



Dear Investor,

Please find attached a copy of the latest disclosure notice pertaining to the status of the Basis Yield Fund ("Fund").

Basis Capital will continue to inform you of developments that affect the Fund.

Yours sincerely

Basis Capital Funds Management Limited

Basis Capital Funds Management Limited

Level 37, Gateway Building
1 Macquarie Place
Sydney NSW 2000

P: +61 2 8234 5500

F: +61 2 8234 5501

www.basiscap.com.au

Basis Yield Fund ARSN: **107 898 948**

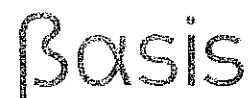
Basis Capital Funds Management Limited ACN: **092 478 441**; AFSL: **230 576**

Basis Capital Funds Management Ltd
Level 37, Gateway Building
1 Macquarie Place
Sydney NSW 2000
PO Box N115
Grosvenor Place NSW 1220
T +61 2 8234 5500
F +61 2 8234 5501
www.basiscap.com.au

ACN 092 478 441
Australian Financial Services
Licence No.230576

Disclaimer:

This email and its attachments are correct to the best of our knowledge at the time of sending and are intended for the addressee only. Basis Capital Pty Ltd and Basis Capital Funds Management Ltd, their Directors and Officers, accept no responsibility for the accuracy of its contents nor for the forwarding, interception or other means by which any person other than the intended recipient, gains access to this email and its attachments. Additional information is available upon request. This email and attachments are for information purposes only and do not constitute an offer to invest in any fund mentioned.



Tuesday 24 July 2007

Basis Capital today announced that the Blackstone Group has been appointed to act as financial advisor to the Basis Yield Alpha and Basis Pac-Rim Opportunity Funds. Both funds have recently suffered from an adverse reaction by some investment banks to a downgrading of US Sub-Prime Assets and CDO's, whereby prices were marked down, negatively effecting valuations, despite continued performance of the underlying assets.

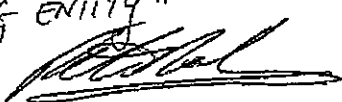
Blackstone is a leading global alternative asset manager and provider of financial advisory services, listed on the New York Stock Exchange (ticker symbol BX) with total assets under management of approximately \$88.4 billion, headquarters in New York and offices in Atlanta, Boston, Chicago, Dallas, Los Angeles, San Francisco, London, Paris, Mumbai and Hong Kong.

Blackstone recently advised Bear Stearns Asset Management on its Sub-Prime Asset Investment Funds, one of which had attracted \$638m from investors by the end of March 2007 and was geared up more than 10 times, versus Basis's combined leverage of less than 2 times on its combined portfolios, which also included liquid Asian Debt.

Blackstone's role will include negotiating with investment banks to prevent adverse pricing and selling of assets, as well as add to the international experience of the Funds' investment management and advisory teams.

Basis Capital Funds Management
pp The Blackstone Group
www.basiscap.com.au
www.blackstone.com

Media Contact
Michael Mullane
Savage & Partners
T: +61 2 8281 3232
M: +61 (0) 414 590 296
E: michael@sandp.com.au

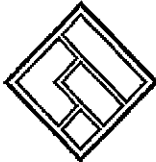
"THIS IS ANNEXURE 'A' OF ONE PAGE
REFERRED TO IN FORM 1003:
DISCLOSURE NOTICE FOR UNLISTED
DISCLOSING ENTITY"
SIGNED: 
DATED: 24 July 2007

Basis Capital Funds Management Ltd
Level 37, Gateway Building
1 Macquarie Place
Sydney NSW 2000
PO Box N115
Grosvenor Place NSW 1220
T +61 2 8234 5500
F +61 2 8234 5501
www.basiscap.com.au

ACN 092 478 441
Australian Financial Services
Licence No 230576

ASIC registered agent number _____
 lodging party or agent name BASIS CAPITAL FUNDS MANAGEMENT LTD
 office, level, building name or PO Box no. LEVEL 7, GATEWAY BUILDING
 street number and name 1 MACQUARIE PL
 suburb / city SYDNEY state/territory NSW postcode _____
 telephone (02) 8234 5500
 facsimile (02) 8234 5501
 DX number _____ suburb / city _____

ASS. CASH. PROC.	REQ-A	REQ-P
------------------	-------	-------



Australian Securities & Investments Commission

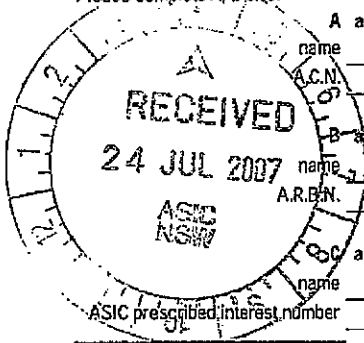
form **1003**

Disclosure notice for unlisted disclosing entity
 (to be lodged as soon as practicable after the disclosing entity becomes aware of the information)

ASCOT 7053
 Corporations Act 2001
 1001B(1)

Disclosing entity

Please complete A, B or C.



A a company

name _____

A.C.N. _____

B a body (other than a company)

name BASIS YIELD FUND

A.R.B.N. ARSN 107 898 948

C a prescribed interest undertaking

name _____

ASIC prescribed interest number _____

Details of information

date that the disclosing entity became aware of the information 24 17 2007

full information (if insufficient space please use an annexure)

PLEASE SEE ATTACHED ANNEXURE A.

Declaration

- I verify that the attached document marked () is the original document.
 I certify that the attached document marked (A) is a true copy of the original document.

Signature

This form is to be signed by:

if a company or a body a director or secretary or the equivalent
 if a prescribed interest undertaking a director or secretary of the management company or trustee company acting in that capacity

name of management _____

or trustee company _____

ACN or ARBN _____

name of person signing (print) PETER DOBSON capacity DIRECTOR

sign here [Signature] date 24 7 2007

Small Business (less than 20 employees), please provide an estimate of the time taken to complete this form

Include

- The time actually spent reading the instructions, working on the question and obtaining the information
- The time spent by all employees in collecting and providing this information

hrs mins

DISCLOSURE NOTICE