



Dear Fellow Investor:

June 13, 2013

As a follow-up to our April 30th letter, I am writing to update you on the pending distribution of capital and the work that we have done to optimize the Fund's structure to reduce costs thereby increasing the return of capital during the wind-down period.

Distributions

In April we targeted a June distribution of 35% or more of the Fund's estimated May 31, 2013 NAV. We are pleased to report that as of today, the Fund has capital for distribution of approximately 40% of estimated NAV and will be making a distribution on Thursday June 20, 2013. The final amount of the distribution will be determined next week and most likely will be a little higher based upon trading activity over the next several days.

To reiterate one of the central themes of the April communication - we have a duty to protect the Fund and to treat all investors fairly and equally. We believe that providing a potential timeline that extends to at least to end of 2014 provides the appropriate degree of flexibility to achieve these results; however our goal is to work to distribute most capital well before that date. Accordingly, we continue to maintain analytical coverage and are working hard to release the value in the Fund's remaining positions. More specifically, it is our belief that certain identified catalysts ought to play out over the following six to twelve months which should allow the Fund to exit positions at prices that more properly reflect the inherent value in the names. Consequently, with the aforementioned catalyst(s) qualifier, we are targeting future distributions for Q3 2013 (October 2013) and Q4 2013 (January 2014).

Fund Structure

Over the past month, we have worked with the Fund's service providers to negotiate fee deals that reflect the reduced level of activity and complexity (e.g. no changes to ownership structure as a result of pro rata distributions) of the Fund while ensuring that quality to the investors is not comprised. To that end, we are changing the calculation of the NAV and the reporting of investor statements to quarterly from monthly. This change will reduce the direct costs to the Fund thereby directly increasing the capital available for distribution. We understand that many investors have more frequent reporting needs; therefore we plan to publish a monthly net performance estimate so you can track the estimated value of your investment (estimated Fund net performance for May is +3.75%). Where applicable, we will adjust the calculation of the management fee (1% per annum effective June 1, 2013 per April letter) to quarterly in arrears to match-up with the quarterly NAV calculation.

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In regards to the Fund's service providers, we are pleased with the result of our talks and do not anticipate making changes in the near term. As the wind-down progresses we will revisit the matter.

Investor Account Information

In preparation for the distribution, Morgan Stanley Fund Services ("MSFS") has reviewed all of the investor files and compared data on hand to current anti-money laundering, tax reporting and other record keeping requirements. In most cases, we have a complete data set and will not require further information. For those cases where the information is missing or stale, MSFS has sent out requests for information via email. If you received a request for information from MSFS, we ask that you fulfill this request by Tuesday June 18th, thereby ensuring that your distribution is processed in a timely fashion. The MSFS team can be reached at +1-914-225-8885 (US) and +353-1-799-8777 (Europe) or via email fs-investor-services@msfundservices.com if you have questions or require assistance, of course you can always contact me or Jim directly.

Confidential

We ask that you keep this letter confidential as we do not want to telegraph our plans to the market, the portfolio companies or other funds. There are several names in the Fund we have significant ownership stakes in and doing so could adversely impact any negotiations we might enter into when selling the names and the ultimate price we exit.

As always, we are working to do what we believe is in the best interests of all our investors and our interests continue to be directly in line with yours. We look forward to making some good things happen and being able to report favorable news throughout the remainder of the year. We assure you that our goal until the Fund is completely wound down will be to affect as positive an outcome as possible and are confident that we will be able to execute on the plan.

We look forward to update you on our progress in the fall. In the meantime, please do not hesitate to reach out to me or Jim if you have any questions.

Sincerely,



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The information in this letter and other information provided to you regarding the Fund are confidential and may not be disclosed to any third party, except for your employees, officers and service providers who need to know such information in the ordinary course of performing their duties.

The information presented above should not be considered a recommendation to purchase or sell any particular security. The securities discussed in this letter in the aggregate may represent only a small percentage of the Fund's portfolio holdings, and there can be no assurance that they will remain in the portfolio. It should not be assumed that any of the holdings discussed in this letter have been or will be profitable.

Past performance is not indicative of future results. There is no assurance that the Fund will achieve its investment objective. Performance information has been prepared by Coghill Capital Management, LLC ("CCM"), and is based on un-audited estimates. The above returns are shown net of expenses, 1% management and 20% performance fees from 10-1-99 to 11-30-08, 1% management and 5% performance fees from 12-1-08 to 5-1-13, 1% management from 6-1-13 to present and include the reinvestment of dividends. These returns represent those generated for an investor in the CCM Small Cap Value Fund, L.P. (as of its inception on 10-1-99). The Fund was restructured over the course of Q308-Q209 and as result its current investment strategy differs with respect gross exposure (leverage), net exposure, diversification and other factors as such prior performance is not indicative of future results. Index information is included to show the general trend in the equity markets in the periods indicated and is not intended to imply that the Fund portfolio was similar to the indices either in composition or element of risk.

While all the information prepared in this letter is believed to be accurate, CCM makes no express warranty as to the completeness or accuracy nor can it accept responsibility for errors, appearing in the presentation. Any projections, market outlooks or estimates in this presentation are forward-looking statements and are based upon certain assumptions. Other events which were not taken into account may occur and may significantly affect the returns or performance of the Fund. Any projections, outlooks or assumptions should not be construed to be indicative of the actual events which will occur. FURTHER, THE PARAMETERS AND RESTRICTIONS CONTAINED HEREIN MAY BE CHANGED AT ANY TIME IN THE SOLE DISCRETION OF CCM WITHOUT NOTICE TO INVESTORS. THIS LETTER IS NOT INTENDED FOR PUBLIC USE OR DISTRIBUTION.

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