

Macquarie Investment Management Limited

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3 August 2017



Dear Investor

Tenth instalment of proceeds from termination - van Eyk Blueprint Capital Stable Fund ARSN 103 446 751 (Fund)

We are writing to advise you of an additional distribution from the Fund to be paid to you by Macquarie Investment Management Limited (**MIML**) as the responsible entity of the Fund.

The tenth instalment of the termination proceeds of 10.35 cents per unit will be distributed to you on or around 3 August 2017. The payment will be made to your nominated bank account. Following this distribution, approximately 92% of the Fund's assets, as at the date of termination of the Fund, will have been realised.

Update on the realisation of cash holdings in the Borg Fund

As previously advised, in December 2014 we commenced legal proceedings in the Supreme Court of NSW in relation to the Bear Real Opportunities Fund (**Bear Fund**) and the Borg Fund (**Borg Fund**). We have also been actively working to have the cash held by the Borg Fund distributed to investors in the Borg Fund.

We have successfully resolved the Supreme Court proceedings on the basis that:

- the cash held by the Borg Fund be distributed to investors in the Borg Fund (being the Fund as well as the van Eyk Blueprint Balanced Fund and the van Eyk Blueprint High Growth Fund), and
- a further amount be paid to the Fund to settle those proceedings.

The full amount received as a result of the settlement has been distributed to investors in the Fund as part of the payment referred to above.

Update on the Fund's investment in the Bear Fund

The Fund's remaining investment is its holding in the Bear Fund, which holds interests in Torchlight Fund LP (**Torchlight**). In our last update in May 2017, we referred to the legal proceedings we are supporting in order to seek to have Torchlight wound up. The proceedings are ongoing. The trial has been partly heard and is expected to be completed over the course of 2017.

We are continuing to support the winding-up proceedings in the Cayman Islands. However, any recovery by the Bear Fund from Torchlight is expected to take a significant amount of time and the amount that will be recovered is unknown. Consequently, we have explored how we might be able to expedite a partial recovery from the Bear Fund for investors.

To achieve this, Macquarie has agreed to loan the Fund:

- an amount equal to approximately 61% of its original investments in the Bear Fund (or \$6.07 million of the total \$10.02 million of the Fund's cash that was invested by the Fund into the Bear Fund), and
- an additional amount of capital calculated with reference to interest.

The full amount of the Macquarie loan is being distributed to investors in the Fund as part of the payment referred to in this letter. The Macquarie loan is an advance ahead of any recoveries from the Bear Fund. The loan:

- prevents the Fund from incurring possible losses from its cash investment in the Bear Fund during 2012 and 2013; and
- ensures that the Fund receives a minimum amount in relation to its first investment in the Bear Fund in 2011.

The Fund only has an obligation to repay the loan from any proceeds that it receives from the Bear Fund – meaning that, if the proceeds received from the Bear Fund are not sufficient to repay the loan in full, then the Fund will not have to pay the shortfall. If the net proceeds that the Fund receives from the Bear Fund (following payment of Fund expenses) exceeds the amount of the loan, then any excess will be paid to investors.

This payment ensures that the Fund has received a minimum amount in relation to its investment in the Bear Fund, regardless of how much is ultimately realised from the Bear Fund.

Investors should be aware that we will need to retain cash from any future amounts recovered from the Bear Fund to fund the legal proceedings that the Fund is or has been involved in and pay other Fund expenses.

Valuation of the Fund

The considerable uncertainty that exists regarding the value of the underlying assets of the Fund remains and we are still not able to resume providing an indicative unit price for the Fund. You should note that the last available indicative unit price for the Fund, from July 2015, may not provide an accurate indication of the current or future value of the Fund. Further, if and when pricing resumes, the indicative unit price for the Fund may fall. Please be assured that we continue to monitor the situation and will inform you if and when we are able to obtain sufficient information from the Fund's underlying investment to resume providing the indicative unit price for the Fund.

Further termination proceeds

Investors should be aware that the total recovery may be less than the Fund's net asset value at the time it was terminated. We assure you that we are continuing to focus on efforts to recover the remaining assets of the Fund, being the holdings in the Bear Fund. This remains a high priority for us.

Need more information

For more information on how the termination affects your personal situation, we recommend that you speak to your financial adviser or accountant.

If you have any questions about the payment and/or the update, please contact Macquarie Investment Management Client Service on 1800 814 523, email vaneykblueprint@macquarie.com or visit macquarie.com/vaneyk-updates.

Yours sincerely



Roger Cartwright
Macquarie Investment Management Limited as responsible entity of the van Eyk Blueprint Capital Stable Fund