p>PricewaterhouseCoopers NV Accountants, 3068 AV Rotterdam, NL</p>
	Was auditor changed?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes
	If Yes explain:	As per Jeffrey Tucker 3/14/00 and confirmed 10/27/00.
		The auditor of Bernard L. Madoff Investment Securities: Friebling & Horowitz, CPA
Gg	Legal (name, location):	<p>Andrew E. Goldstein, Esq., 909 Third Avenue, 18th Floor, New York, New York 10022</p>
	Was counsel changed?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes
	If Yes explain:	Other legal counsels: "Changed from Ed Schacter as of 1992 to Fischbein, Badilow, Wagner and Itlez primarily for economic and efficiency reasons. " (to be verified) FGL uses multiple legal counsels depending on the mandate.

<i>Hh</i>	Shareholder Reporting:	Monthly. Audited financial statements normally within 120 days after year-end. At the same time, each shareholder receives an annual report. Unaudited quarterly letters.
<i>Ii</i>	Official NAV Releases:	Monthly, Bloomberg (SAISEN OS), IHT
<i>Jj</i>	Estimated NAV Releases:	Weekly, based on calculations provided by BLM
<i>Kk</i>	List of counterparties (i.e. prime brokers/banks, credit lines) used by the investment company (list below):	
#	COUNTERPARTY	PURPOSE
1	Bernard L. Madoff Investment Securities	Acts as counterparty for outright stock transactions in the capacity of a principal. The managed accounts are treated like any other customers of BLM: Fully automated execution, no human interaction besides entering the order.
2	About 10 to 12 counterparties Intermediaries are used to buy/sell the OTC OEX options in order to "quietly" move in and out of positions and to diversify the risk (we could not verify the names of counterparties so far)	OTC Index Options, BLM acts as an agent in this case and never as a principal.
<i>Li</i>	Can the Julius Baer group obtain a portfolio?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes How: We can see and study the managed account statements of Fairfield Sentry anytime at the offices of the Fairfield Greenwich Group in New York (Jeffrey Tucker, phone call with St. Muehleman as of 3/24/00).
<i>Mm</i>	Whom do you trade with primarily? Why?	
	Major US brokerage houses.	
<i>NN</i>	Please describe the investor base for the onshore, offshore and separate accounts?	
	<p>Citico Global Custody N.V. is the biggest nominee, and the Manager faces some in-transparency with regard to the ultimate beneficial owners. Investors include: International Banks, Institutional Investors, FOFs, Family Offices, HNWI's a.o. Biggest investor: A large governmental body USD 130 m (from Middle East, I conclude from Jeffrey Tucker's statements) Middle East (Arab Emirates) are significant investors. Investor base seems to be well diversified.</p> <p>Update 10/27/00 Meeting with Jeffrey Tucker by SM: 80% is from Banks and Advisors (mainly Private Banking clients), some is from Latin America and from Institutions from the Middle East. 1 major bank has over USD 200 m (I guess this is Credit Suisse) which became smaller 1 big institution has over USD 200 m.</p> <p>The principals of the Fairfield Greenwich Group have an aggregate of around USD 10 to 12 m invested in the strategy, mainly in the domestic vehicle. (Jeffrey Tucker 3/24/00)</p>	

3. Structure & Policy Regarding the Fund

A	Describe Staff and Functions	
	<p>Fairfield Greenwich Group: Total of 12 professionals (short bios and functions on file): W. Noel, Jeffrey Tucker, Andres Piedrahita, Corina Piedrahita, Harold Greisman, Philip Toub, Cornelis Boele, Jacqueline Harary, Lourdes Barreneche, Santiago Reyes, Yanko Della Schiava, Robert Hissom. Plus administrative staff.</p> <p>Bernard L. Madoff Investment Securities:</p> <p>Bernard L. Madoff is ultimately responsible for investment decisions. However, 12 Senior traders are (non-exclusively) involved in executing the strategy, including decision making.</p> <p>Bernard L. Madoff's brother Peter B. Madoff is the senior managing director and head of trading. Peter Madoff is 7 years younger than Bernard. Peter Madoff is also overseeing the Technology of the firm.</p> <p>Two sons are involved in the Trading: Head of Listed Trading : Mark Madoff (mdm@madoff.com) Head of Nasdaq Trading : Andrew Madoff (amadoff@madoff.com) BLM has 200 employees and is a U.S. reg. broker / dealer.</p> <p>Bernie Madoff mentioned 12 family members are participating/involved in the business (2/10/00). I understand he has 3 sons altogether.</p> <p>Extract from www.madoff.com, Corporate Profile, 3/24/00, on file.</p>	
B	Describe back office, order execution, staff committed:	
	<p>Execution at BLM: Fully automated for stocks. Options: Listed Options on exchange or OTC with various counterparties.</p> <p>Backoffice of BLM: BLM's clearing and settlement process is also rooted in highly automated technology, which should result in efficient processing, minimizing errors and quick communication.</p> <p>From www.madoff.com, Corporate Profile (3/26/00): "Madoff Securities is a full clearing firm and a member of all U.S. clearing corporations and depositories. The firm's highly automated clearing and settlement systems interface with the Depository Trust Company, the Options Clearing Corporation, and the National Securities Clearing Corporation, of which Bernard Madoff is a past chairman. The firm's systems also interface fully with the systems of all major global custodians. Madoff Securities' extensive network of relationships with other broker/dealers enables the firm to ensure timely delivery and settlement of all customer transactions. Moreover, Madoff Securities' computerized transaction processing means that the firm can customize client reports and deliver them electronically in whatever format best meets the needs of customers."</p> <p>We did not discuss further details about backoffice/operations with B. Madoff (2/10/00).</p>	
C	How are trades allocated amongst different vehicles?	
	<p>Proportionally. Technical details were not discussed with Bernard Madoff (2/10/00). BLM as a registered broker/dealer must adhere to regulatory requirements.</p>	

	<p>Fairfield Sentry has the following 4 accounts with BLM:</p> <p>1-FN 012-3-3 (stock positions) 1-FN 069-4-0 (option positions related to above account)</p> <p>1-FN 045-3-0 (stock positions) 1-FN 070-4-0 (option positions related to above account)</p> <p>Each of the two pairs of accounts handle about half of net assets in the Fund</p>
D	<p>How is cash managed?</p> <p>When no split strike conversion position is in the portfolio, T-Bills are held normally.</p> <p>Exception:</p> <p>When looking at the BLM account statements of Fairfield Sentry Ltd of January 2000, I noted a smaller exposure to the Fidelity Spartan US Treasury Money Market Fund (a mutual fund). According to Jeffrey Tucker the exposure to this fund was "never more than about USD 50,000" historically.</p> <p>This formally stands in contradiction to the Information Memorandum of the Fund dated 1/1/99:</p> <p>"The Company may invest some of its assets in short-term U.S. government obligations, certificates of deposit, short-term high grade commercial paper and other money market instruments (<u>but not money market mutual funds</u>), including repurchase agreements with respect to such obligations."</p> <p>I mentioned this issue to Jeffrey Tucker on 3/24/00. However, I do not consider this issue to be material unless exposure to such mutual funds would be high.</p> <p>New money from subscriptions or redemptions:</p> <p>The fund has an escrow account that is maintained at Citco Bank Nederland, N.V., Amsterdam, The Netherlands.</p> <p>Usually the cash in this account is small relative to net assets, can go to around USD 10 m. Correspondence bank is Republic National Bank of New York.</p>
E	<p>Company policy and backup plans (I. Sudden termination of the portfolio manager's position, II. Total power failure, III. Natural disaster)</p> <p>I:</p> <p>Death of Bernie Madoff would not have an immediate effect on strategy but would require immediate reassessment of situation (continuation of BLM by other family members, sale?).</p> <p>Information Memorandum of the Fund 1/1/99:</p> <p>"The shareholders may, by a majority vote, elect to wind up and dissolve the Company at any time. If the Company's Board of Directors determines that it would be in the best interests of the Company to wind up and dissolve the Company at any time, it will recommend to the shareholders that they vote to do so, and will submit a plan of dissolution for approval by the shareholders."</p> <p>Fairfield Greenwich Group's termination: Is not critical for strategy, but would have consequences for the Fund.</p> <p>II/III:</p> <p>BLM: Systems are run parallel at a second site near La Guardia Airport (fully equipped, fully redundant). About 25% of the traders work from that site. There is a continuous rotation of traders at that site (I understand each trader works 3 week in the City and 1 week at La Guardia). They have power generators in place.</p>

From www.madoff.com, Corporate Profile (3/26/00):

"Madoff Securities has one of the most sophisticated disaster recovery facilities found anywhere in the securities industry. In addition to its offices in Manhattan, Madoff Securities maintains a fully equipped and staffed facility located near LaGuardia Airport. This office duplicates all of the features of the primary Madoff Securities offices. Madoff Securities' disaster recovery facility is not just an alternative trading room, but rather a full-fledged office which is equipped to receive and transact orders and to handle the clearing and settlement process as well.

Under the supervision of a facilities manager, this unique on-line facility is tested continuously to ensure that it is prepared to take over the firm's operations if any kind of disaster were to affect the Manhattan office. Members of the firm's staff are rotated through the facility and regularly perform their work from it. Thus, there is always staff on hand in case disaster strikes at the firm's main office.

The disaster recovery facility is on a different electric power grid than the main office, and it is served by a different telephone central office. The facility also has its own electrical generator.

Since this facility was created in 1992, it has been used as an adjunct to Madoff Securities' main office, and it has not been confronted with a major emergency. But the existence of this facility testifies to the high priority the firm places on being available to meet the needs of its clients under all conditions."

Fairfield Greenwich Group's: Is not critical for strategy, but would have consequences for the Fund.

4. Pricing Procedure

A	Describe Pricing Procedures
	<ul style="list-style-type: none"> How is the portfolio priced on a monthly basis for calculating NAV?
	<p>The administrator obtains all the transactions from BLM directly and prices the positions using Bloomberg pricing: the closing price of the NYSE.</p>
	<p>Since Feb 2000, Citco books every trade as well in order to reconcile the statements of BLM. There were some pricing discrepancies between Bloomberg and Madoff in first instance but due to different time (4.30 pm) used by BLM. Now they agreed to use the NYSE closing price.</p>
	<ul style="list-style-type: none"> Does any third party provide independent pricing?
	<p>Administrator uses Bloomberg to price.</p>
	<p>FGL in addition uses the service of an independent accountant (not a CPA), Gil Berman, Ph.D., based in Boulder, CO. He was a former independent trader on AMEX and is a friend of Jeffrey Tucker. He left the trading out of health reasons according to Jeffrey Tucker (3/21/00).</p>
	<p>He conducts a monthly review and sends a summary letter to FGL, which includes:</p>
	<p>-review of bookkeeping by BLM; breakdown of unrealized profits in Stock Profits, T-Bill, Net Dividend Income, Options P/L, ROR calculation based on average net assets.</p>
	<p>-verify option and stock prices</p>
	<p>-summary comments on month</p>

Berman detected only some minor errors in the BLM account statements (key punch errors, isolated price errors) so far according to Jeffrey Tucker (3/21/00).

I saw the January 2000 letter of Gil Berman at the offices of FGL (3/21/00).

- Does your administrator have a direct feed from your Prime Broker?

According to Jeffrey Tucker there is no electronic feed. But BLM provides all the account statements and transactions to Citco directly, with a copy to Fairfield Greenwich Group, who forwards a copy to Gil Berman, CO.

- Does your administrator do a daily/weekly or monthly reconciliation?

Monthly. BLM provides weekly estimates to Fairfield Greenwich Group.

5. Annual Review

A	Annual Review – 1999 (consult 1999audit questionnaire)
	<ul style="list-style-type: none"> • Update the current questionnaire <p>Done.</p> <p>Asset size/capacity discussion with Bernard Madoff (2/10/00);</p> <p>Bernard Madoff's answer on why he does not disclose the assets managed in the same strategy: "This is private information. I do not want to beat my chest and I do not want to be associated with the hedge fund business." Madoff openly declared his distaste for hedge funds.</p> <p>His rationale can be understood as he wants to preserve and focus on his very profitable core business (broker/dealer very well positioned in a growth area, establishing competing electronic market systems in the US and worldwide, see Primex). He does not want to deal with the retail public. "I am a wholesaler, I want investors with 'low maintenance'."</p> <p>Where do you limit your capacity? "We are there since almost 2 years. No new accounts were accepted since about 1 ¼ years. I am very close to say no to any more money." Is the capacity of the strategy reached? "We could take more money, we have the infrastructure, we just do not want it." ... "It is not a liquidity issue, I could double the assets in the strategy. Counterparties do not know my timing".</p> <p>Fairfield Sentry has a contingent maximum of USD 25 m per month of new capital that can be accepted by BLM (Kingsgate USD 15 to 20 m).</p> <ul style="list-style-type: none"> • Describe changes in strategy, risk management and organization. <p>Since Feb 2000 Citco uses Bloomberg to systematically mark portfolio and enters individual transactions in their systems according to Jeffrey Tucker 3/21/00.</p>

BLM is one of 6 partners (GoldmanSachs, Merrill Lynch, MorganStanley, SalomonSmithBarney) in a new ECN venture "Primex North America", which technological base was developed by BLM (announced 6/99). Joint ventures are set up overseas (with Softbank for Japan, Murdock a.o. in Europe, NASDAQ bought option to build it in Asia and North America).

To be verified over time: "Hedging is always dollar for dollar" (Madoff 2/10/00). Fairfield Sentry discloses that weighting of the hedges may be applied in order to express bullish (underweight the short calls) or bearish (overweight the long puts) short term market outlook.

For January 2000, the strikes of puts and calls were e.g. 760/775; 780/790 and 755/770 (from review of BLM account statement of the Fund by SM).

- **Explain last year's performance.**

1999: No negative month. 14.2% for 1999.

Best: Mar-1999 2.29% Worst: Feb-1999 0.17%

Documents on file:

- ☒ Copy of most recent disclosure document
- ☐ Audited track records from inception for each fund (Only annual B/S, P/L audits done)
- ☒ Latest annual report
- ☒ Samples of all advertising and promotional material
- ☒ Subscription agreement

Last review date: 3/24/2000

Next review date: _____

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S&P100 Index Chart:

