



To: ASX Announcement Platform

15 December 2015

Pre-Quotation Disclosures

Tradability of Shares before the Vesting Date

At the request of ASX, Absolute Equity Performance Fund Limited (**Company**) provides the following additional disclosures in relation to the Loyalty Option terms:

- (a) The Company confirms that Shareholders who were issued ordinary shares in the Company (**Shares**) under the Company's replacement prospectus dated 23 November (**Prospectus**) are entitled to trade their Shares between the date those Shares were issued and the date on which their Loyalty Options vest (**Vesting Date**).
- (b) In the event a Shareholder trades its Shares prior to the Vesting Date, only those Loyalty Options equal to the number of Shares held by that Shareholder on the Vesting Date will vest under the Prospectus.
- (c) By way of example:
 - (i) If a Shareholder sells some or all of the Shares issued to it under the Prospectus but, before the Vesting Date, buys Shares such that on the Vesting Date the Shareholder holds Shares equal to or greater than the number of Shares issued to it under the Prospectus, 100% of the Shareholder's Loyalty Options will vest.
 - (ii) If that Shareholder holds more Shares at the Vesting Date than was issued to them under the Prospectus they will not receive any additional Loyalty Options to those previously issued.
 - (iii) If a Shareholder sells some of its Shares, and on the Vesting Date the Shareholder holds less Shares than it was issued under the Prospectus, only a pro rata number of Loyalty Options will vest (being equal to the number of Shares held by the Shareholder on the Vesting Date). All other Loyalty Options issued to the Shareholder will lapse.

Investment Management Agreement: Additional Disclosures

At the request of ASX, the Company provides the following additional disclosures in relation to the investment management agreement with Bennelong Long Short Equity Management Pty Ltd (**Investment Manager**) dated on or about 9 November 2015 (**Investment Management Agreement**):

- (a) The Investment Manager does not have a right under the Investment Management Agreement to be issued securities of the Company (whether in satisfaction of the amounts due under the Investment Management Agreement or otherwise).
- (b) The Company has undertaken to ASX to seek security holder approval for any material amendment to the Investment Management Agreement.
- (c) Neither the Company, nor the Investment Manager, may terminate the Investment Management Agreement upon the occurrence of a change of control event in respect of either party.

- (d) There are no pre-emptive rights exercisable over the Company's portfolio upon a change of control event occurring in respect of the Company or the Investment Manager.
- (e) Potential conflicts associated with acquiring assets from, or dispose of assets to, the Investment Manager or an associate of the Investment Manager will be managed as follows:
 - (i) As disclosed in the Prospectus, the Investment Manager is permitted to undertake investments that fall within the Company's investment strategy on the behalf of the Company and without the approval of the Company's board of directors (**Board**). Investments that are outside the Company's investment strategy will require board approval.
 - (ii) In circumstances where Board approval is required, the Investment Manager will provide the Board with details of the relevant investment opportunity. The Board will review the information and will either give or withhold the approval required for the Company to make that investment. Assuming that the Board approves the investment, the Investment Manager will then execute the investment on behalf of the Company.
 - (iii) If the Investment Manager proposes that the Company acquire assets from or dispose of assets to a related party of the Investment Manager, the Board will ensure that any such transaction is not detrimental to holders of securities in the Company and is on commercial, arms length terms.
 - (iv) We also refer to the Company's Corporate Governance Statement.

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