

Mitteilung an alle Anteilseigner der Fonds Brooks Macdonald:

Anbei finden Sie die Information der Fondsgesellschaft, folgender Fonds ist betroffen:

IE00B90YCV92 Brooks Macdonald Investment Defensive Capital R GBP Cap

Brooks Macdonald Investment Funds plc

2nd floor, 2 Grand Canal Square, Grand Canal Harbour, Dublin 2, Ireland

8 November 2017

Brooks Macdonald Investment Funds plc (the **Company**)

Re: Brooks Macdonald Defensive Capital and Income Fund (the **Fund**)

Dear Shareholder,

Further to our letter of 29 September, 2017, we are writing to update you on the termination of the Fund.

As previously advised, the directors have been engaging in what they consider to be ongoing constructive dialogue with Brooks Macdonald with a view to identifying how to bring matters forward. The directors want to ensure that any proposed agreement between the parties facilitates the orderly completion of the termination of the Fund and the liquidation of the Company.

The directors are pleased to inform you that a proposal was received from Brooks Macdonald Asset Management (International) Limited (**Brooks Macdonald**) via Brooks Macdonald's Irish lawyers on 19 October 2017.

The principal terms of Brooks Macdonald's proposal are as follows:

- 1) Brooks Macdonald would make an ex gratia payment of £3m to be distributed among shareholders. This ex gratia payment would not constitute any admission of liability and is made as a goodwill gesture only. The Company would as part of the settlement waive and release any claim against Brooks Macdonald.
- 2) In exchange for signing a waiver and release in favour of the Company, Brooks Macdonald and the directors, the Company's shareholders would receive the benefit of their pro rata entitlement to the ex gratia payment. In so far as shareholders do not take up the offer, the balance of the ex gratia payment returns to Brooks Macdonald.
- 3) The Company would return the redemption monies (net of all costs, expenses and legal fees to date) to the shareholders whether they accept or reject the ex gratia payment.

The directors as part of their review of the proposal are taking advice from their legal advisors and consulting with the Company's insurers in relation thereto. There are a number of details regarding how the potential arrangement would work which need to be considered by the parties. If the outstanding details can be sorted out, and the directors determine that it is appropriate to do so, it is the directors' intention to convene a meeting of shareholders for the purpose of enabling them to vote on this proposal. If the parties cannot reach agreement on the terms of the proposal, the directors will have to review the options then available to them with a view to presenting their own proposal to the shareholders.

As advised previously, the remaining cash of the Fund continues to be held in safekeeping by BNY Mellon Trust Company (Ireland) Limited, the independent depositary to the Company. Work continues with the Company's service providers to ensure that the affairs of the Company and the Fund can be wound up in an orderly manner. The costs and expenses of the Fund, including the Deloitte costs and any associated costs, will have to be paid out of the remaining cash of the Fund and provision will also need to be made out of this cash for the costs and expenses likely to be

incurred in winding up the Company. The directors had previously indicated that they considered that the Fund should not bear the costs of the Deloitte report or any of the associated costs. The sum offered by Brooks Macdonald significantly exceeds those costs. This means that if the details of Brooks Macdonald's proposal are sorted out to the parties' satisfaction and shareholders approve the proposal, the diminution in value for shareholders who provide the waiver and release will be offset by their pro rata share of the £3 million which Brooks Macdonald are offering to pay in return for such waiver and release.

The directors remain very aware of the continued concerns of shareholders in this matter, given the time elapsed since the termination of the Fund was announced. Throughout the termination process, the directors have taken appropriate legal advice and have sought to take account of their statutory and regulatory obligations as well as the interests of the shareholders. The directors have also been in contact with the Central Bank of Ireland, which is the regulator of the Company, to update it on the termination of the Fund.

A further update will be provided to shareholders no later than 8 December 2017.

Yours faithfully

Brooks Macdonald Investment Funds plc