

Absolute Equity Performance Fund Limited Monthly NTA and Performance Update

As at 31 March 2018

Net Tangible Assets Per Share (NTA)

NTA before tax ex-dividend*	\$1.108
NTA before tax pre-dividend	\$1.128
NTA after tax ex-dividend	\$1.108

*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 2 May 2018. \$ currency notation refers to Australian Dollars.

Portfolio Performance

The Portfolio delivered a steady performance over March 2018 with a return of +0.76%. In a weak share market, the positive return came predominantly from the short portfolio's contribution. However, the long portfolio also outperformed the market with several positions defying the market trend and closing higher. Portfolio performance broadly reflected trends set by the reporting season.

In terms of pairs, the strongest contribution came from long Macquarie Bank / short Bendigo and Adelaide Bank with the latter weak following a soft interim result and the commencement of the Royal Commission into financial services. Long ALS Limited / short Aurizon also contributed strongly with Aurizon weighed down by concerns over the regulatory outlook for the rail network business. On the negative side, long Crown / short SkyCity was the weakest pair with SkyCity up modestly in a declining market. Contribution from negative pairs was minimal.

Market Observations

World share markets continued to run into profit taking and a risk reassessment during the month, fuelled partly by global trade tensions. Most markets saw declines of -2% to -4% (US S&P 500 Index -2.7%, MSCI Europe -2.4%, Japan Nikkei Index -4.1%, MSCI Asia ex Japan -1.8%), and when combined with the sell-off in February, now means all the major offshore indices are negative over the calendar year to date. In Australia, despite having significantly lagged the strength in offshore markets over January (as well as longer periods), the market still declined a heavy -4.3% in March (S&P/ASX 200 Index) and -5.0% for the quarter, its worst three-month start to a calendar year in a decade. The weakness in the local market during the month was broad-based with all sectors down except listed property which closed flat.

NTA* Performance

1 month	0.76%
3 months	1.89%
12 months	14.18%
Since inception (annualised)	3.54%

*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	\$1.060
NTA* per share	\$1.108
Shares on issue	101,264,236
NTA*	\$112,200,773
Market capitalisation	\$107,340,090

*Before tax, ex-dividend

Portfolio Snapshot

Long exposure	Month End	51.0%
Short exposure	Month End	-49.0%
Net market exposure	Month End	2.0%
Gross market exposure*	Month End	\$521,493,668
Leverage factor (x NTA)	Month End	4.6
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	Macquarie (MQG)	Short	Bendigo Bank (BEN)
Long	ALS Limited (ALQ)	Short	Aurizon (AZJ)

Least Profitable Pair for the Month

Long	Crown (CWN)	Short	SkyCity (SKC)
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Contact Details

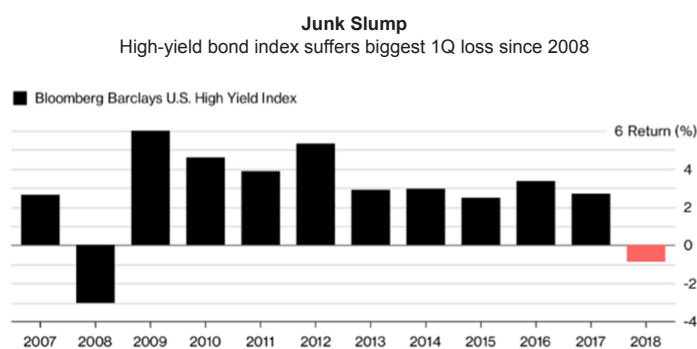
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Market Observations *continued*

Markets are taking a different attitude to risk as conditions change, most notably the end of loose monetary policy settings and heightened geopolitical tensions. The chart below shows that the US high yield bond market had its worst first quarter total return (yield plus capital gain) since the GFC.



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%	0.76%										1.89%
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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