



Providence Investment Funds

PCC Limited

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Dear Investor

We would like to take this opportunity to apologise for the delay in providing an update to you regarding your investment in Providence Investment Funds PCC Limited (“PIF”, or “the fund”). We are now in a position to be able to update you on recent developments.

As you are aware, 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. This motion made a number of allegations relating to the offer of loans in the US by two Providence companies (“Providence US”) that Providence US refutes. Following negotiations with the SEC, Providence US entered into an agreed order with the SEC three days later and the relevant motion was subsequently denied. A copy of Providence’s statement on this matter is enclosed for your records.

As part of the open and transparent relationships that we have always sought to maintain 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.

The Commission has asked us to address a large number of questions about Providence’s business model and the Brazilian factoring business. Additionally, 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 in view of the 2015 filed accounts of Providence’s Brazilian factoring company having only just been made available. With all this in mind, we have agreed with the Commission that, until such time as we have completed all of this to its satisfaction, we will 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 with further information and explanations due to be provided by us early next week. As we are sure you will appreciate, this situation and the additional workload generated has inevitably caused a backlog in the administration of the fund. Additionally and notwithstanding the ongoing dialogue, the Commission has now decided (as of yesterday afternoon) to impose additional conditions on the registration of PIF. These conditions have the practical effect of preventing any redemptions and/or dividends to be paid to investors.

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, thus enabling us to seek the permission of the Commission 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. Furthermore, we will do all we can to seek the removal of the Commission's conditions and hence return to normal business activities as soon as we are able; however, we apologise for the ongoing delay in resolving this matter.

We have been dealing with a number of telephone calls from investors over the past week and have responded to these as promptly as possible. However, in order that we can continue to focus on resolving this situation, we intend to provide written updates as soon as we have any information available.

Thank you for your continuing patience on this matter and we will write to you again with a further update on 15 July, or sooner in the event of any other development on these issues.

Yours faithfully

The Board of Directors of
Providence Investment Funds PCC Limited

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