



**IN THE GRAND COURT OF THE CAYMAN ISLANDS  
FINANCIAL SERVICES DIVISION**

**FSD CAUSE NO. 268 OF 2021 (DDJ)**

**IN THE MATTER OF THE COMPANIES ACT (2021 REVISION)  
AND IN THE MATTER OF PRINCIPAL INVESTING FUND I LIMITED**

**CREDIT SUISSE LONDON NOMINEES LTD**

**Petitioner**

**-and-**

**(1) PRINCIPAL INVESTING FUND I LIMITED  
(2) FLOREAT PRINCIPAL INVESTMENT MANAGEMENT LIMITED**

**Respondents**

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**ORDER**

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**UPON** the Order dated 25 October 2021 (made at a hearing on 22 October 2021), as varied by the Orders dated 8 April 2022 and 31 May 2022, giving directions for the progression of the proceedings.

**AND UPON** the Order dated 25 July 2022 setting out that in the event that the parties were unable to agree a List of Issues for Experts then the Court would determine the same on the papers.

**AND UPON** the Petitioner and the Second Respondent having provided to the Court their proposed respective draft List of Issues for Experts and the Court determining the appropriate List of Issues for Experts on the papers.

**IT IS ORDERED THAT:**

1. The List of Issues for Experts shall be in the form proposed by the Petitioner as set out in Schedule 1 to this Order.

2. Costs in the petition.

**DATED** this 5 day of August 2022

**FILED** this 5 day of August 2022

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**The Hon. Justice David Doyle**  
**JUDGE OF THE GRAND COURT**

This **Order** was filed by Appleby (Cayman) Limited, Attorneys-at-Law for the Petitioner, whose address for service is 71 Fort Street, PO Box 190 GT, Grand Cayman, KY1-1104, Cayman Islands.

**SCHEDULE 1 TO ORDER RE: LIST OF ISSUES FOR EXPERTS**

**IN THE GRAND COURT OF THE CAYMAN ISLANDS**

**FINANCIAL SERVICES DIVISION**

**CAUSE NOS: FSD 268, 269 AND 270 OF 2021 (DDJ)**

**IN THE MATTER OF THE COMPANIES ACT (2022 REVISION)**

**AND IN THE MATTER OF PRINCIPAL INVESTING FUND I LIMITED (FSD 268)**

**AND IN THE MATTER OF LONG VIEW II LIMITED (FSD 269)**

**AND IN THE MATTER OF GLOBAL FIXED INCOME FUND I LIMITED (FSD 270)**

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**LIST OF ISSUES TO BE ADDRESSED BY EXPERTS**

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**A. PROPERTY VALUATION**

1. In respect of the property known as "Springs Farm":
  - 1.1. As at 7 April 2014, what was the value of the property?
  - 1.2. As at 31 December 2019, what was the value of the property?
  - 1.3. As at 1 September 2021, what was the value of the property?

**B. ART VALUATION**

2. What is/are the appropriate method(s) for valuation of Shanti's art portfolio?
3. As at 31 December 2019, 31 December 2020 and 30 September 2021 what was the value of Shanti's art investments for the purposes of its audited financial statements (**AFS**)?
4. As at November 2019, what was the value of: "The Model Village of the Damned" by Jake and Dinos Chapman; "Great Deeds. Against the Dead!" by Jake and Dinos Chapman; "Story of the Eye" by Jake and Dinos Chapman and Kate Moss; and "Untitled XII" by Ibrahim El Salahi?

## **SCHEDULE 1 TO ORDER RE: LIST OF ISSUES FOR EXPERTS**

### **C. AVIATION ASSETS VALUATION**

5. As at 21 February, 25 February, 28 February, 24 March, 22 April, 22 May, 5 June and 12 June 2022, what was the value (per note) of the Aviation Notes (issued by Floreat Fixed Income SA)? (The experts may group individual dates into batches where there was no material change in value between the individual dates in the batch.)
6. As at 31 December 2020, what was the value of GFIF's holdings of:
  - 6.1. Aviation Notes;
  - 6.2. E Notes (issued by Starr Holding III Ltd, Thunderbolt III Limited, The Carlyle Group and Avolon Aerospace Leading Limited); and
  - 6.3. The loan to Doric NAS Limited?

### **D. TECHNOLOGY COMPANY ASSETS VALUATION**

7. As at 31 December 2020, what was the value of PIF's investments in the following technology companies (through the SPVs identified in parentheses):
  - 7.1. Encompass Corporation Pty Ltd (Aspect VC Limited);
  - 7.2. Oktober6 t/a Credit Enable (Credence VC Limited); and
  - 7.3. AIDrivers Ltd (Drivers VC Limited)?

### **E. ACCOUNTANCY**

8. What are the applicable accounting rules in relation to disclosing payments of fees (being fees, expenses and other sums paid by the Fund to parties related to the Fund) in the AFS of the Funds and have these been followed in the treatment of fees in the AFS of the Funds (including the draft AFS for PIF, GFIF and RAGOF for the year ending 31 December 2020)?
9. What are the applicable accounting rules in relation to recording the value of Shanti's art portfolio in the PIF AFS?

## **SCHEDULE 1 TO ORDER RE: LIST OF ISSUES FOR EXPERTS**

10. In the RAGOF AFS for the year ending 31 December 2019, what is the meaning of the following entries referred to in note 17(c):
  - 10.1. The entry recording GBP 3,800,000 as Due From Related Parties in the consolidated statement of financial position?
  - 10.2. The entry recording GBP 3,800,000 as Costs Recoverable From Related Parties in the consolidated statement of comprehensive income?
11. What was the value of the indemnity right arising under the Deed of Indemnity as at 31 December 2019?
12. How should the right arising under the Deed of Indemnity have been reflected in RAGOF's 2019 AFS in accordance with applicable accounting rules?
13. Did the applicable accounting rules require the Joint Venture Agreement to have been disclosed in RAGOF's AFS?

### **F. FUND MANAGEMENT**

Generally

14. To what extent is there any, and if so what is the, standard industry practice for:
  - 14.1. offshore funds to have common directors serving on a group of funds, or acting as directors of the investment managers and/or investment advisers to those funds?
  - 14.2. managing the conflicts of interest that may arise where a fund, its manager and the investment advisor are not independent of each other (whether by virtue of common ownership, common directors or otherwise)?

## **SCHEDULE 1 TO ORDER RE: LIST OF ISSUES FOR EXPERTS**

In respect of RAGOF:

15. Is there any standard industry practice in relation to management fees of a fund such as RAGOF? If so, was the variation of the investment management fees (specifically from the Performance Fee to the Asset Promote Fee) consistent with any standard industry practice?
  - 15.1. Is a change of this sort during the life of the fund in accordance with normal market practice?
  - 15.2. As at August 2018, was the Asset Promote Fee considered to be more or less investor friendly than the Performance Fee?
  - 15.3. Did the change better align the interest of the investment manager with the interests of the investors?
  
16. In relation to the loans made by RAGOF (1) of £1.5 million to SPL, pursuant to an oral agreement made on or about 8 April 2014; and (2) of £8.6 million to 33 Grosvenor, pursuant to an oral agreement made on or about 14 July 2016:
  - 16.1. Is advancing loans pursuant to oral agreements in accordance with the normal market practice? Is it exceptional?
  - 16.2. Was documenting these loans after the fact, on (1) 31 December 2017, and (2) 9 March 2017, in accordance with the normal market practice? Is it exceptional?

In respect of GFIF:

17. Is there any standard industry practice in relation to the following matters for a fund with the GFIF structure?
  - 17.1. The discretion granted to the Investment Manager as to the investments.
  - 17.2. The ability for the fund to invest in instruments structured by parties related to the investment manager and/or in which parties related to the investment manager have an interest.
  - 17.3. The allocation of investments to different series with different preference dividend rates.
  - 17.4. The movement of assets between different series with different preference dividend rates.

**SCHEDULE 1 TO ORDER RE: LIST OF ISSUES FOR EXPERTS**

18. If so, to what extent did GFIF's practice between 2015 and 2020 reflect standard industry practice?

In respect of PIF:

19. To what extent is it consistent with any market practice for a fund that invests in art (such as PIF's investments through Shanti) to lend artworks to private third parties other than galleries?

**G. METADATA AND DOCUMENT AUTHENTICITY**

20. What metadata exists in relation to the Shanti PAPs and what does any such metadata show in relation to:
- 20.1. the date of creation and original author of those documents; and
  - 20.2. the date and author of any purported edits to those documents?
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