

14 JULY 2016

Dear Investor

We write to provide you with an update on the Providence Investment Fund PCC Limited.

Background

- Providence Investment Fund (“PIF”) is a Guernsey incorporated fund, registered with the Guernsey Financial Services Commission (“the Commission”). The holding company of PIF is Providence Global Limited (“PGL”), which is the holding company for Providence Group activities outside of the United States.
- Last month, we became aware that the United States Securities and Exchange Commission (the “SEC”) had filed a motion in a US court in respect of two US Providence companies, operated independently from PGL
- This motion made a number of allegations relating to the offer of loans in the US by the two Providence companies (“Providence US”) that Providence US refutes.
- Following negotiations with the SEC, Providence US entered into an agreed order with the SEC and the relevant motion was subsequently denied.
- As part of the open and transparent relationships with our Group’s various regulators around the world, we brought this matter to the attention of the Commission as soon as we became aware of it.

Current situation

- As a result of the above, the Commission has asked us to address a large number of questions about Providence’s business model and the Brazilian factoring business.
- We are required to complete and file the fund’s audited financial statements for the year ended 31 December 2015, which we expect will take several months to complete (the 2015 filed accounts of Providence’s Brazilian factoring company have only just been made available).
- Until we have completed all of the above to the Commission’s satisfaction, we have agreed to temporarily refrain from accepting any new subscriptions into the fund.
- Over the last three weeks, we have worked closely with the Commission to answer its questions and this process is continuing.
- However, the Commission has decided to impose additional conditions on the registration of PIF, which have the practical effect of preventing any redemptions and/or dividends to be paid to investors without prior approval.
- We have been working closely with colleagues in our associate Brazilian factoring company and expect monies to be received during the course of next week, to settle the delayed dividends and the redemptions that are now due.
- PIF’s Board of Directors will continue to work closely with the Commission to seek its permission to pay dividends and redemption proceeds in the ordinary course of PIF’s business, including those payments due now.
- We will do all we can to seek the removal of the Commission’s conditions and return to normal business activities as soon as we are able.
- We intend to provide written updates to our investors on 31 July or as soon as we have any information available.

The Board of Providence Investment funds PCC Limited