



10 August 2010

Dear Investor,

Proposed wind up of the Huon Value Growth Trust and redemption freeze

After careful review of the Huon Value Growth Trust (ARSN: 087 380 765) (Fund) and discussions with the fund manager - Huon Capital – Theta Asset Management Limited, as responsible entity of the Fund, has determined that it is in the best interests of unit holders to wind up the Fund.

The responsible entity considers the Fund is too small to be invested effectively (with assets of just over \$4Mn) and therefore cannot accomplish its objective. We have also chosen to wind up the Fund at this point in time to minimise the wind up expenses. The wind up audit required by law can be combined with the Fund's annual audit of 2009/10 – this will save over \$10,000.

Unit holders right to call a meeting

Please note that you and your fellow unit holders have the right to take action under Div 1 of Part 2G.4 of the Corporations Act 2001 to call a unit holders' meeting to consider the proposed winding up of the Fund and vote on any extraordinary resolution unit holders propose about the winding up of the Fund.

The responsible entity is permitted to wind up the Fund unless a meeting is called to consider the proposed winding up of the Fund within 28 days of the responsible entity giving the notice to unit holders (i.e. a meeting would need to be called by 9 September 2010). If called, the cost of holding such meeting will be borne by the Fund.

Redemptions will be frozen to ensure all unit holders are treated equally

To ensure all unit holders are treated equally during the winding up process, redemptions have now been frozen - effective Thursday 12 August 2010. We anticipate the net proceeds of the Fund (after allowing for wind up expenses) will be paid to unit holders within five weeks, subject to any request for a unit holder meeting.

Huon Capital and Theta Asset Management appreciate your patience during this process and we will work to finalise payments as quickly as possible.

Should you have any questions or need to update your payment details on the Fund register please contact FundBPO on 1300 133 451.

Yours sincerely

Michael Birch
Director
Huon Capital Pty Ltd

Robert Marie
Director
Theta Asset Management Ltd