



November 1, 2024

Dear Unitholders:

RE: Notice of Redemption and Termination of Goodwood Fund (the Fund)

We are writing today in our capacity as Manager of the Fund to advise you of our decision to wind up and terminate the Fund. As Unitholders well know, the last two years have been challenging for the Fund beginning with the unexpected legal issues faced by our previously very-well-performing investment in MV Realty Holdings, LLC (“MVR”) and continuing with disappointing performance of some of our publicly traded positions within the portfolio. While we feel strongly that the fundamentals of the Fund’s holdings justify strong price performance over the next few years, due to changing circumstances the operating costs of the Fund are no longer efficiently borne and ultimately this is a disservice to all Unitholders.

Thus, effective today, Units of the Fund are no longer available for purchase or redemption. We believe this to be in the best interest of all Unitholders, as the most liquid assets in the Fund’s portfolio will be sold, and the proceeds distributed to Unitholders, as soon as possible.

The Manager will begin to liquidate the publicly listed holdings of the Fund’s portfolio immediately and initiate the process for cash proceeds from these sales to be distributed to Unitholders in their net proportionate share. We currently estimate over 80% of the Fund’s current net asset value (“NAV”) can be readily distributed to Unitholders in the near-term. The Manager would like this to occur in a series of interim distributions beginning next week through to December 31, 2024 as cash becomes available. The process by which the cash is returned to investors is to be determined by the Manager and the Fund Administrator in a manner that is in the best interest of the Fund and Unitholders, with the intent of returning capital imminently. Approximately 16% of the Fund’s current NAV is invested in private positions such as – Synaptive Medical Inc. (approximately 2.3% of current total NAV), Morgan Solar Inc. (approximately 1.2%) and MVR (approximately 4.8% in secured debt and 7.2% in equity for a total of 12.0%). These private holdings will take longer to liquidate. We will explore all options for monetizing these private holdings as soon as possible, and distribute the cash as available, likely sometime in 2025.

Subject to a feasibility assessment, we hope to provide those Unitholders with account values greater than \$75,000 (as of October 31, 2024 valuation date) with the option of receiving their proportionate share of the Fund’s underlying holdings in certain of the less-liquid public positions on an in-kind basis. We will also explore the feasibility of doing in-kind distributions of the private positions, but this may be constrained by the shareholders agreements we are party to with each of the private issuers.

Peter Puccetti (the controlling shareholder of the Manager) and his family’s accounts represent approximately 65% of the Fund’s Units (by NAV) and intend to take their share of distributions in-kind where that is an option.

As a result of all the foregoing, the Fund will no longer be invested in accordance with the investment objectives outlined in the Fund’s Offering Memorandum. The Fund will increasingly hold cash and/or cash equivalents until they are distributed to Unitholders.

Some capital will be retained by the Fund to pay for anticipated operating and liquidation costs. Effectively immediately, Goodwood Inc. will no longer be charging a management fee.

We have set October 31, 2025 as the target termination date of the Fund but, if feasible, we will do so sooner. By the termination date, you will have received distributions equal to your proportionate share of all property and assets of the Fund attributable to the Units of the Fund that you own, net of expenses and any applicable taxes.

For Units directly purchased from us, the proceeds of the termination will be deposited into the bank account on file in the records of the Fund or, where banking information is unavailable, a cheque will be issued. For Units acquired via Fundserv, proceeds will be transferred to your dealer account.

Tax Considerations of the Fund Termination

Any distribution upon wind-up will be a disposition for tax purposes. Investors holding Units outside of their registered accounts will generally realize a capital gain (or capital loss) to the extent that your aggregate proceeds are more (or less) than the total of your adjusted cost base of your Units and your costs of disposition. We encourage all Unitholders to consult with their financial advisors to understand the financial and tax implications associated with the redemption of their Units and the termination of the Fund and to discuss their investment options.

If you have any questions regarding the termination of the Fund, please do not hesitate to contact Curt Cumming, President by phone at 416-203-2522 or by email at cscumming@goodwoodfunds.com.

Yours very truly,

Goodwood Inc.

Per: 
Name: Peter H. Puccetti
Title: Chairman, Chief Investment Officer,
Goodwood Inc.