

22 May 2013

Dear Unitholder

Unitholder Update - Provident Capital High Yield Fund (the Fund)

The purpose of this notice is to provide unitholders with an update in respect to the wind up of the Fund.

Wind up of the Fund

As noted in our unitholder update dated 12 December 2012, Marcus Ayres, Tony Sims and Philip Carter (**Receivers and Managers**) on behalf of Provident Capital Limited (Receivers and Managers Appointed) (In Liquidation) (**Provident**) decided to terminate the Fund, effective on that date.

From 12 December 2012, the Receivers and Managers commenced the process of realising the Fund's assets and distributing the net proceeds to unitholders. As at the date of this notice, distributions to unitholders totalling 66 cents in every dollar invested have been made.

When will unitholders receive further wind up distributions?

The Receivers and Managers on behalf of Provident are conducting an orderly disposal of the Fund's loans in order to maximise the value realised for unitholders.

The timing and amount of any further payments from the Fund will depend on how the wind up process proceeds and the extent to which the remaining assets continue to earn income. Income distributions may be made at the same time as payments arising from the realisation of the Fund's assets. Investors will receive a tax statement in respect of their income distributions at the end of the financial year.

Benchmark Update

Attached to this notice is a Benchmark Update as at 30 April 2013 which includes updated information in relation to the benchmarks and disclosure principles contained in ASIC's Regulatory Guide 45. This information is provided by way of update to the most recent Benchmark Update for the Fund as at 31 January 2013.

Further information

The Receivers and Managers on behalf of Provident will continue to keep unitholders updated on a periodic basis about the progress made regarding the wind up of the Fund.

If you have any questions regarding the Fund, please contact the Fund's registry on (02) 8012 8650.