

**Basis Pac-Rim Opportunity Fund**  
**(In Voluntary Liquidation) (the “Company”)**  
Walker House, Mary Street,  
George Town, Grand Cayman  
Cayman Islands

26<sup>th</sup> August 2011

Dear Shareholder,

As you are aware, the Company is no longer actively investing, but rather is awaiting the outcome of claims at the Master Fund level and is looking to wind up its activities in a manner most beneficial to the shareholders as a whole and to minimise costs wherever possible. On 11 July 2011, the Cayman Islands Monetary Authority (CIMA) removed the Company from active status on the basis that it had ceased trading as a mutual fund and was in the process of winding down.

In line with this, and in order to preserve the value of the Fund's assets and maximise the distributions available to shareholders from the Master Fund's claims, on 5 August 2011 the Management Shareholder, acting with legal advice, resolved that the Company should be placed into voluntary liquidation and that the Company should implement a liquidation plan that preserves certain illiquid assets of the Company for the benefit of shareholders (Liquidation Plan).

Under the Liquidation Plan, the Company will transfer to a liquidating trust the Company's Yield Alpha Fund and Pac-Rim Master Fund shares and its claim in the administration of LBIE together with such proportion of the Company's cash as is, in the opinion of the voluntary liquidator and the trustee of the liquidating trust, sufficient to enable the trustee to maintain the liquidating trust pending the outcome of the claims at the Master Fund level and to otherwise meet the objectives of the liquidating trust. In consideration for the transfer, the Company shall receive a beneficial interest in the liquidating trust and the voluntary liquidator shall, subject to the claims of any creditors of the Company, effect a distribution of the balance of the Company's cash and the beneficial interest in the liquidating trust to the shareholders according to each shareholder's shareholding, and otherwise in accordance with the Company's Articles of Association. Following the making of the above distributions and the filing of, among other things, a liquidator's report with CIMA, the Company will be deregistered as a mutual fund and dissolved.

The Directors also wish to advise shareholders that following the sale by ABN Amro of certain parts of the Fortis Prime Fund Solutions (PFS) fund administration business to Credit Suisse, PFS has terminated its Administration Agreement with the Company. Despite best efforts, an alternative administrator has not been found and the Company has had to split the administrator's role between different service providers. Pending completion of the Liquidation Plan, the Company's custodian is AET Limited, the Company's accountant is Bedford Titley and registry services will be provided by Basis Capital Funds Management Limited.

All registry enquiries should be directed by email to [register@basiscap.com.au](mailto:register@basiscap.com.au) or by telephone to +61 2 8006 4483.

Yours faithfully,

Peter Dobson  
for and on behalf of the Company