

**ASX Release**

**Half Year Financial Report & Interim Dividend**

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**Wednesday, 28 February 2018**

**Highlights**

- Fully franked 2.0 cents per share dividend (**Interim Dividend**)
- Shareholders can elect to participate in the Dividend Re-Investment Plan (**DRP**) by 19 April 2018
- \$2.1 million pre-tax profit

Absolute Equity Performance Fund Limited ACN 608 552 496 (ASX:AEG) (the **Company**) today announced its results for the half year ended 31 December 2017.

Investment operations over the half year ended 31 December 2017 resulted in an operating profit before tax of \$2,146,355 (2016: loss of \$12,408,588) and an operating profit after tax of \$1,517,601 (2016: loss of \$8,682,942).

Net asset backing for each ordinary share at 31 December 2017 after tax amounted to \$1.1181 (2016: \$0.9985) per share. Asset backing for each ordinary share at 31 December 2017 before tax amounted to \$1.1080 (2016: \$0.9432).

The Board determined an Interim Dividend of 2.0 cents per share and confirmed that the DRP will operate with respect to this Interim Dividend.

The Interim Dividend, which will be fully franked, will be paid on 18 May 2018 and trade ex on 29 March 2018.

**ENDS**

**For more information please contact:**

Tharun Kuppanda  
Company Secretary  
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**ABSOLUTE EQUITY PERFORMANCE FUND LIMITED**

**ABN 17 608 552 496**

**Appendix 4D  
Interim Report  
for the half-year ended 31 December 2017**

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## Half-Year Report

The Half-Year Report is for the reporting period from 1 July 2017 to 31 December 2017.

<b>Results for announcement to the market</b>	<b>31 December 2017 \$</b>	<b>up/down</b>	<b>% movement</b>
Revenue from ordinary activities	9,464,851	up	259.93%
Profit from ordinary activities after tax attributable to members	1,517,601	up	117.48%

*All comparisons are to the half-year ended 31 December 2016.*

### Dividends

The Company declared a fully-franked maiden final dividend of 2.5 cents per share that was paid on 6 December 2017.

Option holders who exercised all or part of their options by the close of business on 15 November 2017 were entitled to the fully franked final dividend including the franking credits attached thereto.

Since the end of the half-year, the Company has declared a fully franked interim dividend of 2.0 cents per share to be paid on 18 May 2018. The record date for entitlement of the interim dividend is 3 April 2018. The ex-dividend date is 29 March 2018.

### Dividend Re-Investment Plan

The Company's Dividend Re-Investment Plan ("DRP") will operate in relation to the interim dividend. The DRP has been structured to take account of the relationship between the market price of the Company's shares and the Company's net tangible asset value per Share ("NTA Price") at the relevant time when dividends are being invested.

If the prevailing share price is greater than or equal to NTA Price, DRP participants will be issued new shares. If the prevailing share price is less than the NTA Price, the Company will buy the securities on-market and if additional securities are required to satisfy DRP Participants, issue new shares.

The last day for the receipt of an election notice for participation in the DRP is 19 April 2018.

<b>Net Tangible Assets per share *</b>	<b>31 December 2017</b>	<b>31 December 2016</b>
- before tax	\$1.1080	\$0.9432
- after tax	\$1.1181	\$0.9985

*\* Not adjusted for outstanding options*

### Expiry of loyalty options

65,295,482 of the Company's listed options, exercisable at \$1.10 on or before 16 November 2017, have expired unexercised.

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### **Brief explanation of results and Company outlook**

The Company finished the 2017 calendar year with a 20.1% total shareholder return (17.5% share price and 2.6% dividends). The Pre-Tax Net Tangible Assets ("NTA") of the Company, including dividend, returned 20.2% over the period. By comparison, the S&P/ASX200 returned approximately 7% over the same period, and the S&P/ASX200 Net Total Return Index, where dividends are reinvested, returned 11.5%.

The Board is committed to paying fully franked dividends, subject to the Company having sufficient profit reserves to do so. Availability of franking credits is dependent on a net receipt of franked dividends from the Company's investment portfolio and the payment of tax by the Company. A fully franked dividend of 2.5 cents per share was paid for the period through to 30 June 2017. We are pleased to announce a fully franked dividend of 2.0 cents per share for the six months to 31 December 2017. This dividend will be paid on 18 May 2018.

Coinciding with our second dividend, we are pleased to announce a Dividend Re-Investment Plan ("DRP"). This will enable Shareholders to reinvest their dividends, free of brokerage, in to shares of the Company.

The DRP will not be dilutive to the NTA and if the share price at the Relevant Time is less than the NTA per share, dividends on shares subject to the Plan will be used to cause the acquisition of the Company's shares on-market. We believe this represents the current best practice in terms of a DRP.

Shareholder engagement also continues to be an important focus for the Company. We currently achieve this through a mixture of:

- Weekly NTA estimates
- Monthly NTA and performance updates (via Newsletter)
- Annual reports and half yearly profit announcements
- Periodic roadshows when the Investment Manager meets with key stakeholders
- AEG's website ([www.aepfund.com.au](http://www.aepfund.com.au))

The Directors of the Company remain confident in the ability of the Company's market neutral investment strategy to achieve attractive returns through all market cycles.

We welcome comments and feedback. Please feel free to call or email us with your suggestions.

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**Absolute Equity Performance Fund Limited**

ABN 17 608 552 496

**Interim Financial Report  
for the half-year ended 31 December 2017**

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**Corporate Directory**

<b>Directors</b>	Marc Fisher Graham Hand Andrew Reeve-Parker	Chairman & Non-Independent Director Independent Director Independent Director
<b>Secretaries</b>	Jeff Phillips and Tharun Kuppanda	
<b>Investment Manager</b>	Bennelong Long Short Equity Management Pty Limited Ground Floor 9 Queen Street Melbourne Victoria 3000	
<b>Registered Office</b>	Absolute Equity Performance Fund Limited Level 12, Grosvenor Place 225 George Street Sydney NSW 2000 Telephone: (02) 9251 8845	
<b>Auditor</b>	Pitcher Partners Level 22 MLC Centre 19 Martin Place Sydney NSW 2000 Telephone: (02) 9221 2099	
<b>Share Register</b>	Boardroom Pty Limited Level 7, 225 George Street Sydney NSW 2000 Telephone: (02) 9290 9600 Fax: (02) 9279 0664	
<b>Stock Exchange</b>	Australian Securities Exchange (ASX) The home exchange is Sydney ASX codes: Absolute Equity Performance Fund Limited Ordinary Shares (AEG)	

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## Directors' Report

The Directors of Absolute Equity Performance Fund Limited ("the Company") present their report together with the condensed interim financial report of the Company for the half year ended 31 December 2017.

Absolute Equity Performance Fund Limited is a company limited by shares and is incorporated in Australia.

### Directors

The following persons held office as Directors during the period or since the end of the period and up to the date of this report:

Marc Fisher	Chairman & Non-Independent Director
Graham Hand	Independent Director
Andrew Reeve-Parker	Independent Director

### Principal Activity

The Company was established to provide investors with the opportunity to invest in a diversified portfolio of Australian listed equities, with the aim of achieving positive returns regardless of share market performance, through an "equity market neutral" style of investing. The Company's objective is to deliver absolute returns through capital growth and income regardless of market movements.

Mr Richard Fish, Co-Portfolio Manager of the Investment Manager, retired on 1 July 2017, but remained a Director and Shareholder of the Investment Manager. There have been no changes in approach to the day-to-day management of the Portfolio.

There have been no significant changes in the Company's principal activities during the period and no change is anticipated in the future.

### Review of Operations

The Company has invested predominantly in S&P/ASX100 and other large capitalisation Australian listed companies. The investment will seek to provide long-term capital growth with, when possible, a steady dividend yield franked to the maximum extent possible.

Investment operations over the half-year ended 31 December 2017 resulted in an operating profit before tax of \$2,146,355 (2016: loss of \$12,408,588) and an operating profit after tax of \$1,517,601 (2016: loss of \$8,682,942).

Net asset backing for each ordinary share at 31 December 2017 after tax amounted to \$1.1181 (2016: \$0.9985) per share. Asset backing for each ordinary share at 31 December 2017 before tax amounted to \$1.1080 (2016: \$0.9432).

### Dividend

The Company declared a fully-franked maiden final dividend of 2.5 cents per share that was paid on 6 December 2017.

The Dividend Re-Investment Plan ("DRP") was not in operation in respect of the maiden dividend.

### Events occurring after the reporting period

Since the end of the half-year, the Company has declared a fully franked interim dividend of 2.0 cents per share to be paid on 18 May 2018. The record date for entitlement of the interim dividend is 3 April 2018. The ex-dividend date is 29 March 2018.

Apart from the dividend declared, the Directors are not aware of any other events subsequent to period end that would materially affect the half-year financial report.

### Rounding of amounts to nearest dollar

In accordance with ASIC Corporations (rounding in Directors' Reports) Instrument 2016/191, the amounts in the Directors' Report have been rounded to the nearest dollar.

### Auditor's independence declaration

A copy of the Auditor's independence declaration as required under section 307C of the *Corporations Act 2001* in relation to the review for the half year is set out on page 3 of this financial report.

This report is made in accordance with a resolution of the Board of Directors.



Marc Fisher  
Chairman

Sydney  
28 February 2018

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**Auditor's Independence Declaration  
To the Directors of Absolute Equity Performance Fund Limited  
ABN 17 608 552 496**

In relation to the independent auditor's review for the half-year ended 31 December 2017, to the best of my knowledge and belief there have been:

- (i) no contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Absolute Equity Performance Limited during the period.



SCOTT WHIDDETT  
Partner

PITCHER PARTNERS  
Sydney

28 February 2018

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**Absolute Equity Performance Fund Limited**  
**Statement of Profit or Loss and Other Comprehensive Income**  
**For the half-year ended 31 December 2017**

**Statement of Profit or Loss and Other Comprehensive Income**

	Note	31 December 2017 \$	31 December 2016 \$
<b>Investment income from ordinary activities</b>			
Net realised gains/ (losses) on disposal of investments		2,458,840	(2,275,016)
Net unrealised gains/ (losses) on market value movement of investments		3,878,056	(6,853,992)
Net unrealised losses on foreign exchange movement		-	(2,379)
Interest income received		519,340	510,079
Dividend income received		<u>2,608,615</u>	<u>2,703,146</u>
<b>Total income</b>		<b><u>9,464,851</u></b>	<b><u>(5,918,162)</u></b>
<b>Expenses</b>			
Management fees		(798,661)	(716,871)
Performance fees		(398,874)	-
Administration fees		(18,324)	(20,141)
Prime broker fees		(5,451)	(12,811)
Stock loan fees		(531,511)	(478,495)
Dividends paid on borrowed stock		(5,105,117)	(4,821,318)
Legal fees		(3,474)	(416)
Accounting fees		(43,330)	(17,220)
Share registry fees		(33,046)	(46,051)
Directors' fees		(47,500)	(37,857)
Secretarial fees		(21,515)	(12,999)
ASX fees		(55,638)	(68,423)
Audit fees		(27,454)	(3,216)
Brokerage commission		(210,705)	(187,628)
Tax fees		(8,140)	-
Other expenses		<u>(9,755)</u>	<u>(66,980)</u>
<b>Total expenses</b>		<b><u>(7,318,495)</u></b>	<b><u>(6,490,426)</u></b>
<b>Profit/ (Loss) before income tax</b>		<b><u>2,146,356</u></b>	<b><u>(12,408,588)</u></b>
Income tax (expense)/ benefit		<u>(628,755)</u>	<u>3,725,646</u>
<b>Profit/ (Loss) for the period after income tax</b>		<b><u>1,517,601</u></b>	<b><u>(8,682,942)</u></b>
Other comprehensive income for the period, net of tax		<u>-</u>	<u>-</u>
<b>Total comprehensive income/ (loss) for the period</b>		<b><u>1,517,601</u></b>	<b><u>(8,682,942)</u></b>
		<b>Cents</b>	<b>Cents</b>
<b>Earnings/ (loss) per share for profit attributable to the ordinary equity holders of the Company:</b>			
Basic earnings/ (loss) per share	7	1.60	(9.44)

The above Statement of Profit or Loss and other Comprehensive Income should be read in conjunction with the accompanying notes.

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**Absolute Equity Performance Fund Limited**  
**Statement of Financial Position**  
**As at 31 December 2017**

**Statement of Financial Position**

	<b>Note</b>	<b>31 December 2017 \$</b>	<b>30 June 2017 \$</b>
<b>Assets</b>			
Cash and cash equivalents		97,927,062	95,920,765
Trade and other receivables		428,298	913,680
Financial assets at fair value through profit or loss	3	269,806,996	243,522,995
Deferred tax asset		<u>7,629,687</u>	<u>7,238,508</u>
<b>Total assets</b>		<b><u>375,792,043</u></b>	<b>347,595,948</b>
<b>Liabilities</b>			
Trade and other payables		1,011,846	3,553,645
Financial liabilities at fair value through profit or loss	3	254,946,666	233,956,530
Deferred tax liability		<u>6,608,140</u>	<u>5,588,206</u>
<b>Total liabilities</b>		<b><u>262,566,652</u></b>	<b>243,098,381</b>
<b>Net assets</b>		<b><u>113,225,391</u></b>	<b>104,497,567</b>
<b>Equity</b>			
Issued capital	5	109,111,714	99,369,885
Accumulated losses		(271,020)	(142,946)
Profits reserve	6	<u>4,384,697</u>	<u>5,270,628</u>
<b>Total equity</b>		<b><u>113,225,391</u></b>	<b>104,497,567</b>

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

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**Absolute Equity Performance Fund Limited**  
**Statement of Changes in Equity**  
**For the half-year ended 31 December 2017**

**Statement of Changes in Equity**

	Note	Issued capital \$	Profits reserve \$	Retained earnings \$	Total equity \$
<b>Balance at 1 July 2017</b>		99,369,885	5,270,628	(142,946)	104,497,567
Profit for the period		-	-	1,517,601	1,517,601
Other comprehensive income for the period		-	-	-	-
Transfer of profits during the period	6	-	1,645,675	(1,645,675)	-
<u>Transactions with owners:</u>					
Dividend paid		-	(2,531,606)	-	(2,531,606)
Shares issued on exercise of options		9,741,829	-	-	-
<b>Balance at 31 December 2017</b>		<b><u>109,111,714</u></b>	<b><u>4,384,697</u></b>	<b><u>(271,020)</u></b>	<b><u>113,225,391</u></b>
<b>Balance at 1 July 2016</b>		97,816,121	2,974,210	(1,387,344)	99,402,987
Loss for the period		-	-	(8,682,942)	(8,682,942)
Other comprehensive income for the period		-	-	-	-
Transfer of profits during the period		-	941,779	(941,779)	-
<u>Transactions with owners:</u>					
Shares issued on exercise of options		1,553,764	-	-	1,553,764
<b>Balance at 31 December 2016</b>		<b><u>99,369,885</u></b>	<b><u>3,915,989</u></b>	<b><u>(11,012,065)</u></b>	<b><u>92,273,809</u></b>

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

**Absolute Equity Performance Fund Limited**  
**Statement of Cash Flows**  
**For the half-year ended 31 December 2017**

**Statement of Cash Flows**

	<b>31 December 2017</b>	<b>31 December 2016</b>
	\$	\$
<b>Cash flows from operating activities</b>		
Proceeds from sale of investments	93,674,649	14,025,301
Payment for investments	(94,514,914)	(32,851,722)
Interest received	510,614	548,454
Dividends received	3,093,675	3,411,941
Dividends paid on borrowed stock	(5,286,556)	(5,476,739)
Interest paid	(43,330)	(17,220)
Management fees paid	(786,328)	(731,745)
Performance fees paid	(885,803)	(290,281)
Payment for other expenses	(965,933)	(1,032,748)
<b>Net cash used in operating activities</b>	<b><u>(5,203,926)</u></b>	<b><u>(22,414,759)</u></b>
<b>Cash flows from financing activities</b>		
Shares issued on options exercised	9,741,829	1,553,764
Dividend paid	(2,531,606)	-
<b>Net cash provided by financing activities</b>	<b><u>7,210,223</u></b>	<b><u>1,553,764</u></b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>2,006,297</b>	<b>(20,860,995)</b>
Cash and cash equivalents at the beginning of the financial period	95,920,765	101,495,605
Effect of foreign currency exchange rate changes on cash & cash equivalents	-	(2,379)
Cash and cash equivalents at end of financial period	<b><u>97,927,062</u></b>	<b><u>80,632,231</u></b>

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

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## **1 Significant Accounting Policies**

The principal accounting policies adopted in the preparation of these condensed interim financial statements are set out below.

The condensed interim financial statements were authorised for issue on [x] February 2018 by the Board of Directors.

### **Basis of preparation**

These condensed interim financial statements for the half-year reporting period ended 31 December 2017 have been prepared in accordance with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001.

These interim financial statements do not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2017 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The interim financial statements have been prepared on an accrual basis, and are based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

In accordance with ASIC Corporations (rounding in Directors' Reports) Instrument 2016/191, the amounts in the Directors' Report have been rounded to the nearest dollar.

#### **(a) New and revised accounting requirements applicable to the current half-year reporting period**

There are no new and revised accounting requirements significantly affecting the interim financial statements. The accounting policies have been consistently applied by the Company throughout the reporting period.

The accounting policies have been consistently applied by the Company throughout the reporting period and are consistent with those applied in the 30 June 2017 Annual Financial Report.

## **2 Dividends**

The Company declared a fully-franked maiden final dividend of 2.5 cents per share that was paid on 6 December 2017.

The Dividend Re-Investment Plan ("DRP") was not in operation in respect of the maiden dividend.

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### 3 Fair value measurements

The Company measures and recognises its financial assets and liabilities at fair value through profit or loss ("FVTPL") on a recurring basis.

#### (a) Fair value hierarchy

AASB 13: Fair Value Measurement requires the disclosure of fair value information using a fair value hierarchy reflecting the significance of the inputs in making the measurements. The fair value hierarchy consists of the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

#### (i) Recognised fair value measurements

The following table presents the Company's assets and liabilities measured and recognised at fair value at 31 December 2017.

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>Financial assets at FVTPL</b>				
Australian listed equity securities	269,806,996	-	-	269,806,996
<b>Total financial assets</b>	<b>269,806,996</b>	-	-	<b>269,806,996</b>

#### Financial liabilities at FVTPL

Australian listed equity securities sold short	254,946,666	-	-	254,946,666
<b>Total financial liabilities</b>	<b>254,946,666</b>	-	-	<b>254,946,666</b>

30 June 2017

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>Financial assets at FVTPL</b>				
Australian listed equity securities	243,522,995	-	-	243,522,995
<b>Total financial assets</b>	<b>243,522,995</b>	-	-	<b>243,522,995</b>

#### Financial liabilities at FVTPL

Australian listed equity securities sold short	233,956,530	-	-	233,956,530
<b>Total financial liabilities</b>	<b>233,956,530</b>	-	-	<b>233,956,530</b>

There were no transfers between levels for recurring fair value measurements during the period.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

#### (ii) Recognised fair value measurements

The carrying amounts of trade and other receivables and payables are assumed to approximate their fair values due to their short-term nature.

### 4 Segment information

The Company has only one reportable segment. The Company is engaged solely in investment activities, deriving revenue from dividend income, interest income and from the sale of its investments.

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**Absolute Equity Performance Fund Limited**  
**Notes to the Financial Statements**  
**For the half-year ended 31 December 2017 (continued)**

**5 Issued capital**

	31 December 2017		30 June 2017	
	No of shares	\$	No of shares	\$
<b>(a) Share capital</b>				
Ordinary shares	<u>101,264,236</u>	<u>109,111,714</u>	<u>92,408,028</u>	<u>99,369,885</u>
<b>(b) Movements in ordinary share capital</b>				
<b>31 December 2017</b>		<b>Number of shares</b>	<b>Application price</b>	<b>\$</b>
Opening balance at 1 July 2017		92,408,028		99,369,885
Options exercised for \$1.10 per share	(c)	<u>8,856,208</u>	\$1.10	<u>9,741,829</u>
<b>Closing balance</b>		<u><b>101,264,236</b></u>		<u><b>109,111,714</b></u>
<b>30 June 2017</b>		<b>Number of shares</b>	<b>Application price</b>	<b>\$</b>
Opening balance at 1 July 2016		90,995,515		97,816,121
Options exercised for \$1.10 per share	(c)	<u>1,412,513</u>	\$1.10	<u>1,553,764</u>
<b>Closing balance</b>		<u><b>92,408,028</b></u>		<u><b>99,369,885</b></u>

**(c) Shares issued on options exercised**

The Company's loyalty options, vested on 16 June 2016, and were quoted on ASX and traded from 16 December 2015 (ASX: AEGO). The Loyalty Options were exercisable at \$1.10 and expired on 16 November 2017.

During the period ended 31 December 2017, 8,856,208 ordinary shares of the Company were issued on the exercise of options. 65,295,482 of the Company's options have expired unexercised.

	31 December 2017 \$	30 June 2017 \$
<b>6 Profits reserve and retained earnings</b>		
<b>(a) Profits reserve</b>	<u><b>4,384,697</b></u>	<u>5,270,628</u>
<b>Movements:</b>		
Opening balance	5,270,628	2,974,210
Dividends paid	(2,531,606)	-
Transfer of profits during the period	<u>1,645,675</u>	<u>2,296,418</u>
Balance as at the end of the period	<u><b>4,384,697</b></u>	<u>5,270,628</u>
<b>(b) Accumulated losses</b>	<u><b>(271,020)</b></u>	<u>(142,946)</u>
<b>Movements:</b>		
Opening balance	(142,946)	(1,387,344)
Profit for the period	1,517,601	3,540,816
Transfer of profits during the period	<u>(1,645,675)</u>	<u>(2,296,418)</u>
Balance as at the end of the period	<u><b>(271,020)</b></u>	<u>(142,946)</u>



**Absolute Equity Performance Fund Limited**  
**Notes to the Financial Statements**  
**For the half-year ended 31 December 2017 (continued)**

	<b>31 December 2017</b>	<b>31 December 2016</b>
	<b>\$</b>	<b>\$</b>
<b>7 Earnings/ (loss) per share</b>		
Profit/ (Loss) after income tax used in the calculation of earnings per share	<u><b>1,517,601</b></u>	<u><b>(8,682,942)</b></u>
	<b>Cents</b>	<b>Cents</b>
<b>(a) Basic earnings/ (loss) per share</b>		
Basic earnings/ (loss) per share attributable to the ordinary equity holders of the Company	<u><b>1.60</b></u>	<u><b>(9.44)</b></u>
<b>(b) Weighted average number of shares used as denominator</b>	<b>No. of shares</b>	<b>No. of shares</b>
Weighted average number of ordinary shares used as the denominator in calculating basic earnings/ (loss) per share	<u><b>94,912,512</b></u>	<u><b>92,017,050</b></u>

As at the end of the period, there are no outstanding securities that are potentially dilutive in nature for the Company.

**8 Events occurring after the reporting period**

Since the end of the half-year, the Company has declared a fully franked interim dividend of 2.0 cents per share to be paid on 18 May 2018. The record date for entitlement of the interim dividend is 3 April 2018. The ex-dividend date is 29 March 2018.

Apart from the dividend declared, the Directors are not aware of any other events subsequent to period end that would materially affect the half-year financial report.

**9 Contingencies and commitments**

The Company had no material contingent liabilities or commitments as at 31 December 2017.

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**Directors' Declaration**

In accordance with a resolution of the Directors of Absolute Equity Performance Fund Limited, the Directors of the Company declare that:

- (a) the financial statements and notes, as set out on pages 4 to 11 are in accordance with the *Corporations Act 2001* and:
  - (i) comply with Accounting Standard AASB 134 *Interim Financial Reporting*, the *Corporations Regulations 2001* and any other mandatory professional reporting requirements; and
  - (ii) give a true and fair view of the Company's financial position as at 31 December 2017 and of its performance for the period ended on that date.
- (b) In the Director's opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.



Marc Fisher  
Chairman

Sydney  
28 February 2018

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**Independent Auditor's Review Report  
To the Members of Absolute Equity Performance Fund Limited  
ABN: 17 608 552 496**

**Report on the Half-Year Financial Report**

We have reviewed the accompanying half-year financial report of Absolute Equity Performance Fund Limited ("the company"), which comprises the statement of financial position as at 31 December 2017, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a summary of significant accounting policies, other selected explanatory notes and the directors' declaration of the company.

**Directors' Responsibility for the Half-Year Financial Report**

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410: "*Review of a Financial Report Performed by the Independent Auditor of the Entity*", in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporation Act 2001* including: giving a true and fair view of the Company's financial position as at 31 December 2017 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: "*Interim Financial Reporting*" and the *Corporations Regulations 2001*. As the auditor of Absolute Equity Performance Fund Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of the half-year financial report consists of making enquiries, primarily of persons responsible for the financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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**Independent Auditor's Review Report  
To the Members Absolute Equity Performance Fund Limited  
ABN 17 608 552 496**

**Independence**

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

**Conclusion**

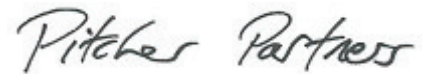
Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Absolute Equity Performance Fund Limited is not in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the company's financial position as at 31 December 2017 and of its performance for the half-year ended on that date; and
- (ii) complying with Accounting Standard AASB 134: *Interim Financial Reporting* and *Corporations Regulations 2001*.



SCOTT WHIDDETT  
Partner

28 February 2018



PITCHER PARTNERS  
Sydney