

## Absolute Equity Performance Fund Limited Monthly NTA and Performance Update

As at 30 April 2016

### Net Tangible Assets (NTA)

NTA before unrealised tax	1.001
NTA after tax	1.031

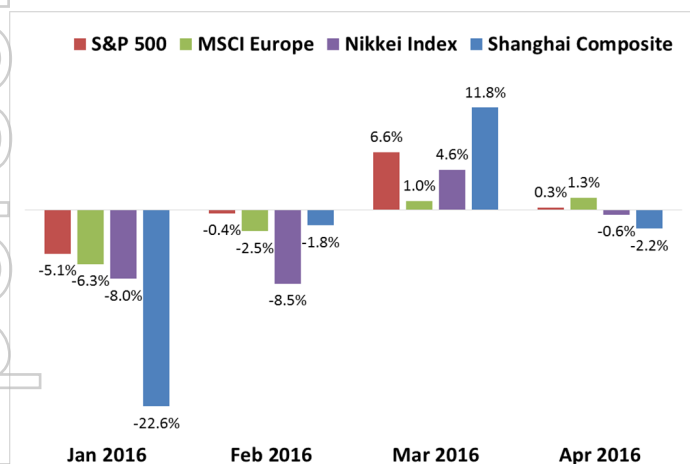
Not adjusted for the Loyalty Options outstanding

### Performance

The Company's portfolio underperformed during April leading to a return of -2.89%. The "risk-on" phase that began in February continued in April and affected returns, particularly for the short book. The month started well with two companies in the short book issuing meaningful earnings downgrades. However, returns were subsequently compromised across a handful of pairs within mainly the financials and energy sectors. Performance was also set back following a disappointing trading update from Qantas in which the company guided the market lower due to a recent softening in activity across both the international and domestic leisure businesses.

### Market Commentary

Share markets globally traded in a narrow range during April 2016, resulting in subdued returns and little change to performance over the calendar year to date (see table below). The US market, in particular, was held back following news of muted growth in consumer spending and a fall in consumer sentiment (in part reflecting rising concerns regarding the outcome of the presidential election). Meanwhile in Asia, markets reacted negatively late in the month to the Bank of Japan's decision to hold off on any further monetary policy stimulus despite growing unease that the recent strength in the yen is undermining Japan's export sector.



The Australian share market did better than offshore markets during April with a return of +3.3% (S&P/ASX 200 Index). Much of the rise reflected the continued rebound in the resources and energy sectors which rallied on the back of widespread gains across oil (+20%), bulks (iron ore +23%, metallurgical coal +14%), and metals (copper +4%, aluminium +11%, gold +5%). All other sectors posted modest rises, except the utilities sector (-0.5%) and consumer discretionary (-1.9%), with the latter spooked by murmurings of a weak start to winter apparel sales (April was unseasonably warm across most of Australia) and a Qantas traffic update noting a slowdown in domestic leisure travel.

Consistent with the strength seen in commodity prices, the Australian dollar was on track to further advance during the month. However, late in the month it sold off following weaker than expected consumer price data, in turn prompting markets to revisit the potential for the RBA to cut the cash rate at its 3 May meeting. The last official cash rate cut was in July 2015 (from 2.25% to 2.0%).

### NTA\* Performance

1 month	-2.89%
Since inception	-5.97%

\*Before unrealised tax

### Company Details

ASX code	AEG
Listing date	16 December 2015
Share price	1.170
NTA* per share	1.001
Market capitalisation (A\$)	106,363,636
Shares on issue	90,909,091

\*Before unrealised tax

### Portfolio Snapshot

Long exposure	Month End	49.4%
Short exposure	Month End	-50.6%
Net Market Exposure	Month End	-1.2%

### Most Profitable Pairs for the Month

Long	REA Group (REA)	Short	Nine Entertainment (NEC)
Long	Ramsay Health (RHC)	Short	Primary (PRY), Healthscope (HSO)
Long	ALS (ALQ)	Short	Orica (ORI)

### Least Profitable Pairs for the Month

Long	Qantas (QAN)	Short	Flight Centre (FLT)
Long	Resmed (RMD)	Short	Ansell (ANN)
Long	Aristocrat (ALL)	Short	Tabcorp (TAH)

### Contact Details

Company	Absolute Equity Performance Fund Limited (ACN 608 552 496)
Address	C/-ZG Advisors, Level 34, 360 Collins Street, Melbourne VIC 3000
Phone Number	03 8639 1291
Email	<a href="mailto:info@aepfund.com.au">info@aepfund.com.au</a>
Website	<a href="http://www.aepfund.com.au">www.aepfund.com.au</a>

# Absolute Equity Performance Fund Limited Monthly NTA and Performance Update

As at 30 April 2016

## Outlook

Our outlook for the share market is unchanged since last writing. Earnings growth is tepid and valuations have been pushed to high levels relative to historical averages. Based on Goldman Sachs' forecasts, the Industrials index is trading on a record multiple of 19 times earnings.

We expect the coming month to be eventful for the local market given the May Federal Budget, a variety of Annual General Meetings, and a large broker conference that often includes updates on trading conditions for many listed companies.

## Investment Objective

The Absolute Equity Performance Fund Limited aims to generate positive returns regardless of the overall equity market performance, through employing a 'market neutral' equity strategy.

## Investment Manager

Bennelong Long Short Equity Management Pty Ltd.

## Investment Team

Richard Fish	Senior Portfolio Manager
Sam Shepherd	Senior Portfolio Manager
Sam Taylor	Senior Analyst
Steven Lambeth	Senior Analyst

## Company Overview

The Company's portfolio of investments is managed by Bennelong Long Short Equity Management Pty Ltd, using the same market neutral investment strategy behind the award winning Bennelong Long Short Equity Fund.

## Directors

Marc Fisher (Chairman)  
Graham Hand  
Andrew Reeve-Parker

## Company Secretaries

Jeff Phillips  
Tai Phan



## Important Disclaimer

This monthly report has been prepared by Absolute Equity Performance Fund Limited with commentary provided by the Investment Manager Bennelong Long Short Equity Management Pty Ltd (ABN 63 118 724 173). This document has been prepared for the purpose of providing general information only, without taking account of any particular investor's objectives, financial situation or needs. It is not an offer or invitation for subscription or purchase, or a recommendation of any financial product and is not intended to be relied upon by investors in making an investment decision. This report does not take into account individual investors investment objectives, particular needs or financial situation. While every effort has been made to ensure the information in this report is accurate; its accuracy, reliability or completeness is not guaranteed. Past performance is not a reliable indicator of future performance.