

Absolute Equity Performance Fund Limited Monthly NTA and Performance Update

As at 30 November 2019

Net Tangible Assets Per Share

NTA before tax	\$1.155
NTA after tax	\$1.128

\$ currency notation refers to Australian Dollars.

Portfolio Performance

Portfolio performance for the month was 2.88%. The number of positive and negative pairs was equal, however none of the negative pairs made a significant return. The dominant sector contribution was Industrials, with Healthcare a distant second.

Our top pair was ALS (ALQ) / Aurizon (AZJ). ALS reported their September half result with the highlight improved and above forecast margins in the Life Sciences division. Our second-best pair was Qantas (QAN) / Flight Centre (FLT), with Qantas disclosing bullish long-term financial targets in their investor day presentation. Third best was Macquarie (MQG) / Bendigo Bank (BEN) with Macquarie reporting their September half result which was slightly ahead of estimates.

Market Observations

Share markets remained buoyant over the month as recent monetary policy stimulus looks here to stay given mixed economic data and continued lacklustre consumer price inflation globally. Technology shares were strongest over the month, as evidenced by the US Nasdaq index rising almost 5%. Technology shares also featured strongly in Australia with the sector up +11% and helping the overall market gain despite the drag of the banking sector which fell mid single digits owing to poor earnings momentum, reduced dividends, and heightened governance concerns.

To be clear, the under-performance of the banking sector is far from a new trend. As shown in the below chart, since mid 2017 the S&P/ASX 200 Financials Index (made up mainly of the 4 major banks) has treaded water to be 20% behind the broader S&P/ASX 200 Index. For the Financials index to have not increased is to say that capital losses from the banks have wiped out return from dividends. Such an outcome is a reminder of the importance for the investor to frame the appeal of any stock in a total return context comprising capital growth and yield, rather than just yield.

NTA* Performance

1 month	2.88%
3 months	12.25%
12 months	14.65%
Since inception (annualised)	5.16%

*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	\$1.050
NTA* per share	\$1.155
Dividend yield [†]	5.71%
Grossed up dividend yield [†]	8.16%
Shares on issue	97,662,067
NTA*	\$112,827,251

* Before tax. [†]Dividends paid over the past 12 months, divided by the share price stated above. Includes a Special Dividend of 1.5c paid on October 11 2019. This yield was fully franked at a rate of 30%.

Portfolio Snapshot

Long exposure	Month End	50.8%
Short exposure	Month End	-49.2%
Net market exposure	Month End	1.6%
Gross market exposure*	Month End	\$519,702,833
Leverage factor (x NTA)	Month End	4.6
Average leverage factor (x NTA)	Since Inception	4.6

* Sum of long and short positions in the Portfolio

Most Profitable Pairs for the Month

Long	ALS (ALQ)	Short	Aurizon (AZJ)
Long	Qantas Airways (QAN)	Short	Flight Centre (FLT)
Long	Macquarie (MQG)	Short	Bendigo Bank (BEN)

Contact Details

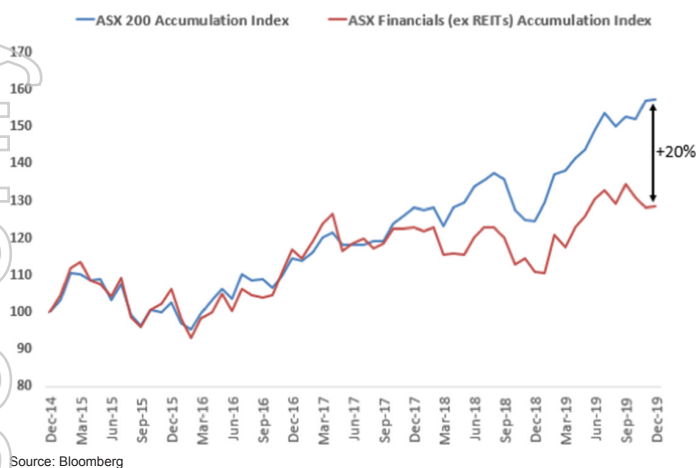
Company	Absolute Equity Performance Fund Limited (ACN 608 552 496)
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Email	info@aepfund.com.au
Website	www.aepfund.com.au

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S&P/ASX 200 vs S&P/ASX 200 Financials (2015 to Today)



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)
 Andrew Reeve-Parker
 Raymond Da Silva Rosa

Company Secretaries

Jeff Phillips
 Lisa Dadswell

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

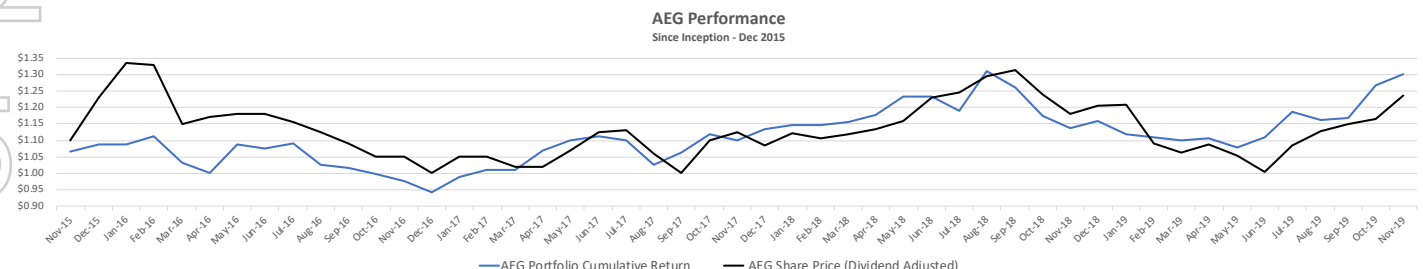
Bennelong Long Short Equity Management Pty Ltd.

Investment Team

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

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2019	-3.51%	-0.84%	-0.90%	0.52%	-2.53%	3.04%	6.99%	-2.29%	0.56%	8.50%	2.88%		12.34%
2018	1.27%	-0.15%	0.76%	1.98%	4.75%	0.08%	-3.67	10.22%	-3.87%	-6.90%	-3.16%	2.05%	2.29%
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%
2015	-	-	-	-	-	-	-	-	-	-	-	2.25%	2.25%

*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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