

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

As at 30 April 2018

### Net Tangible Assets Per Share (NTA)

|                             |         |
|-----------------------------|---------|
| NTA before tax ex-dividend* | \$1.131 |
| NTA before tax pre-dividend | \$1.151 |
| NTA after tax ex-dividend   | \$1.123 |

\*This is after the deduction of a 2.0 cent per share dividend which Shareholders on the Company's register as of 3 April 2018 are entitled to. This dividend is payable on 18 May 2018. \$ currency notation refers to Australian

### Portfolio Performance

The Portfolio returned 1.98% in April 2018 driven by a wide range of 'pair' trades from all sectors in the Portfolio. A number of our best pairs benefited from positive contributions from both the short and long exposures. However, with the backdrop of a strong Australian equity market, the overall performance of the short portfolio was a feature of the Company's positive return.

Only two pairs made a significant negative contribution. Our weakest pair was long Woolworths / short Metcash with Metcash stronger on expectations of a less competitive supermarket environment. The other notable losing pair was long Ramsay / short Healthscope / short Primary Health with Healthscope receiving a takeover approach. Our smaller Healthscope position size somewhat reflected M&A risk, which moderated the adverse impact of the bid.

### Market Observations

World share markets steadied and in some areas recovered during April following losses in the prior three months of calendar 2018. US markets were flat for the month (S&P 500 Index +0.3%) as a strong March quarter earnings season was overshadowed by further evidence of rising inflation fuelling higher bond yields. This also caused a firming up in the odds of the US Federal Reserve carrying out its expected rate hikes.

In Europe, markets bounced back strongly with the UK +6.4% (FTSE 100 Index), France +6.8% (CAC 40 Index) and Germany +4.3% (DAX Index). Asia was mixed with Japan +4.7% (Nikkei Index) but China down -2.7% (Shanghai Composite Index). The Australian sharemarket did well to bounce +3.9% (S&P/ASX 200 Index) given the influence of the Hayne Royal Commission on the financials sector (which represents about 35% of the market). All sectors gained for the month with the strongest contributions from Energy (+10.7%), Materials (+7.4%) and Healthcare (+7.2%) driven by higher commodity prices and a lower A\$/US\$.

### NTA\* Performance

|                              |        |
|------------------------------|--------|
| 1 month                      | 1.98%  |
| 3 months                     | 2.60%  |
| 12 months                    | 10.02% |
| Since inception (annualised) | 4.25%  |

\*Before tax. These calculations are unaudited and intended to illustrate the performance of the investment portfolio minus corporate expenses. They are calculated including dividends. 'Since inception (annualised)' is annualised NTA performance since listing at \$1.065 after listing related expenses

### Company Details

|                       |                  |
|-----------------------|------------------|
| ASX code              | AEG              |
| Listing date          | 16 December 2015 |
| Share price           | \$1.070          |
| NTA* per share        | \$1.131          |
| Shares on issue       | 101,264,236      |
| NTA*                  | \$114,486,705    |
| Market capitalisation | \$108,352,733    |

\*Before tax, ex-dividend

### Portfolio Snapshot

|                                 |                 |               |
|---------------------------------|-----------------|---------------|
| Long exposure                   | Month End       | 50.6%         |
| Short exposure                  | Month End       | -49.4%        |
| Net market exposure             | Month End       | 1.2%          |
| Gross market exposure*          | Month End       | \$542,863,848 |
| Leverage factor (x NTA)         | Month End       | 4.7           |
| Average leverage factor (x NTA) | Since Inception | 4.7           |

\*Sum of long and short positions in the portfolio.

### Most Profitable Pairs for the Month

|      |                       |       |                  |
|------|-----------------------|-------|------------------|
| Long | Aristocrat (ALL)      | Short | Tabcorp (TAH)    |
| Long | Origin Energy (ORG)   | Short | AGL Energy (AGL) |
| Long | Janus Henderson (JHG) | Short | IOOF (IFL)       |

### Least Profitable Pairs for the Month

|      |                          |       |                                   |
|------|--------------------------|-------|-----------------------------------|
| Long | Woolworths (WOW)         | Short | Metcash (MTS)                     |
| Long | Ramsay Health Care (RHC) | Short | Primary (PRY) / Healthscope (HSO) |

### Contact Details

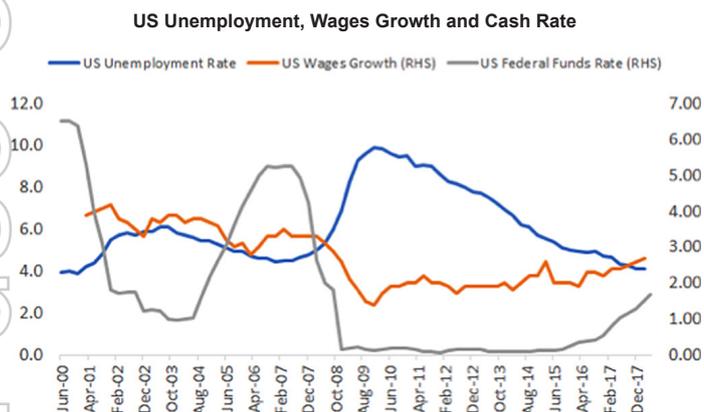
|              |  |
|--------------|--|
| Company      | Absolute Equity Performance Fund Limited (ACN 608 552 496)   |
| Address      | Level 12, Grosvenor Place, 225 George St, Sydney, NSW 2000   |
| Phone Number | 02 8016 2875   |
| Email        | <a href="mailto:info@aepfund.com.au">info@aepfund.com.au</a> |
| Website      | <a href="http://www.aepfund.com.au">www.aepfund.com.au</a>   |

# Absolute Equity Performance Fund Limited Monthly NTA and Performance Update

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## Market Observations *continued*

With the unemployment rate in the US now at its lowest level in almost 20 years, US wages growth has begun to trend higher, now at +2.7% on year ago. Higher wages go hand in hand with consumer inflation, in turn prompting the US Federal Reserve to normalise its interest rate settings, as shown in the chart below.



## 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 (Chair)  
Graham Hand  
Andrew Reeve-Parker

## Company Secretaries

Jeff Phillips  
Tharun Kuppanda

## Monthly Table of NTA\* Performance

|             | Jan    | Feb    | Mar    | Apr    | May   | Jun    | Jul    | Aug    | Sep    | Oct    | Nov    | Dec    | YTD            |
|-------------|--------|--------|--------|--------|-------|--------|--------|--------|--------|--------|--------|--------|----------------|
| <b>2018</b> | 1.27%  | -0.15% | 0.76%  | 1.98%  |       |        |        |        |        |        |        |        | <b>3.90%</b>   |
| <b>2017</b> | 4.91%  | 2.06%  | 0.17%  | 5.83%  | 2.80% | 1.15%  | -1.28% | -6.62% | 3.61%  | 5.26%  | -1.58% | 2.93%  | <b>20.19%</b>  |
| <b>2016</b> | -0.23% | 2.28%  | -7.20% | -2.89% | 8.53% | -0.92% | 1.38%  | -5.90% | -1.06% | -1.73% | -2.32% | -3.31% | <b>-13.39%</b> |

\*Before tax. These calculations are unaudited and intended to illustrate the performance of the investment portfolio minus corporate expenses. They are calculated on a pre-dividend NTA basis. 'Since inception (annualised)' is annualised NTA performance since listing at \$1.065 after listing related expenses



## Important Disclaimer

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