

1 October 2014

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Attention: Company Announcements

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**Millinium's Alternatives Fund
(formerly van Eyk Blueprint Alternatives Plus Fund)
ASX Code: VBP ("Fund")**

We refer to our previous letter of 21 August 2014.

Fund Restructure

Millinium Capital Managers Limited (the "**Responsible Entity**") is continuing with the co-ordinated restructure of the Fund and its operations. The Fund's Constitution has recently been updated and lodged with the Australian Securities & Investments Commission ("**ASIC**"). The changes (amongst other things) include:

1. a change of the Fund's name to "Millinium's Alternatives Fund"; and
2. change to address ASIC Class Order [CO 13/655] for technical amendments that primarily deal with:
 - a. consideration and placements, rights issues, interest purchase plans, distribution reinvestment plan, negotiated fees, stapled securities and forfeited interests; and
 - b. discretions in constitutional provisions about applications and withdrawals.

The changes made to the Fund's Constitution are not adverse in nature.

Lending Arrangements

The Responsible Entity recently finalised the transition of the lending arrangements from the former responsible entity. Delays were experienced in negotiation of terms and the transition of arrangements to the Fund's new Custodian and Administrator.

The present lending facility of the Fund is now been reduced to \$30,000,000 (formerly \$35,000,000).

The Responsible Entity:

- a. has completed its review of the underlying investments of the van Eyk Blueprint Alternatives Fund ("**VBL**");
- b. has updated the lender to the Fund about the liquidity of Fund investments; and
- c. will continue discussions with the lender to the Fund regarding payout timings and redemption costs.

No material liquidity issues were identified from the Responsible Entity's review of VBL underlying investments.

The complication remains that the Fund is fully invested into the VBL and redemption timings for the Fund are therefore subject to redemption timings for VBL. VBL's unit pricing is weekly, however there are currently some delays in receiving payments from the VBL responsible entity. The Fund is further subject to certain lending ratio's and other covenants that complicate redemption timings. The Responsible Entity has now agreed the following timings for repayment based on funds available from the VBL:

- a. \$10 Million payable by 3 October 2014; and
- b. \$5 Million due by 31 October 2014; and
- c. the balance due by 17 November 2014.

The Responsible Entity is mindful that payment timings are based on VBL timings stated above and it aims to ensure no unnecessary break costs nor penalties are triggered during the redemption process.

The responsible entity of VBL has also been working with the Responsible Entity to explore the possibility for the Responsible Entity to assume the management of the underlying assets of VBL within VBP. The VBL assets equate to over \$90 million and are predominantly interests in managed funds and some cash. The Fund is a majority unit holder in VBL. The Responsible Entity considers taking control of the VBL assets within VBP would speed up the Fund's restructure and allow it to address current redemption requests in a more timely manner.

Withdrawal Timings

The Responsible Entity estimates it has receipted redemption requests from unit holders that equate to approximately 70% of the Fund's total units on issue. The main unit holder was the responsible entity of the van Eyk Balanced, Capital Stable and High Growth Funds. Those funds are in the process of winding up and their responsible entity has submitted redemption requests in respect of all of those three fund's holdings in the Fund (approximately 49% of units in the Fund).

The Responsible Entity will utilise its discretion to shortly commence a monthly redemption program for investors. Unit holders with investments under \$2,000 will be paid out within the normal timings of our weekly unit pricing policy. Larger unit holders, including those over 5% in unit holdings, will receipt a pro rata percentage paid down to ensure the Fund's existing investors investments are not effected during the restructure of the Fund and the Lender terms are met. Please note that redemption timings are still subject to unit pricing timings from the VBL to effect transactions. Investors remain subject to the Fund's Constitution and investors terms set out in the former Product Disclosure Statement and the Lenders' security documentation.

The Responsible Entity will continue to effect redemptions in line with lending covenants to ensure no breaches occur in respect of the Fund.

Investment Strategy and New Product Disclosure Statement (PDS)

The Responsible Entity will outline this week its investment strategy and revised PDS given it has finished its assessment.

Yours faithfully,



David Grey
Managing Director