



## **Newport Partners Income Fund to sell Elliott Special Risks**

**Toronto – August 31, 2009** – Newport Partners Income Fund (the "Fund") (TSX:NPF.UN) announced today that its wholly-owned subsidiary, Newport Partners Holdings LP ("Newport"), has entered into an agreement of purchase and sale (the "Purchase Agreement") with MINT Canadian Specialty Underwriters Limited (the "Purchaser") and its parent corporation, Markel International Limited, as guarantor ("Markel International"), to sell all of the securities of Elliott Special Risks LP and its general partner, Elliott Special Risks GP Inc.

Pursuant to the Purchase Agreement, the Purchaser has agreed to purchase from Newport all of the securities of Elliott Special Risks LP and Elliott Special Risks GP Inc. in cash for \$75,000,000, subject to a working capital adjustment. Completion of the purchase and sale is subject to certain customary conditions and is expected to occur by October 1, 2009.

The net proceeds of the sale will be used to reduce outstanding senior indebtedness. As previously announced, Newport Finance Corp., as borrower (the "Borrower"), and various of the Fund's subsidiaries entered into a forbearance agreement (the "Forbearance Agreement") with the syndicate of lenders (the "Lenders") under the Borrower's senior secured credit agreement (the "Senior Credit Agreement"). Under the terms of the Forbearance Agreement, the Borrower agreed, among other things, to repay the indebtedness outstanding under the Senior Credit Agreement by realizing minimum net proceeds on disposals of assets and from the proceeds of re-financings of the investee businesses of the Fund. This sale and the application of the net proceeds to the repayment of the indebtedness outstanding under the Senior Credit Agreement will satisfy the first repayment milestone of the Forbearance Agreement requiring a repayment by November 10, 2009.

Elliott Special Risks engages in the business of an insurance broker for specialty commercial insurance. Markel International is the London based subsidiary for the international operations of Markel Corporation, the international property and casualty insurance group headquartered in Richmond, Virginia. Markel International underwrites a diverse portfolio of property, casualty, marine and reinsurance business on a worldwide basis.

The Purchase Agreement will be available on SEDAR at [www.sedar.com](http://www.sedar.com).

### **About Newport Partners Income Fund**

Newport Partners Income Fund is an unincorporated, open-ended trust created to hold, through its investment in Newport Partners Commercial Trust, interests in Newport Private Yield LP, a limited partnership established under the laws of the Province of Ontario. NPF began trading on the TSX on August 8, 2005 under the symbol NPF.UN.

Newport Partners Income Fund is a publicly-traded diversified fund that invests in successful Canadian private businesses. The Fund currently has \$552 million invested in 17 companies representing a diverse cross-section of the Canadian economy.

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