



# FAIRFIELD SENTRY LIMITED

October 2002



FGG

Fairfield Greenwich Group

## >> Investment Approach

The Fund's investment objective is to achieve capital appreciation through consistent monthly returns. The investment strategy has defined risk and reward parameters. Typically a position will consist of the ownership of 30-35 S&P100 stocks most correlated to that index, the sale of out-of-the-money calls on the index and the purchase of out-of-the-money puts on the index. 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. A bullish or bearish bias can be achieved by adjusting the strike prices of the options, overweighting the puts, or underweighting the calls. However, the underlying value of the S&P100 puts is always approximately equal to that of the portfolio of stocks.

## >> Fund Highlights

- Thirteen year track record
- Only 5 down months since inception
- Provides long term capital appreciation by delivering short-term gains
- Excellent risk adjusted return
- Single investment strategy
- Highly hedged portfolio

## >> Performance\*

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
1989							2.35%	0.65%	2.05%	0.75%	3.45%	1.42%	11.12%
1990	0.50%	1.55%	2.60%	1.65%	1.56%	3.00%	1.88%	5.13%	0.33%	1.60%	1.77%	2.83%	27.20%
1991	3.08%	1.46%	0.59%	1.39%	1.88%	0.37%	2.04%	1.07%	0.80%	2.82%	0.08%	1.63%	18.57%
1992	0.49%	2.79%	1.01%	2.86%	-0.19%	1.29%	0.00%	0.92%	0.40%	1.40%	1.42%	1.43%	14.66%
1993	0.00%	1.93%	1.86%	0.06%	1.72%	0.86%	0.09%	1.78%	0.35%	1.77%	0.26%	0.45%	11.66%
1994	2.18%	-0.36%	1.52%	1.82%	0.51%	0.29%	1.78%	0.42%	0.82%	1.88%	-0.55%	0.66%	11.49%
1995	0.92%	0.76%	0.84%	1.69%	1.72%	0.50%	1.08%	-0.16%	1.70%	1.60%	0.51%	1.10%	12.95%
1996	1.49%	0.73%	1.23%	0.64%	1.41%	0.22%	1.92%	0.27%	1.22%	1.10%	1.58%	0.48%	12.97%
1997	2.45%	0.73%	0.86%	1.17%	0.63%	1.34%	0.75%	0.35%	2.39%	0.55%	1.56%	0.42%	14.00%
1998	0.91%	1.29%	1.75%	0.42%	1.76%	1.28%	0.83%	0.28%	1.04%	1.93%	0.84%	0.33%	13.42%
1999	2.06%	0.17%	2.29%	0.36%	1.51%	1.76%	0.43%	0.94%	0.73%	1.11%	1.61%	0.39%	14.19%
2000	2.20%	0.20%	1.84%	0.34%	1.37%	0.80%	0.65%	1.32%	0.25%	0.92%	0.68%	0.43%	11.55%
2001	2.21%	0.14%	1.13%	1.32%	0.32%	0.23%	0.44%	1.01%	0.73%	1.28%	1.21%	0.19%	10.69%
2002	0.03%	0.60%	0.46%	1.16%	2.12%	0.26%	3.36%	-0.06%	0.13%	0.73%			9.07%

## >> Comparative Analysis

	SENTRY	S&P 500*	LEHMAN **
Compound Annual Returns	14.48%	10.45%	8.25%
YTD Compound Returns	9.07%	-21.78%	8.05%
Annual Standard Deviation	2.97%	15.05%	3.81%
Correlation (Sentry vs. Index)		0.23	0.08
Sharpe Ratio	3.22	0.37	0.87
Worst Drawdown	-0.55%	-44.73%	-5.15%
Months to Recover	1	unrecovered	8
Percentage of Up Months	95.63%	62.50%	73.13%

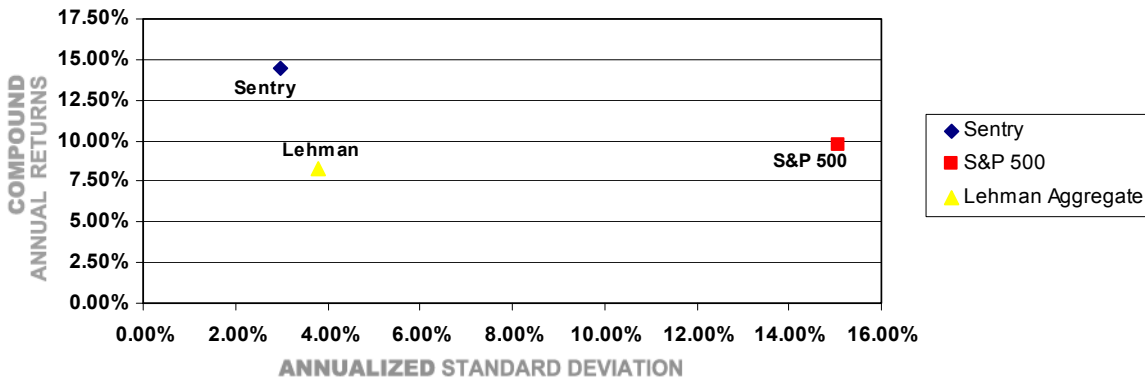
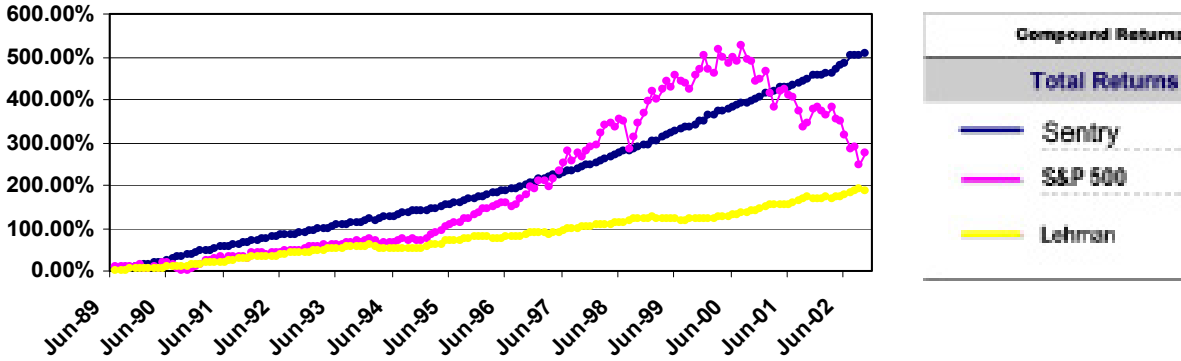
## >> Terms and Conditions

Fees:	Management	0%
	Performance	20%
Current NAV: \$883.1808		
Minimum Investment: 100K		
Redemptions: Monthly		
Subscriptions: Monthly		
Funds Under Management: \$4.0 Billion		
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Administrator: Citco Fund Services (Europe) B.V.		



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## >> Compound Return



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## Fairfield Greenwich Group

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\* The source of the S&P 500 is Standard & Poors, Co. DRI.

\*\* The source is the Lehman Aggregate Bond Index.

Past results are no guarantee of future performance and no representation is made that an investor will obtain similar results to those shown above. Fairfield Greenwich (UK) Limited is regulated by FSA for the conduct of investment business in the UK.