

Basis Pac-Rim Opportunity Fund
c/o Fortis Prime Fund Solutions (Cayman) Limited
Grand Pavilion Commercial Centre
802 West Bay Road
PO Box 2003
George Town, Grand Cayman
Cayman Islands

28th September, 2007

Re: Basis Pac-Rim Opportunity Fund (the “Company”)

Dear Shareholder:

Basis Pac-Rim Opportunity Fund ("Fund") to be restructured

The Fund predominantly invests in two discrete asset classes, namely Asian high-yield debt and Structured Credit, the latter having been recently adversely affected by global CDO asset price markdowns. The Directors, working with their advisors Blackstone, have been considering options to improve liquidity for existing investors in the Fund, and have decided to seek approval from investors to adopt a restructuring plan which would give effect to a splitting of the Fund into two separate funds (“new funds”), each reflective of its own unique and separate asset class.

If a restructuring of the Fund is approved, the two new funds will be marketed and managed as separate entities and existing investors in the Fund would have investments in the two new funds with no change to their exposure to the underlying assets of the Fund.

The Directors anticipate that, by attracting new investors, liquidity will return to the two new funds more quickly than retaining the current, hybrid structure. Restructuring will also seek to provide existing investors with the ability to exit one or both of the new funds.

Furthermore, for the purposes of calculating performance fees, the Directors and the Investment Management and Advisory teams have decided not to re-set the Fund’s high water marks. Consequently, investors will not be charged any performance fees until their investment has been restored to its previous highest value. This decision is contrary to current proposals for other funds in similar situations.

The Directors anticipate the Fund’s restructure will be complete by the end of November, and further information to investors will follow in the near future.

Sincerely,

BASIS PAC-RIM OPPORTUNITY FUND