



Knox House, 16 - 18 Finch Road, Douglas, Isle of Man, IM1 2PT

3 October 2017

Dear Shareholder

KHG Funds PLC (“the Fund”)
KHG Balanced Portfolio
KHG Diversified Income Portfolio

Following the suspension of the calculation of the Net Asset Value of the KHG Balanced Portfolio and the KHG Diversified Income Portfolio on 12 July 2017, the Directors have been working closely with the Fund’s Investment Manager: Creechurch Capital Limited and its Manager: SMP Fund Services Limited to resolve the situation.

As a consequence, the Directors will be distributing a shareholder circular shortly containing a detailed proposal with the objective of lifting the suspension whilst ensuring that all shareholders continue to be treated equally.

Should you have any queries with respect to the above, please contact the Investment Team at Creechurch Capital Limited on 01624 653800.

Yours sincerely

David Nixon

Director