



First Growth Funds Ltd (ASX:FGF)
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23 June 2016

Dear Shareholder

Opportunity to sell First Growth Funds shares for holders of non-marketable parcels

1. The Program

First Growth Funds Limited (**FGF** or the **Company**) (ASX: FGF) is pleased to announce an opportunity for you to sell your shareholding without incurring any brokerage or handling costs.

This program is available to eligible shareholders who, at 4:00pm (AEST) on 22 June 2016 (**Record Date**), were holders of fully paid ordinary shares in FGF (**FGF shares**) valued at less than \$500.00 (**Program**).

Based on a price of \$0.008 per FGF share, being the closing price of FGF Shares on the Australian Securities Exchange (**ASX**) on the Record Date], a Non-Marketable Parcel is any holding of 62,499 FGF Shares or less (**Non-Marketable Parcel**).

This Program closes at 5:00pm (AEST) on Monday, 8 August 2016 (**Closing Date**).

Our records show that you held a Non-marketable Parcel on the Record Date. Consequently, your holding of FGF Shares is eligible for this Program, if you continue to hold a Non-Marketable Parcel as at the Closing Date.

FGF recognises that there are many shareholders who hold Non-Marketable Parcels who may find it difficult or expensive to dispose of their FGF Shares. This Program provides eligible shareholders with a convenient way to sell FGF Shares and at the same time allows the Company to reduce its significant costs associated with administering many small shareholdings.

Information in this letter and in the **enclosed** documents will assist you to make a choice whether to:

- sell your holding; or
- retain your existing holding.

2. To sell your holding

If you wish to dispose of your FGF Shares without incurring any brokerage or handling costs, then you do not need to do anything and your FGF Shares will be sold, if you hold a Non-Marketable Parcel on the Closing Date.

If you choose to do nothing, **all** of your FGF Shares will be sold. The Company will hold the proceeds from any of your FGF Shares sold (**Consideration**) in trust for you and will forthwith notify you in writing that the Consideration in respect of your Shares has been received by FGF and is being held by the Company pending instructions from you as to how it is to be dealt with. If you have provided direct credit payment details to Computershare Investor Services (**Computershare**) for your holding and authorised such payments to be made by direct credit, the Consideration will be paid to your nominated account by EFT. You will not incur any brokerage or handling costs associated with the disposal of your FGF Shares. If you wish to update your direct credit instructions, please contact Computershare.

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If you do nothing, **all** of your FGF Shares will be pooled with other Non-Marketable Parcels under the Program and sold on the ASX. In addition, if you do nothing, you will be deemed to appoint FGF as your attorney for the sale to take all steps, in your name, or on your behalf as FGF considers appropriate to transfer your FGF Shares and FGF may appoint an agent to undertake such actions.

2.1 Sale proceeds

The sale proceeds to which you will be entitled will be calculated by dividing the aggregate of the total proceeds from the sale of all FGF Shares sold under this Program, by the total number of FGF Shares sold under this Program, and multiplied by the number of FGF Shares you held, which were sold, with the total Consideration rounded up to the nearest cent. All participants who have their FGF Shares sold under this Program will receive the same average price per Share.

This price may be more or less than the actual price at which your FGF shares are sold.

The Company will hold the proceeds from any of your FGF Shares sold (**Consideration**) in trust for you and will forthwith notify you in writing that the Consideration in respect of your Shares has been received by FGF and is being held by the Company pending instructions from you as to how it is to be dealt with. If you have provided direct credit payment details to Computershare for your holding and authorised such payments to be made by direct credit, the Consideration will be paid to your nominated account by EFT. You will not incur any brokerage or handling costs associated with the disposal of your FGF Shares. If you wish to update your direct credit instructions, please contact the FGF share registry, Computershare.

You will be notified by way of a transaction confirmation statement of the number of your FGF Shares sold, and the price and total sale proceeds. The transaction confirmation statement will be issued in accordance with the communications instructions as advised to the share register.

If your FGF Shares are in a CHESS holding, FGF may, after the Closing Date, move your FGF Shares from the CHESS holdings to an issuer sponsored holding for the purposes of divestment by the Company in accordance with the Program.

3. To retain your existing holding

If you wish to retain your existing holding of FGF Shares then you must:

- complete and return the **enclosed** Share Retention Form so that it is received by Computershare by the Closing Date at the following address

**Computershare Investor Services Pty Limited
GPO Box 2115
Melbourne VIC 3001**

or

- make your own arrangements outside the Program to purchase additional FGF Shares so that your shareholding is worth at least \$500.00 by the Closing Date. If you have more than one holding of FGF Shares, then you can contact Computershare to assist with consolidating them into a single holding. In order to ensure that your FGF shares are not sold by FGF, any additional FGF Shares must be held in the same holding as your current FGF Shares (i.e. you must advise your broker to purchase the FGF Shares under the same Holder Identification Number (HIN) or Securityholder Reference Number (SRN) that is stated on the **enclosed** forms) and must be registered by the Closing Date.

4. Important Information

It is important that you read and understand this letter and the Share Retention Form.

The market price of FGF Shares is subject to change from time to time. Whilst FGF and its nominee broker, Taylor Collison, will endeavour to ensure the best available sale price and purchase price is achieved for your FGF Shares under this Program, no assurance or certainty can be provided by FGF or the Broker about the price at which FGF Shares are sold or acquired. Up to date information on the market price of FGF Shares is available on the ASX website (www.asx.com.au).

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This Program does not take into account the individual investment objectives, financial situation or particular needs of each eligible shareholder. You should consider seeking independent financial and taxation advice before making a decision as to whether or not to participate in this Program.

FGF, its directors and officers, and Taylor Collison make no recommendation as to whether you should participate in the Program and none of them should be taken by giving any financial advice to you. However, any shareholder support to this cost reduction and efficiency initiative is much appreciated.

5. Enquiries

If you have any further questions please contact FGF on (02) 8651 7800.

Yours faithfully



Chairman
Geoff Barnes
First Growth Funds Limited

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