

Certain Hedge Fund Trading Practices, NY-7424-A

5/9/2006 2:43:14 PM

From: Suh, Simona

To: Anthony, Vance H. Personal Privacy Mayhew, Stewart Personal Privacy

Cc: Dale, William C. Personal Privacy Lamore, Peter Personal Privacy Cheung, Meaghan S. Personal Privacy

Attachments: BLM trading for FSL 2004-2005.xls, FSL 1.04 to 9.05 Monthly Strategy Reviews.pdf

Following up on our discussion last week, attached is a spreadsheet that Peter Lamore prepared based on the account statements Madoff provided to Fairfield Sentry Limited (FSL). The spreadsheet indicates the dates when Madoff purchased and sold equities and options for the split strike conversion strategy as well as movements in S&P100 on those days. Also attached are FSL's monthly strategy reviews, which contain narratives describing the trading for each month. If you have any questions about the spreadsheet, please contact Peter at extension Personal Privacy

Thank you and best regards,

Simona

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S&P 500 Futures		Contract S&P 500 Index		Contract S&P 500 Index		Contract S&P 500 Index		S&P 500 Closing	
Date	Call	Put	Price	Price	Price	Price	Price	Price	% Gain/Loss
5/20/2004	S	B	\$ 1.40	\$	May 530	S	\$ 1.50	533.2	0.17%
6/1/2004									
6/2/2004	B	S	\$ 3.00	\$	Jun 545	B	\$ 6.00	545.11	0.00%
6/3/2004	B	S	\$ 2.70	\$	Jun 545	B	\$ 5.50	547.58	0.45%
6/4/2004	B	S	\$ 2.70	\$	Jun 545	B	\$ 5.00	543.92	-0.67%
6/14/2004	B	S	\$ 0.90	\$	Jun 545	B	\$ 5.00	547.08	0.58%
6/15/2004	S	B	\$ 6.60	\$	Jun 555			550.06	-0.87%
6/17/2004	B	S	\$ 2.60	\$	Jun 550	S	\$ 0.45	552.79	0.49%
6/17/2004	S	B	\$ 7.00	\$	Jul 550	B	\$ 7.10	552.6	-0.15%
6/17/2004								552.6	-0.15%
6/18/2004									
6/21/2004	S	B	\$ 6.90	\$	Jul 550	S	\$ 6.10	554.81	0.40%
6/22/2004	S	B	\$ 5.20	\$	Jul 550	S	\$ 7.10	552.36	-0.44%
6/23/2004	S	B	\$ 6.20	\$	Jul 550	S	\$ 5.40	553.47	0.20%
6/24/2004	S	B	\$ 7.60	\$	Jul 550	S	\$ 4.00	557.8	0.78%
8/12/2004									
8/13/2004	B	S	\$ 1.00	\$	Aug 520	B	\$ 3.50	519.56	-1.33%
8/16/2004	B	S	\$ 1.90	\$	Aug 520	B	\$ 2.40	520.72	0.22%
8/17/2004	B	S	\$ 2.60	\$	Aug 525	B	\$ 1.20	527.3	1.26%
8/18/2004	B	S	\$ 2.20	\$	Aug 525	B	\$ 1.10	528.4	0.29%
8/20/2004	B	S	\$ 3.00	\$	Aug 525	B	\$ 0.05	534.84	1.22%
8/20/2004	S	B	\$ 6.00	\$	Aug 525	S	\$ 0.15	536.04	0.55%
8/20/2004	S	B	\$ 6.00	\$	Sep 535	B	\$ 8.40	536.04	0.55%
9/13/2004									
9/14/2004	S	B	\$ 7.00	\$	Sep 535	S	\$ 0.30	546.11	-0.02%
9/15/2004	S	B	\$ 4.20	\$	Sep 535	S	\$ 0.30	546.93	0.15%
9/16/2004	S	B	\$ 4.00	\$	Sep 535	S	\$ 0.30	542.63	-0.79%
9/17/2004	S	B	\$ 5.10	\$	Sep 535	S	\$ 0.30	543.35	0.13%
9/20/2004					Sep 535	Expired @ 0			0.45%
10/29/2004									-0.71%
11/1/2004	B	S	\$ 5.00	\$	Nov 540	B	\$ 7.10	540.65	0.22%
11/2/2004	B	S	\$ 5.10	\$	Nov 540	B	\$ 5.80	540.5	-0.03%
11/4/2004	B	S	\$ 4.10	\$	Nov 540	B	\$ 4.00	555.62	0.03%
								555.62	1.63%

Contract (S&P 100 Index)		Contract (S&P 100 Index)		Contract (S&P 100 Index)		Contract (S&P 100 Index)		Contract (S&P 100 Index)		Contract (S&P 100 Index)		Contract (S&P 100 Index)	
Date	Symbol	Price	Qty	Price	Qty	Price	Qty	Price	Qty	Price	Qty	Price	Qty
11/9/2004													
11/10/2004	S	\$ 12.40	B	Nov 545	S	\$ 0.50		Nov 540		556.9			-0.07%
11/11/2004	S	\$ 4.60	B	Nov 555	S	\$ 0.90		Nov 545		555.54			-0.24%
11/12/2004	S	\$ 19.00	B	Nov 545	S	\$ 0.40		Nov 540		560.18			0.84%
11/12/2004	B	\$ 9.50	B	Nov 555	S	\$ 0.30		Nov 545		566.22			1.08%
								Nov 545		566.22			1.08%
12/13/2004	B	\$ 2.10	S	Dec 570	B	\$ 2.00		Dec 565		570.41			0.87%
12/15/2004													
12/16/2004	S	\$ 3.90	B	Dec 570						573.45			0.18%
12/20/2004								Dec 565		573.46			0.00%
								Dec 565		567.8			0.07%
1/19/2005													
1/20/2005	B	\$ 4.30	S	Feb 570	B	\$ 6.60		Feb 560		563.89			-0.99%
1/21/2005	B	\$ 5.10	S	Feb 565	B	\$ 6.00		Feb 555		561.19			-0.48%
1/24/2005	B	\$ 4.70	S	Feb 565	B	\$ 5.90		Feb 555		567.32			-0.69%
1/25/2005	B	\$ 5.00	S	Feb 565	B	\$ 4.90		Feb 555		556.29			-0.18%
2/14/2005								Feb 555		559.87			0.64%
2/15/2005	S (3 stocks)	\$ 4.10	S	Mar 585	B	\$ 4.90		Mar 575		577.18			0.00%
2/15/2005	B	\$ 8.20	B	Feb 570	S	\$ 0.05		Feb 555		578.86			0.29%
2/15/2005	B	\$ 13.00	B	Feb 565	S	\$ 0.10		Feb 560		578.86			0.29%
3/4/2005	B	\$ 2.90	B	Mar 585	*****								0.92%
3/7/2005	S	\$ 5.10	S	Mar 585									0.21%
3/9/2004													
3/10/2005	S	\$ 1.00	B	Mar 585	S	\$ 3.00		Mar 575		576.73			-0.94%
3/11/2005	S	\$ 0.80	B	Mar 585	S	\$ 4.20		Mar 575		578.4			0.29%
3/14/2005	S	\$ 0.25	B	Mar 585	S	\$ 3.40		Mar 575		573.55			-0.84%
3/15/2005	S	\$ 0.20	B	Mar 585	S	\$ 3.90		Mar 575		576.18			0.46%
5/16/2005										571.8			-0.76%
5/17/2005	B	\$ 0.30	S	May 565	B	\$ 2.10		May 555		554.9			0.87%
5/18/2005	B	\$ 0.30	S	May 565	B	\$ 2.10		May 555		567.99			0.56%
5/19/2005	B	\$ 1.30	S	May 565	B	\$ 1.60		May 560		563.37			0.96%
										566.14			0.49%

Trade Makes No Sense
45,272 Contracts

S&P 100 Futures Baskets
 S&P 100 Futures
 S&P 100 Closing Price
 S&P 100 % Gain/Loss

	Contract (S&P 100 Index)	Call	Price	Puts	Price	Contract (S&P 100 Index)	Price	S&P 100 Closing Price	S&P 100 % Gain/Loss
5/20/2005	May 565	B	\$ 0.75	Expired @ 0	\$	Jun 565	\$ 6.10	565.57	-0.10%
5/20/2005	Jun 570	S	\$ 4.60			May 555 & 560		565.57	-0.10%
5/23/2006								565.57	0.32%
6/22/2005									
6/23/2005	Jul 575	B	\$ 3.00	S		Jul 570	\$ 5.00	570.83	0.00%
6/24/2005	Jul 575	B	\$ 1.00	S		Jul 570	\$ 9.20	564.38	-1.13%
6/27/2005	Jul 575	B	\$ 0.70	S		Jul 570	\$ 11.40	559.76	-0.81%
								559.46	-5.35%
9/1/2005									
9/2/2005	Sep 570	S	\$ 2.10	B		Sep 560	\$ 3.10	564.23	-0.01%
9/6/2005	Sep 570	S	\$ 2.90	B		Sep 560	\$ 2.00	563	-0.22%
9/7/2005	Sep 575	B	\$ 1.90	B		Sep 570	\$ 3.50	570.48	1.33%
9/8/2005	Sep 575	S	\$ 1.60	B		Sep 570	\$ 2.90	571.98	0.26%
								570.16	-0.32%
9/20/2005									
9/21/2005	Oct 575	B	\$ 2.15	S		Oct 570	\$ 11.40	566.06	-0.71%
9/22/2005	Oct 575	B	\$ 1.65	S		Oct 570	\$ 12.80	560.78	-0.93%
9/26/2005	Oct 575	B	\$ 2.00	S		Oct 570	\$ 9.00	562.85	0.37%
								562.09	-0.03%
10/5/2005									
10/6/2005	Oct 555	B	\$ 6.10	B		Oct 550	\$ 4.20	552.55	-1.30%
10/7/2005	Oct 555	B	\$ 5.50	B		Oct 550	\$ 3.60	551.26	-0.23%
10/11/2005	Oct 555	B	\$ 3.90	B		Oct 550	\$ 4.00	552.92	0.30%
10/14/2005	Oct 550	B	\$ 4.00	B		Oct 545	\$ 2.20	549.31	-0.13%
10/20/2005	Oct 550	B	\$ 2.50	S		Oct 545	\$ 1.70	550.49	0.56%
10/20/2005	Oct 555	B	\$ 0.60	S		Oct 550	\$ 4.40	545.13	-1.61%
10/20/2005	Nov 555	S	\$ 6.50	B		Nov 550	\$ 6.20	545.13	-1.61%
12/12/2005									
12/13/2005	Dec 570	B	\$ 8.20	S		Dec 565	\$ 0.30	574.97	0.06%
12/14/2005	Dec 570	B	\$ 10.20	S		Dec 565	\$ 0.20	578.23	0.57%
12/15/2005	Dec 570	B	\$ 10.70	S		Dec 565	\$ 0.10	581.22	0.52%
12/16/2005	Dec 570	B	\$ 11.40	S		Dec 565	\$ 0.05	580.85	-0.06%
								579.08	-0.30%

Fairfield Sentry Limited — January, 2004

Fairfield Sentry Limited ("Sentry," the "Fund") (Class A) returned 0.94% net in January 2004, capturing over half of the 1.85% move up in the S&P 100 Index¹ for the month. The Fund returned slightly more than twice the long bond yield of 0.41%.²

The strategy was implemented in three increments in the first two weeks of the year by purchasing a basket of 45 S&P 100 equities and accompanying options collars. Just prior to options expiration in January, the option positions were unwound by buying back the previously sold S&P 100 Index call options. The put options expired worthless, as they remained out-of-the-money due to the rise in the Index. The options hedge was then rolled to higher strikes and out to February expiration. The stock portfolio remained intact for the rest of the month except for the sale of its holdings of Texas Instruments.

Hedging costs continued to be relatively affordable in the current low volatility environment, and represented about 3% of net profits generated during the month.

Following the Fund's positive net performance in January, the strategy continued to be invested at month end.

¹ Net dividends reinvested.

² The U.S. Treasury Bond 5 3/8 expiring February 15, 2031 had an average annualized yield of 4.962% in January 2004, or 0.41% for the month.

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This document does not constitute an offer to sell, or the solicitation of an offer to buy, interests in the Fund. Such an offer or solicitation may only be made by delivery of the Fund's confidential offering memorandum, a copy of which is available from the Investment. An investment in the Fund is highly speculative and entails substantial risk of loss. There can be no assurance that the Fund's investment objectives will be achieved. Past performance is no guarantee of future results.

Please contact FGG for additional information about its funds, including information about investor qualification standards, by visiting our Web site at www.fggus.com or e-mailing us at main@fggus.com.

Fairfield Sentry Limited — February, 2004

Fairfield Sentry Limited ("Sentry," the "Fund") (Class A) returned 0.50% net in February 2004, capturing more than half of the 0.93% increase in the S&P 100 Index¹ for the month. The performance of the Fund in February was in line with the long bond yield of 0.40%.² Year-to-date, the Fund has returned 1.45%.

The split-strike conversion strategy began the month with a fully invested position in a basket of 44 S&P 100 equities and accompanying options collar that was purchased in the previous month. The strategy was unwound in four unequal increments the week of options expiration and the proceeds were invested in short dated U.S. Treasury Bills. The Fund maintained this cash position through to the end of the month.

Gross gains in the value of the stock basket and dividends received were only partially offset by declines in the value of the options positions, resulting in the positive performance this month.

¹ Net dividends reinvested.

² The U.S. Treasury Bond 5 3/8 expiring February 15, 2031 had an average annualized yield of 4.838% in February 2004, or 0.40% for the month.

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Fairfield Sentry Limited — March, 2004

Fairfield Sentry Limited ("Sentry," the "Fund") (Class A) returned 0.05% net in March 2004. The Fund remained invested in short-dated U.S. Treasury Bills for the entire month and missed the -2.24% move down in the S&P 100 Index¹ this month. Year-to-date, the Fund has returned 1.51%.

¹ Net dividends reinvested.

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Fairfield Greenwich Group

Monthly Strategy Review

April 2004

Fairfield Greenwich Group

MONTHLY STRATEGY REVIEW

Fairfield Sentry Limited

Manager: Fairfield Greenwich (Bermuda) Ltd.

April 2004

Fairfield Sentry Limited ("Sentry," the "Fund") (Class A) returned 0.43% net in April 2004 during a month when the S&P100 Index posted a loss of -1.74%. Year-to-date, the Fund has returned 1.94% net while the S&P100 Index lost -1.80%.

The strategy was fully implemented in April by purchasing a basket of stocks drawn from the S&P 100 and accompanying options collars. Prior to the expiration of the options in April, the positions were rolled into a new collar using May options. The stock basket remained intact throughout the month with no additional stock trades occurring after the initial implementation.

With the decline in the S&P100 Index this month, the stock basket also posted a loss of -2.66% in gross terms. This was more than offset by the increase in the value of put options and the premium collected from the sale of the call options during April, resulting in the net increase of 0.43% for the month.

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Fairfield Greenwich Group

Monthly Strategy Review

May 2004

FairfieldGreenwichGroup

Fairfield Sentry Limited

Manager: Fairfield Greenwich (Bermuda) Ltd.

May 2004

Fairfield Sentry Limited ("Sentry," the "Fund") (Class A) returned 0.66% net in May 2004 during a month when the S&P100 Index gained 0.95%. Year-to-date, the Fund has gained 2.62% net while the S&P100 Index returned -0.31%.

The Fund began the month with a fully invested position in a typical basket of S&P 100 stocks and accompanying options collars. The stock basket and options positions were reversed during the month and the proceeds were invested in short-dated U.S. Treasury Bills. This stance was maintained for the balance of the May.

The positive performance this month was driven primarily by gross gains in the value of the options positions. These gains more than offset the decline in the value of the stock basket.

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Fairfield Greenwich Group

Monthly Strategy Review

June 2004

Fairfield Greenwich Group

Fairfield Sentry Limited

Manager: Fairfield Greenwich (Bermuda) Ltd.

June 2004

Fairfield Sentry Limited Class A ("Sentry" or the "Fund") returned 1.28% net in June 2004 during a month when the S&P100 Index gained 1.78%. Year-to-date, the Fund has gained 3.93% net while the S&P100 Index returned 1.46%.

In June, the Fund initiated its third implementation cycle of 2004, entering into a fully invested position in a typical basket of S&P 100 stocks and accompanying options collars. Later in the month, the stock basket and options positions were reversed and the proceeds were invested in short-dated U.S. Treasury Bills. The Fund maintained this investment for the balance of the month.

The positive performance in June was driven primarily by gains in the value of the stock positions which contributed over 87% of the gross gains earned during the month. The options positions also contributed to gross profits, with gains earned in the S&P 100 Index call options more than compensating losses in the S&P 100 Index put options. Interest and dividend income also made minor contributions to net profit this month.

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Fairfield Greenwich Group

Monthly Strategy Review

July 2004

Fairfield Greenwich Group

Fairfield Sentry Limited

Manager: Fairfield Greenwich (Bermuda) Ltd.

July 2004

Fairfield Sentry Limited (“Sentry” or the “Fund”) (Class A) returned 0.08% net in July 2004. The Fund remained invested in short-dated U.S. Treasury Bills for the month and missed the -2.81% move down in the S&P100 Index in July. Year-to-date, the Fund has posted a gain of 4.02% net while the S&P100 Index has posted a loss of -1.38%.

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Fairfield Greenwich Group

MONTHLY STRATEGY REVIEW

Fairfield Sentry Limited

Manager: Fairfield Greenwich (Bermuda) Ltd.

August 2004

Fairfield Sentry Limited ("Sentry," the "Fund") (Class A) returned 1.33% net in August 2004 during a month when the S&P100 Index gained 0.39%. Year-to-date, the Fund has gained 5.40% net while the S&P100 Index returned -1.00%.

During the month, the Fund initiated its fourth implementation of its strategy this year by purchasing a typical basket of S&P 100 stocks and accompanying options collars. The stock basket remained largely unchanged for the balance of the month while the options collar was rolled to September expiration. The Fund continued to be fully invested at month-end.

The performance of large-cap U.S. equities in August was characterized by an initial decline during the first two weeks, after which they retraced their paths to their July closing values by month's end. The Fund's positive performance in August was driven primarily by gross gains in the value of the stock basket. The options transactions, on the other hand, detracted from net income and this was mostly attributable to the cost of the uncompensated put hedge. Interest and dividend income also made a minor contribution to net profit.

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Fairfield Greenwich Group

MONTHLY STRATEGY REVIEW

Fairfield Sentry Limited

Manager: Fairfield Greenwich (Bermuda) Ltd.

September 2004

Fairfield Sentry Limited ("Sentry," the "Fund") (Class A) returned 0.53% net in September 2004 while the S&P100 Index returned -0.55%. Year-to-date, the Fund has gained 5.96% net and the S&P100 Index has returned -1.55%.

The Fund was fully invested in the split-strike conversion strategy at the end of August and held this position until the week of options expiration in September. The stock basket and accompanying options collar were unwound during that week and the proceeds invested in short dated U.S. Treasury Bills. The Fund maintained this cash position through to the end of the month.

Gross gains in the value of the stock basket and dividends received were only partially offset by declines in the value of the options positions, resulting in the positive performance this month.

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Fairfield Greenwich Group

MONTHLY STRATEGY REVIEW

Fairfield Sentry Limited

Manager: Fairfield Greenwich (Bermuda) Ltd.

October 2004

On October 1, 2004, Fairfield Sentry Limited ("Sentry," or the "Fund") Class A shares became subject to a 1% per annum management fee, the same as the Fund's Class B shares. Shareholders of the Class B shares were issued shares of Fairfield Sentry Limited at the September 30, 2004 net asset value of the Class A shares. There will be only one class of shares going forward.

Sentry returned 0.03% net in October 2004 while the S&P100 Index returned 1.22%. The Fund was invested in short-dated U.S. Treasury Bills at the end of September and maintained this position for the entire month. Year-to-date, the Fund has returned 5.98% (former Class A shares) and 5.35% (former Class B shares).

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As mentioned in a previous letter, Fairfield Sentry Limited ("Sentry" or the "Fund") Class A shares became subject to a 1% per annum management fee on October 1, 2004. Shareholders of the Class B shares were issued shares of Fairfield Sentry Limited at the September 30, 2004 net asset value of the Class A shares. There is now only one class of shares.

Sentry returned 0.79% net in November 2004 during a month when the S&P100 Index gained 3.31%. Year-to-date, the Fund has gained 6.82% net (former Class A shares) or 6.18% net (former Class B shares), while the S&P100 Index returned 2.95%.

The Fund initiated its fifth implementation of the split-strike conversion strategy this year by purchasing a typical basket of S&P 100 stocks and accompanying options collars. Prior to the end of the month, these positions were unwound and the proceeds were invested in short-dated U.S. Treasuries Bills.

The performance of large-cap U.S. equities in November was characterized by an initial rise during the first two weeks of the month followed, by range-bound trading for the remainder of the month. The Fund's positive performance this month was driven primarily by gross gains in the value of the stock basket. Both the long put and short call option positions, on the other hand, detracted from net income. Interest income on holdings of U.S. Treasury Bills also made a minor contribution to net profit.

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Fairfield Sentry Limited ("Sentry," the "Fund") returned 0.24% net in December 2004 during a month when the S&P100 Index gained 3.39%. The 2004 annual return of the Fund was 7.08% net (former Class A shares) or 6.44% net (former Class B shares), while the S&P100 Index return was 6.43% for the year.

The Fund initiated its sixth and final implementation of the split-strike conversion strategy this year by investing about 25% of Fund assets in a basket of S&P100 stocks and accompanying options collars. These positions were unwound during the month and the proceeds were invested in short-dated U.S. Treasuries. As in previous years, the Fund ended December with an all cash position of U.S. Treasuries.

The performance of the S&P100 Index in December was characterized by an initial decline followed by a gradual increase for the remainder of the month. The majority of the Fund's positive performance this month was driven by gross gains in the value of the stock basket. Both the long put and short call option positions detracted from net income while interest income on holdings of U.S. Treasury Bills made a contribution to net profit.

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FairfieldGreenwichGroup

MONTHLY STRATEGY REVIEW

Fairfield Sentry Limited

Manager: Fairfield Greenwich (Bermuda) Ltd.

January 2005

Fairfield Sentry Limited ("Sentry" or the "Fund") returned 0.51% net in January 2005 during a month when the S&P 100 Index returned 1.71%.

The Fund initiated its first implementation of the split-strike conversion strategy this year by purchasing a typical basket of S&P 100 equities and corresponding options collars during the month. This portfolio was maintained until the end of the month, with no further activity taking place after completion of the last leg of the implementation.

Most of the positive performance resulted from gross gains in the value of the stock holdings. The put and call options both detracted from performance while T-Bill interest and dividend income both made small contributions.

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Fairfield Greenwich Group

MONTHLY STRATEGY REVIEW

Fairfield Sentry Limited

Manager: Fairfield Greenwich (Bermuda) Ltd.
February 2005

Fairfield Sentry Limited ("Sentry," the "Fund") gained 0.37% net in February 2005 during a month when the S&P100 Index gained 1.94%. Year-to-date, the Fund has gained 0.88% net while the S&P100 Index returned 0.19%.

The Fund began the month with a fully invested position in the split-strike conversion strategy (the "Strategy"), which was implemented in late January. During the month, the Fund unwound its holdings in the options positions and simultaneously re-implemented the collar at higher strikes and for later expiration. In order to finance the new collar, the Fund sold some of its stock holdings. The Fund continued to be fully invested at month-end.

The Fund's positive performance this month was driven primarily by gross gains in the value of the stock basket. The options transactions, on the other hand, detracted from net income as would be expected in a rising market. Interest and dividend income also made a minor contribution to net profit.

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Fairfield Greenwich Group

MONTHLY STRATEGY REVIEW

Fairfield Sentry Limited

Manager: Fairfield Greenwich (Bermuda) Ltd.

March 2005

Fairfield Sentry Limited ("Sentry," the "Fund") returned 0.85% net in March 2005 during a month when the S&P100 Index lost -2.03%. Year-to-date, the Fund has gained 1.74% net while the S&P100 Index has returned -1.84%.

The Fund began the month with a fully invested position in a typical basket of S&P 100 stocks and accompanying options collars. This implementation had first been initiated in January and the options collar had been re-struck at higher strike prices in February. During March, both the stock basket and options positions were reversed and the proceeds were invested in short-dated U.S. Treasury Bills. This stance was maintained for the balance of March.

The positive performance this month was driven primarily by gross gains in the value of the options positions.

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Fairfield Greenwich Group

MONTHLY STRATEGY REVIEW

Fairfield Sentry Limited

Manager: Fairfield Greenwich (Bermuda) Ltd.
April 2005

Fairfield Sentry Limited ("Sentry," the "Fund") returned 0.14% net in April 2005 during a month when the S&P 100 Index lost -1.50%. Year-to-date, the Fund has gained 1.88% net while the S&P100 Index has returned -3.30%.

The Fund did not initiate an implementation of the split-strike conversion strategy during April and remained invested in short-dated U.S. Treasury Bills throughout the month.

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Fairfield Sentry Limited ("Sentry," or the "Fund") gained 0.63% net in May 2005 during a month when the S&P100 Index gained 2.34%. Year-to-date, the Fund has gained 2.52% net while the S&P100 Index has returned -1.03%.

During the month, the Fund initiated its second implementation of the split-strike conversion strategy (the "Strategy") of the year. About three-quarters of the Fund's assets were invested in a basket of stocks drawn from the S&P100 Index and accompanying options collars. The options collars consist of long S&P100 Index put options that are purchased in sufficient quantity to provide an approximate notional hedge to the stock basket, and short S&P 100 Index call options that are sold in sufficient quantity to largely finance the put hedge. Prior to the options expiration day, the Fund rolled the options collar up in strikes and out to the new spot month. This portfolio was maintained for the remainder of the month.

The Fund's positive performance this month was driven primarily by gross gains in the value of the stock basket. The options transactions, on the other hand, detracted from net income as would be expected in a rising market. Interest and dividend income also made contributions to net profit.

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Fairfield Sentry Limited ("Sentry," or the "Fund") gained 0.46% net in June 2005 during a month when the S&P100 Index lost 0.98%. Year-to-date, the Fund has generated a net-to-client return of 3.00% while the S&P100 Index has lost -2.00% over the same time period.

The Fund began the month with approximately three quarters of its assets invested in the split-strike-conversion strategy (the "Strategy"). This portfolio, which was initially implemented in May, was maintained until just prior to options expiration day when the options collar was rolled up in strikes and out to the new spot month. The Fund liquidated its holdings in the Strategy prior to the end of June and returned to an all-cash position, concluding the second complete implementation of the Strategy this year.

The Fund's positive performance this month was driven primarily by gains in the value of the options positions. The stock positions detracted slightly from net income as would be expected in a falling market. Interest and dividend income also made contributions to net profit.

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Fairfield Sentry Limited ("Sentry," the "Fund") returned 0.13% net in July 2005. Year-to-date, the Fund has gained 3.13% net.

The Fund did not initiate an implementation of the split-strike conversion strategy during July and remained invested in short-dated U.S. Treasury Bills throughout the month.

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Fairfield Sentry Limited ("Sentry," or the "Fund") returned 0.16% net in August 2005 while the S&P 100 lost 1.43% during the month. This brings the Fund's year-to-date return to 3.30% net while the S&P 100 has lost 1.89% for the same period.

The Fund did not initiate an implementation of the split-strike conversion strategy during August and remained invested in short-dated U.S. Treasury Bills throughout the month.

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Fairfield Greenwich Group

MONTHLY STRATEGY REVIEW

Fairfield Sentry Limited

Manager: Fairfield Greenwich (Bermuda) Ltd.

September 2005

Fairfield Sentry Limited ("Sentry," the "Fund") gained 0.89% net in September 2005 during a month when the S&P100 Index gained 0.54%. Year-to-date, the Fund has generated a net-to-client return of 4.22% while the S&P100 Index has been almost flat for the year, returning 0.03%.

The Fund initiated its third implementation of the split-strike-conversion strategy (the "Strategy") this month by acquiring a typical basket of S&P 100 securities and accompanying options collars early in the month. This portfolio was maintained until prior to options expiration day when the options collars were rolled up in strikes and out to the new spot month – the stock basket remained intact. Later in the month, the strategy was deactivated by selling all stock positions, buying back the previously sold call options and unwinding the put hedge. The Fund ended the month with an all-cash position in short-dated U.S. Treasuries.

The Fund's positive performance this month was driven primarily by gains in the value of the options positions. The stock positions detracted slightly from net income while interest and dividend income made minor contributions.

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The index information is included merely to show the general trend in applicable markets in the periods indicated and is not intended to imply that the Fund was similar to the index either in composition or element of risk. Index information should not be interpreted as a benchmark for the fund. It is not possible to invest directly in an index.

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