



Absolute Equity Performance Fund Limited Monthly NTA and Performance Update

As at 30 June 2017

Net Tangible Assets (NTA)

NTA before tax	\$1.113
NTA after tax	\$1.117

Since the outstanding Loyalty Options have a \$1.10 strike, option exercises when the NTA is greater than \$1.10 will result in NTA dilution. \$ currency notation refers to Australian Dollars.

Performance

The Portfolio achieved a return of +1.15% for June, bringing the financial year return to +3.36%. Significant pairs for the month were long ALS Limited / short Aurizon and long Qantas / short Flight Centre. ALS Limited performed well following broker upgrades associated with the minerals division. Qantas had a strong month, continuing the rerating the company has experienced over the last six months.

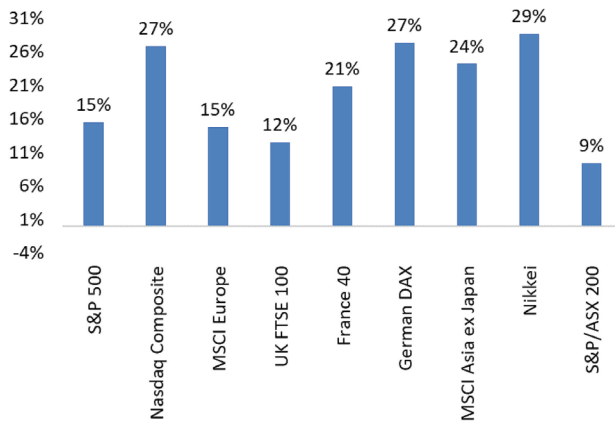
Financial year returns were defined by a poor first half and a strong second half. Performance in the six months to December 2016 was largely influenced by the market rotating out of higher multiple stocks and into lower multiple stocks. In the June 2017 half, share price performance has been dominated by company fundamental developments and the Company's investments overall experienced favourable fundamental news.

Market Commentary

World equity markets delivered mixed results in June 2017. European markets (MSCI Europe Index -2.69%) sold off sharply in late June on the back of central banker comments on the possible end of easy monetary policy whereas US markets (S&P 500 Index +0.5%) continued to rally. Australia (S&P/ASX200) finished flat for June (-0.05%).

Equity markets delivered strong returns over the 2016/2017 financial year although Australia lagged global markets. Looking at sector returns in Australia, Financials, REITs and Telcos were a drag on performance relative to global equities.

Share Price Index Returns - 12 Months to 30 June 2017



Source: Bloomberg

NTA* Performance

1 month	1.15%
3 months	10.04%
12 months	3.36%
Since inception (annualised)	2.83%

*Before tax. 'Since inception (annualised)' is annualised NTA performance since listing at \$1.065 after listing related expenses

Company Details

ASX codes	Shares: AEG , Options: AEGO
Listing date	16 December 2015
Share price	\$1.125
NTA* per share	\$1.113
Market capitalisation	\$103,959,032
Shares on issue	92,408,028
Options on issue	70,515,907
Option expiry date	16 November 2017

*Before tax

Portfolio Snapshot

Long exposure	Month End	51.0%
Short exposure	Month End	-49.0%
Net market exposure	Month End	2.0%

Most Profitable Pairs for the Month

Long	ALS Limited (ALQ)	Short	Aurizon (AZJ)
Long	Qantas Airways (QAN)	Short	Flight Centre (FLT)

Least Profitable Pair for the Month

Long	Brambles (BXB)	Short	Amcor (AMC)
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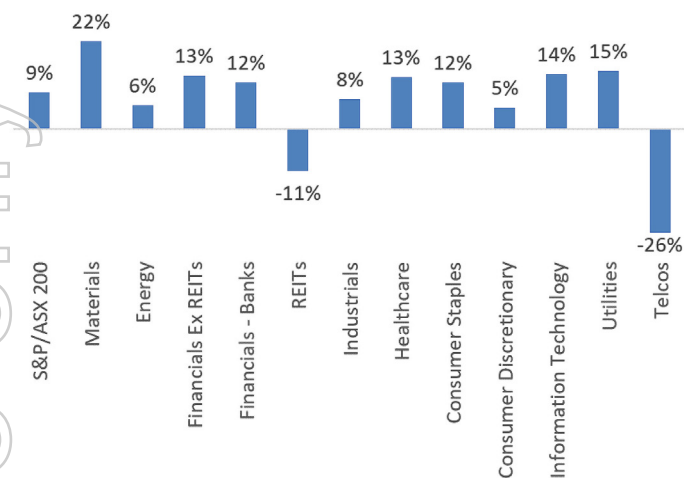
Contact Details

Company	Absolute Equity Performance Fund Limited (ACN 608 552 496)
Address	Level 12, Grosvenor Place, 225 George St, Sydney, NSW 2000
Phone Number	03 8639 1291
Email	info@aepfund.com.au
Website	www.aepfund.com.au

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As at 30 June 2017

S&P/ASX 200 Sector Returns - Year to 30 June 2017

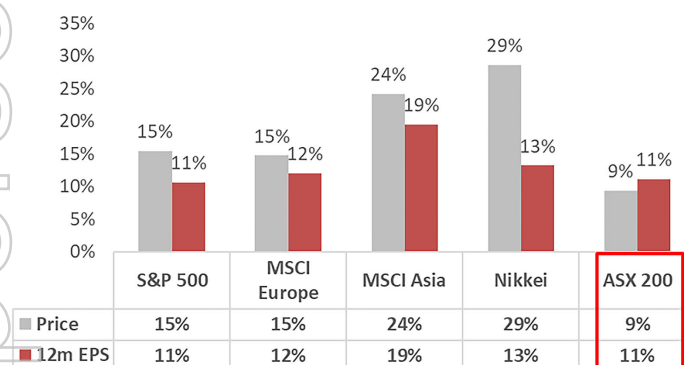


Source: Bloomberg

Outlook

The following chart of share market returns shows price changes (grey bars) versus earnings changes (red bars). The year to 30 June 2017 was of reasonable quality to the extent price gains occurred alongside growth in earnings. However, price gains did outpace earnings (the exception being Australia), meaning market valuations have further increased and remain at levels well above historical averages (see further chart). We are apprehensive about current share prices, noting growing impetus for further policy rate normalisation and the beginning of central bank balance sheet unwind.

Share Market Returns - Year to 30 June 2017



Source: Bloomberg

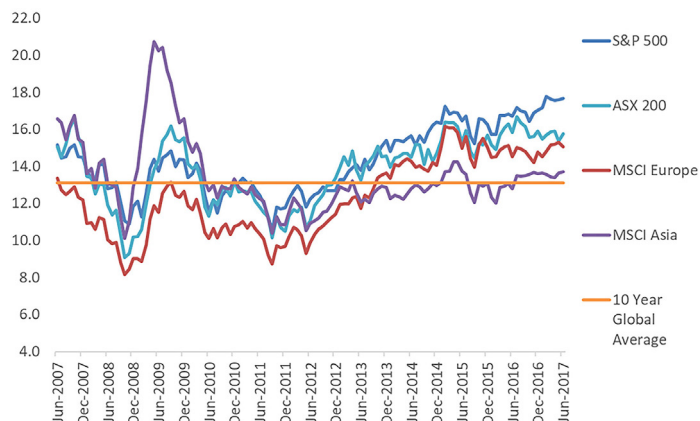
Second chart illustrated top of right column.

Monthly Table of NTA* Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2017	4.91%	2.06%	0.17%	5.83%	2.80%	1.15%							18.02%
2016	-0.23%	2.28%	-7.20%	-2.89%	8.53%	-0.92%	1.38%	-5.90%	-1.06%	-1.73%	-2.32%	-3.31%	-13.39%
2015	-	-	-	-	-	-	-	-	-	-	-	2.25%	2.25%

*Before tax. NTA performance since listing at \$1.065 after listing related expenses. Past performance is not a reliable indicator of future performance.

World Share Market P/E Ratios



Source: Bloomberg

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

Sam Shepherd	Portfolio Manager
Sam Taylor	Head of Research
Steven Lambeth	Senior Analyst
Justin Hay	Senior Analyst
Daniel Sanelli	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
Tharun Kuppanda



Important Disclaimer

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