



January 18, 2018

Dear Fellow Shareholders,

We are writing to provide you with an update on the Fund. Since the adoption of the Plan of Liquidation, we have worked diligently to sell portfolio securities at reasonable prices and return cash to shareholders on a timely basis. We have now liquidated all material positions but one, returning just under \$590 million in cash to shareholders.

At this time, the single material position remaining in the Fund is the investment in Ideal Standard, a European-based bathroom fixture company (the "Company"). Several months ago, the Company announced that it entered into a strategic process to address its debt maturing in May 2018. In our letter dated September 30, 2017, we reported that this process could lead to a very wide range of outcomes for our investment, given the leveraged nature of the Company, our subordinated position relative to other portions of the capital structure, and small size of each debt tranche we own.

Since its original announcement, the Company has not made public any further information about its progress, or lack thereof, in the strategic process. Nor has it made any announcements concerning plans with respect to its impending debt maturity. In light of the absence of any public update by Ideal and the continuing high level of uncertainty, we have determined that, until further notice, we will not be updating the value of Ideal in the Fund's portfolio, and the Fund's daily NAV will include an unchanged value for Ideal. As of January 17, Ideal accounted for 59% of the Fund's NAV with the balance being mostly cash. Due to our confidentiality obligations under our agreements with Ideal, we are not able to comment further on the Ideal situation.

Please be assured that we will continue to work diligently to achieve resolution as quickly as practicable on the Fund's holding in Ideal. We will continue to update you and publish updates on the Fund's website [www.FocusedCreditFund.com](http://www.FocusedCreditFund.com).

Sincerely,

Third Avenue Management