

19 May 2011

The Trustees of the XYZ Retirement Benefits Scheme

Dear Trustees

We recently wrote to you to outline the background to Close Asset Management's announcement of a recommended offer to acquire Cavanagh Group plc ("Cavanagh"), the ultimate majority shareholder of CPRM Limited ("cprm"). We are delighted to confirm that the offer has been accepted by Cavanagh's shareholders and was declared unconditional in all respects on 16 May 2011.

We believe that the transaction is in the best interest of our respective clients and is an extremely positive step for both organisations.

Close Asset Management is the investment arm of Close Brothers Group, a leader in banking for over 130 years and one of the 200 largest listed companies in the UK. Close has been managing money for over 40 years and currently invests over £8 billion of client assets. Cavanagh, cprm and Close believe that clients, where appropriate, will be able to benefit from a broader range of investment services supported by the financial resources available at Close. You can visit www.closeam.com for further information on Close Asset Management.

Close chose Cavanagh because of its focus on client service, which is a testament to Cavanagh's philosophy and demonstrates Close's commitment to building a market-leading service for corporate clients and Trustees. The transaction will allow the combined business to continue to deliver a high level of client service, while being part of a larger organisation will bring significant benefits given the increasing costs the sector is facing in meeting its regulatory requirements.

Over the next few months Cavanagh, cprm and Close will continue to work together to ensure a seamless integration of our businesses. There should be no impact on the service you receive from us, but if you have any questions or concerns please do contact Jonathan Black, myself or your usual cprm contact.

Yours sincerely



Andrew Fay
Chief Executive
Cavanagh Group plc



Steven Mendel
Head of Wealth Management
Close Asset Management Limited