

## **DISCLOSURE NOTICE**

### **BASIS YIELD FUND (ARSN 107 898 948)**

Basis Capital Funds Management Limited ("BCFML") is the Responsible Entity ("RE") of the Basis Yield Fund. The Fund predominantly invests all of its assets in the Basis Yield Alpha Fund ("BYAF"). BYAF has invested almost all of its assets in the Basis Yield Alpha Fund (Master) ("Master Fund").

Attached is a notice issued by BYAF today informing its investors that upon the application of the Master Fund the Grand Court of the Cayman Islands has appointed certain representatives of Grant Thornton as joint provisional liquidators (the "JPLs") of the Master Fund.

The appointment of the JPLs is intended by the Master Fund to preserve and protect the assets of the Master Fund for an orderly realisation to enhance the surplus after creditors for the benefit of BYAF and BYAF's own investors, including the Basis Yield Fund.

In particular, the appointment of the JPLs is intended to prevent unsecured creditors of the Master Fund taking precipitate steps that may lead to further and unnecessary diminution in the net asset value of the Master Fund.

BCFML will continue to advise ASIC and investors in the Fund as further information becomes available.

Basis Capital Funds Management Limited  
31<sup>st</sup> August 2007