

# Cavanagh

WEALTH MANAGEMENT

19th May 2011

Dear Mr Munro,

We recently wrote to you to outline the background to Close Asset Management's announcement of an offer to acquire Cavanagh, which had been unanimously recommended by the Cavanagh board. 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.

Both Cavanagh and Close 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's clients 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](http://www.closeam.com) for further information on Close Asset Management.

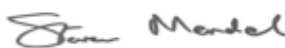
Close chose Cavanagh because of its focus on client service, which is a testament to Cavanagh's philosophy and demonstrates Close's commitment to building a market-leading advisory business. The transaction will allow the combined business to continue to deliver a high level of client service, while 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 and Close will continue to work together to ensure a seamless integration of our two businesses. There should be no impact on the service you receive from us, including clients introduced to Cavanagh Asset Management, but if you have any questions or concerns please do contact your adviser.

Yours sincerely,



**Andrew Fay**  
Chief Executive  
Cavanagh Group plc



**Steven Mendel**  
Head of Wealth Management  
Close Asset Management Limited



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