

Mitteilung an alle Anteilseigner der Kingate Global Fonds:

Anbei finden Sie die Information der Fondsgesellschaft, folgende Fonds sind betroffen:

VGG5255Z1146 Kingate Global Fund - USD (in liquidation) Dis

Details können Sie der beigefügten Anlage entnehmen.

**Kingate Global Fund, Ltd – in liquidation (the Global Fund)**

Dear Sirs,

Please be advised that as a result of the mediation between the Joint Liquidators (the **Liquidators**) of the Global Fund and Kingate Euro Fund, Ltd – in liquidation (**Euro Fund** and together, the **Funds**) and the Trustee of the Securities Investor Protection Act liquidation of the business of Bernard L. Madoff Investment Securities LLC (the **Trustee** and **BLMIS** respectively) which commenced on 14 May 2019 (the **Mediation**), the Liquidators are pleased to report that an agreement has been reached, in principle (the **Settlement**).

A number of steps need to be completed in order for the Settlement to take effect. These include the Trustee obtaining approval of the Settlement from the New York Bankruptcy Court and the Liquidators obtaining sanction to enter into the Settlement from the BVI and Bermuda Courts.

The Settlement is intended to bring to an end:

- i) all aspects of the US Proceedings¹, including all subsequent transferee claims asserted by the Trustee in respect of monies paid by BLMIS to the Funds; and
- ii) certain other claims between BLMIS and the Funds on the one hand, and the certain individuals and organizations related to the management and administration of the Funds, Citi Hedge and HSBC Bank Bermuda on the other, which relate to the Funds' investments in BLMIS.

The Settlement will result in the Funds receiving a combined allowed claim in the BLMIS estate of US\$1.66 billion. This is made up of:

- a. 100% net equity claims of US\$800 million; and
- b. An US\$860 million 502(h) *springing claim*.

¹ Being the adversary proceeding by the Trustee against the Kingate Funds as initial transferees, and Federico Ceretti, Carlo Grosso, Kingate Management Limited, FIM Advisers LLP, FIM Limited, First Peninsula Trustees Limited, individually and as Trustee of the Ashby Trust, the Ashby Trust, Ashby Investment Services Limited, Alpine Trustees Limited, individually and as Trustee of El Praela Trust, Port of Hercules Trustees Limited, individually and as Trustee of El Praela Trust, El Praela Trust, El Praela Group Holding Services, Ashby Holdings Services Limited, and El Praela Trading Investments Limited, Citi Hedge Fund Services Limited (now doing business as SS&C Fund Services (Bermuda) Ltd.) and HSBC Bank Bermuda Limited as subsequent transferees, now titled Picard v. Federico Ceretti, et al., Adv. Pro. No. 09-01161 (SMB).



The Funds' combined allowed claim of US\$1.66 billion will rank equally with all other allowed customer claims against the BLMIS Estate and shall share rateably in all such distributions

The Trustee has made interim distributions of 66.633% out of the BLMIS Estate and he expects to make further interim distributions in the future. The payment to the Trustee of US\$860m will be funded by set off from the catch-up dividend due to the Funds and will be paid upon completion of the Settlement conditions, which is estimated to be achieved by Quarter 4 2019.

The completion of the Settlement conditions will generate a cash recovery of US\$273.8m for the Global Fund and US\$8m for the Euro Fund.

Additional information regarding the Settlement is available on the website of the Trustee, www.madofftrustee.com, in the filing on 17 July 2019 to the United States Bankruptcy Court Southern District Of New York.

Next Steps

The Liquidators have liaised with the Liquidation Committee, who have expressed their support, and are seeking the sanction of the BVI Court.

Whilst it is impossible to be definitive, it is hoped that the Settlement should take effect before the end of the year. In the meantime, the Liquidators will continue to progress the Fund's liquidation proactively, including by work on collation, review and analysis relating to distributions by the Fund to stakeholders.

The Liquidators intend to update stakeholders on the progress of these developments, as appropriate. If any stakeholder has questions regarding the above, please do not hesitate to contact the Liquidators by emailing enquiries@kingateglobal-liquidation.vg.

Yours faithfully,

Paul Pretlove
Joint Liquidator