

28 July 2008

## Investor Update

Dear Investor

Further to our previous investor letters, you are aware that in January 2008, Basis, on behalf of the Funds, commenced proceedings in the Supreme Court of New South Wales for orders in respect of the treatment of application moneys received from investors (June Applicants) and the payment to redeemers (June Redeemers) of redemption proceeds as at the 2 July 2007 Redemption Date. The proceedings were heard by his Honour Justice Austin on 24 and 25 June 2008 and judgment was reserved.

Today, 28 July 2008, his Honour Justice Austin delivered his reasons for judgment in the proceedings. Although the final form of orders will not be made until Tuesday, 5 August 2008, Basis is able to indicate that his Honour determined that:

- (i) Basis is obliged to return the application moneys received by the Funds in June 2007 to each June Applicant; and
- (ii) the June Redeemers are creditors of the Funds in respect of their redemption request for 2 July 2007 and that Basis would be acting in compliance with its duties in calculating redemption proceeds based on the Net Asset Value at 30 June 2007.

Once the final orders have been made, Basis will take steps to return the application moneys to the June Applicants within a short timeframe and will calculate the redemption proceeds to which the June Redeemers are entitled.

With respect to the position of the June Redeemers, Basis notes that payment of the redemption proceeds to the June Redeemers is dependent on sufficient assets being available to the Funds to make those payments. The June Redeemers will rank as creditors ahead of unitholders in the relevant Fund. Basis will communicate with the June Redeemers in each Fund in relation to the ability to make payment and the timing for payment.

Yours sincerely

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