

Absolute Equity Performance Fund Limited Monthly NTA and Performance Update

As at 31 May 2018

Net Tangible Assets Per Share (NTA)

NTA before tax	\$1.185
NTA after tax	\$1.161

\$ currency notation refers to Australian Dollars.

Portfolio Performance

During May 2018, the Portfolio produced a positive profit contribution from both the long and short books, with the majority of pairs positive. It was an eventful month of fundamental news flow with company profit results and earnings guidance updates affecting the Portfolio. Consistent with the February result season, the Portfolio experienced a positive skew of fundamental news with an even spread of upgrades to the long portfolio and downgrades to the short portfolio. Our strongest pair for the month was long Woolworths / short Metcash due to Metcash downgrading guidance and announcing the loss of a key customer in their supermarkets division. Long Aristocrat / short Tabcorp also did well driven by an outstanding interim result from Aristocrat. Long Link / short ASX was our weakest pair with Link affected by the Federal Budget proposal to close inactive and low balance superannuation accounts.

Market Observations

Share markets delivered mixed returns for May. US markets made a strong start to the month supported by better-than-expected first-quarter earnings results, but then hit profit-taking as geopolitical and China trade tensions resurfaced. European and Asian share markets similarly started the month well but subsequently sold-off on concerns around US trade relations and turmoil in Italian politics that triggered a significant sell-off in bonds. The ASX managed a small overall rise in which gains from the Health Care, Materials and Consumer sectors overcame continued weakness in Financials and Telecommunication Services. The chart overleaf shows the relative performance of each of these sectors over the calendar year to date.

Share Markets	S&P 500 Index	MSCI Europe Index	Nikkei Index	MSCI ex Japan Index	S&P ASX 200 Index
Jan 2018	5.6%	1.6%	1.5%	7.5%	-0.5%
Feb 2018	-3.9%	-4.1%	-4.5%	-5.0%	-0.4%
Mar 2018	-2.7%	-2.4%	-2.8%	-1.6%	-4.3%
Apr 2018	0.3%	4.0%	4.7%	0.6%	3.9%
May 2018	2.2%	-0.6%	-1.2%	-1.6%	0.5%
CYTD	1.2%	-1.7%	-2.5%	-0.6%	-0.9%

Source: Bloomberg

NTA* Performance

1 month	4.75%
3 months	7.64%
12 months	12.11%
Since inception (annualised)	6.06%

*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	\$1.095
NTA* per share	\$1.185
Dividend yield† (fully franked)	4.11%
Shares on issue	101,264,236
NTA*	\$119,970,445

*Before tax, ex-dividend.

†Dividends paid over the past 12 months divided by share price stated above.

Portfolio Snapshot

Long exposure	Month End	51.6%
Short exposure	Month End	-48.4%
Net market exposure	Month End	3.2%
Gross market exposure*	Month End	\$544,413,655
Leverage factor (x NTA)	Month End	4.5
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	Woolworths (WOW)	Short	Metcash (MTS)
Long	Aristocrat (ALL)	Short	Tabcorp (TAH)
Long	Challenger (CGF)	Short	AMP (AMP) / ANZ Bank (ANZ)

Least Profitable Pair for the Month

Long	Link Administration (LNK)	Short	ASX (ASX)
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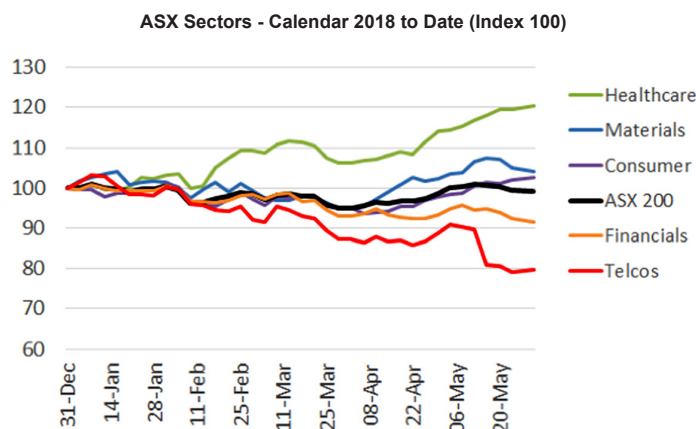
Contact Details

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Market Observations *continued*



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 (Chair)
Graham Hand
Andrew Reeve-Parker

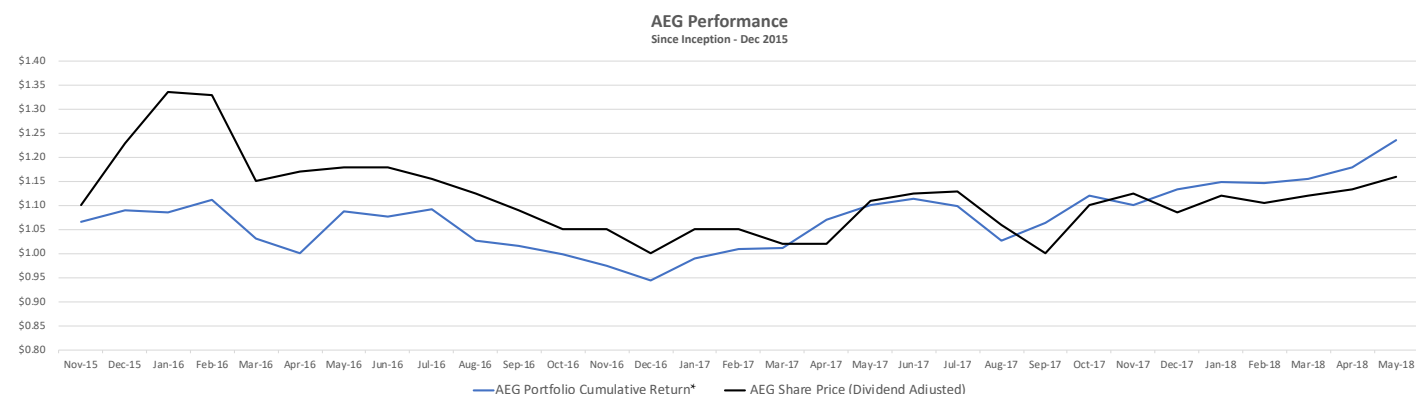
Company Secretaries

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%	1.98%	4.75%								8.84%
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.



*These calculations are unaudited. 'AEG Portfolio Cumulative Return' is intended to illustrate the performance of the investment portfolio net of corporate expenses and manager fees, and including the hypothetical reinvestment of dividends.



Important Disclaimer

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