



MARKET RELEASE

10 July 2017

Australian Masters Yield Fund No 2 Limited

SUSPENSION FROM OFFICIAL QUOTATION

The securities of Australian Masters Yield Fund No 2 Limited (the “Company”) will be suspended from quotation at the close of trading today, at the request of the Company, following payment of the final capital return.

Security Code: AYH

Isabella Wong
ADVISER, LISTINGS COMPLIANCE (SYDNEY)



10 July 2017

BY EMAIL

Isabella Wong
ASX Compliance Pty Ltd
20 Bridge Street
Sydney, NSW 2000

Dear Isabella,

Australian Masters Yield Fund No. 2 Limited (ASX code: AYH)

Application for suspension from the Official List of the Australian Securities Exchange.

I write on behalf of the Australian Masters Yield Fund No.2 Limited ACN 144 883 509 (AYH).

In accordance with Listing Rule 17.2, AYH requests to be suspended from the official list of the Australian Securities Exchange (ASX) at the close of trading as of date of this request. AYH requests that it remains suspended pending consideration by ASX of AYH's winding up and delisting.

Exit Strategy

AYH disclosed in its Information Memorandum dated 25 September 2012 that it would return cash to shareholders when the underlying fixed income securities had matured or the last fixed income security in the portfolio was sold and that this return of cash would be effected by way of capital return, undertaken from time to time.

It was further disclosed that AYH would seek shareholder approval to wind up AYH following the maturity of the longest dated underlying fixed income security or the sale of the last of the fixed income securities held in the AYH portfolio.

At the date of the Information Memorandum, it was expected that the final capital return would occur following the maturity or sale of the longest dated fixed income security, with a maximum maturity or sale date being around 30 June 2022. As a result of sale and early redemption of fixed income securities, AYH no longer holds any fixed income securities and its total assets comprise cash at bank of approximately \$135,000 at 4 July 2017.

Final Capital Return

On 15 February 2017, AYH announced details of the final capital return. The timetable for the capital return was:

Event	Date
Ex-Date	21 February 2017
Record Date	22 February 2017
Intended Payment Date	3 March 2017

Following completion of the final capital return, the issued capital per share has been repaid in full other than a small amount retained to ensure that AYH can meet its currently foreseeable costs and expenses.



**AUSTRALIAN
MASTERS
YIELD**
FUND No 2 LIMITED

Way forward

Consistent with the exit strategy disclosed in the Information Memorandum, the AYH board intends to consider:

- (a) different options to take advantage of any potential residual value to shareholders in not immediately winding up the company;
- (b) applying for AYH to be removed from the official list of the ASX; and
- (c) seeking shareholder approval at a general meeting to wind AYH up.

AYH will continue to keep the market informed in a timely manner in regards to any developments.

The Board considers suspension to be appropriate

The Board considers that the return of capital is consistent with the overall exit strategy disclosed to the shareholders in Section 1.3 of the Information Memorandum. The fund was structured with a defined term and an explicit mandate to return all available capital to shareholders, subject to their approval, as and when the underlying fixed income securities mature.

In purchasing shares in AYH, investors would have been aware of the exit strategy set out above.

The Board considers that there is likely to be limited benefit to shareholders in continuing to allow for trading in AYH shares. Trading in AYH shares may not be in the best interest of new shareholders as the primary activities of AYH as described in the Information Memorandum will have been ceased and the board needs to consider AYH's future direction.

AYH is not aware of any reason why the suspension should not be granted.

Please contact us if you have any questions in relation to this application.

Yours sincerely,

Hannah Chan
Company Secretary
Australian Masters Yield Fund No 2 Limited