



29 August 2017

Dear Optionholder

Exercise your options to receive a fully franked 2.5 cents dividend

I am pleased to inform you that the Board of Absolute Equity Performance Fund ("AEG" or "the Company") recently declared a fully franked dividend for the year to 30 June 2017 of 2.5 cents per share. Optionholders who exercise all or part of their option holding and retain the shares on the dividend ex-date will be entitled to the fully franked dividend on those shares. The Board has declared this dividend from the profit reserves and franking generated from the management of the Company's Investment Portfolio.

Your options enable you to acquire new shares in the Company without paying brokerage for \$1.10 per share and can be exercised at any time on or before 16 November 2017. You have three choices regarding your options as detailed below:

Exercise your options

Each option entitles the holder to one share in AEG at an exercise price of \$1.10. Once exercised, each option will convert to a fully paid ordinary share and rank equally with existing shares. You may exercise some or all of your options.

Sell your options on market

The options are currently trading on the ASX under the code AEGO where you have the opportunity to sell your options or buy additional options. The options will stop trading on 10 November 2017. You may sell some or all of your options.

Take no action

There is no obligation to exercise or sell the options, although once they cease trading, they will expire and have no value.

Key dates

- | | |
|-------------------------|------------------|
| ▪ Options cease trading | 10 November 2017 |
| ▪ Options expiry date | 16 November 2017 |
| ▪ Dividend ex-date | 22 November 2017 |
| ▪ Dividend record date | 23 November 2017 |
| ▪ Dividend payment date | 6 December 2017 |

How do I exercise my options?

To exercise your options, please complete the enclosed 'Application for Shares on Exercise of Options' form. The amount payable will be the number of options exercised multiplied by \$1.10. After payment, either by cheque or BPAY, return the exercise form to the Company's Registrar, Boardroom Limited, in the reply paid envelope provided.

There are no brokerage costs incurred through the exercise of your options.

After your funds have cleared and shares allotted, you will receive new shares in AEG and an updated holding statement will be sent to you.

If you have any queries regarding completing the form, or would like to request a new form, please contact Boardroom directly on 02 9290 9600 or by email at: corporateactions@boardroomlimited.com.au.

Further information

For further information about AEG options please visit our website www.aepfund.com.au, or alternatively you can contact us at info@aepfund.com.au.

Yours sincerely,

Marc Fisher
Chairman



Absolute Equity Performance Fund Limited

Application for Shares on Exercise of Options

Options exercisable at A\$1.10 expiring at 5.00pm (Sydney Time) on 16 November 2017

Number of Options
Registered in your name:

To be completed by Optionholder:

Number of Options being exercised:	Multiplied by the exercise price of A\$1.10	Amount Paid:
---	--	---------------------

Payment may only be made by BPAY or cheque. Cash will not be accepted via the mail or at the Absolute Equity Performance Fund Limited Share Registry.

Payments cannot be made at any bank. Please tick the relevant box below to confirm your method of payment.

Payment Option 1 – BPAY ☐ (tick the relevant box)



Biller Code: 199455

Telephone & Internet Banking - BPAY®

Contact your bank, credit union or building society to make this payment from your cheque or savings account.

More info: www.bpay.com.au

- Please note that you cannot make a BPAY payment using a credit card
- If paying by BPAY you must still return this exercise notice with your signature(s) below
- The amount of your payment received in the account divided by the exercise price will be deemed to be the total number of options you are exercising

Payment Option 2 – Cheque (Record cheque details below) ☐ (tick the relevant box)

DRAWER	CHEQUE NO.	BSB NO.	ACCOUNT NO.	AMOUNT \$AUD
				\$

- Only cheques or bank drafts in Australian dollars and drawn on a bank or financial institution in Australia will be accepted.
- Your cheque or bank draft must be made payable to "Absolute Equity Performance Fund" and crossed "Not Negotiable" and should be attached to this form.
- The amount of your payment received in the account, divided by the exercise price, will be deemed to be the total number of options you are exercising.

To the Directors of Absolute Equity Performance Fund Limited ('Company')

I/We being the registered holder(s) of Options each to acquire one Fully Paid Ordinary Share in the Company hereby give notice of the exercise of Options and attach hereto my/our cheque payable to "ABSOLUTE EQUITY PERFORMANCE FUND LIMITED" in payment of such exercise.

I/We agree to my/our name/s being placed on the Register of Members in respect to the number of shares in the Company allotted and to be bound by the Constitution of the Company.

Please sign here:

Shareholder 1 (Individual)

Sole Director & Company Secretary

Joint Shareholder 2 (Individual)

Director

Joint Shareholder 3 (Individual)

Director / Company Secretary

Telephone No. (Business Hours)

()

Date

Lodgement of Application

Absolute Equity Performance Fund Limited C/- Boardroom Pty Limited, GPO Box 3993, SYDNEY NSW 2001

Neither Boardroom Pty Limited nor the Company accepts any responsibility if you lodge this Application at any other address or by any other means.

TERMS OF OPTIONS

Absolute Equity Performance Fund Limited

Exercise

On exercise, the Company will issue a Share for each Loyalty Option exercised. A Loyalty Option may be exercised by delivery to the Company of a duly completed Notice of Exercise of Loyalty Options, signed by the registered holder of the Loyalty Option, together with payment to the Company of \$1.10 per Loyalty Option being exercised.

A Loyalty Option may be exercised on any Business Day from the Vesting Date to 16 November 2017 but not thereafter.

A Notice of Exercise of Loyalty Options is only effective when the Company has received the full amount of the exercise price in cash or cleared funds.

Dividend entitlement

Loyalty Options do not carry any dividend entitlement. Shares issued on exercise of Loyalty Options rank equally with other issued Shares of the Company on and from issue.

Reconstructions and alteration of capital

Any adjustment to the number of outstanding Loyalty Options and the exercise price under a re-organisation of the Company's share capital must be made in accordance with the Listing Rules.

ASX listing

The Company must make application for quotation of Shares issued on exercise of the Loyalty Options on the ASX in accordance with the Listing Rules. Shares so issued will rank equally with other issued Shares of the Company.