

Absolute Equity Performance Fund Limited Monthly NTA and Performance Update

As at 28 February 2018

Net Tangible Assets Per Share (NTA)

NTA before tax	\$1.120
NTA after tax	\$1.122

\$ currency notation refers to Australian Dollars.

Portfolio Performance

During a month notable for a step up in volatility of the market, the Portfolio was stable and delivered a return of -0.15% for the month. The long portfolio performed slightly better than the market (the S&P/ASX200 Index fell -0.4%) with a return close to zero, while the short portfolio created a small drag on returns.

The Portfolio experienced a favourable hit rate of company results in the February 2018 reporting season across both the long and short portfolio, which was not reflected in the return.

The favourable performance from our most profitable pair, long Aristocrat / short Tabcorp, was due to a weak result from Tabcorp. Our weakest pair was long Carsales / short Computershare with both stocks down; Carsales due to profit-taking after a strong run and Computershare due to a stronger result and associated earnings upgrades.

Market Observations

Markets received a shot across the bow early in the month with higher US wage inflation inflaming fear regarding the path of unwinding accommodative monetary policy settings. Most major indices sold off -5% to -10% over the first week of the month before then recovering and then falling again toward month end. The US market fell -3.9% (S&P 500 Index), Europe fell -4.1% (MSCI Europe Index), Japan fell -4.5% (Nikkei Index) and the rest of Asia fell -5.0% (MSCI Asia ex Japan).

Accompanying the correction in share prices was a significant spike in volatility, as measured by the Chicago Volatility Index or VIX, from record low levels, as shown below. The long term US government bond yields rose to their highest levels since early 2014.

NTA* Performance

1 month	-0.15%
3 months	4.08%
12 months	13.51%
Since inception (annualised)	3.32%

*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

Company Details

ASX code	AEG
Listing date	16 December 2015
Share price	\$1.070
NTA* per share	\$1.120
Shares on issue	101,264,236
Net Tangible Assets*	\$113,424,855
Market capitalisation	\$108,352,733

*Before tax

Portfolio Snapshot

Long exposure	Month End	50.9%
Short exposure	Month End	-49.1%
Net market exposure	Month End	1.8%
Gross market exposure*	Month End	\$552,903,960

*Sum of long and short positions in the portfolio. Equates to a leverage factor of approximately 4.8x Net Tangible Assets before tax

Most Profitable Pairs for the Month

Long	Aristocrat (ALL)	Short	Tabcorp (TAH)
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Least Profitable Pairs for the Month

Long	Carsales (CAR)	Short	Computershare (CPU)
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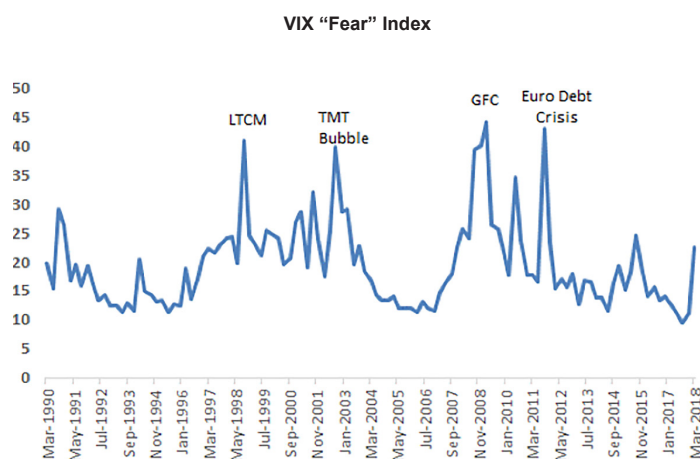
Contact Details

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Market Observations *continued*



Source: Bloomberg

The Australian share market fared better than offshore markets although still finished down (S&P/ASX 200 Index -0.4%). Sector performances in Australia varied significantly across the market. The Energy sector fell -4.6% in sympathy with a fall in price of crude oil, while the Health Care sector rallied +7.0% thanks to a rise in index heavy-weight CSL and other companies benefiting from the weaker AUD versus the USD.

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
2018	1.27%	-0.15%											1.12%
2017	4.91%	2.06%	0.17%	5.83%	2.80%	1.15%	-1.28%	-6.62%	3.61%	5.26%	-1.58%	2.93%	20.19%
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%

*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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