

Absolute Equity Performance Fund Limited Monthly NTA and Performance Update

As at 30 November 2017

Net Tangible Assets (NTA)

NTA before tax ex-dividend*	\$1.076
NTA before tax pre-dividend	\$1.101
NTA after tax ex-dividend	\$1.096

*This is after the deduction of a 2.5 cent per share dividend which Shareholders on the Company's register as of 23 November 2017 are entitled to. This dividend is payable on 6 December 2017. \$ currency notation refers to Australian Dollars.

Performance

The Portfolio returned -1.58% in November 2017. While performance reflected an even spread of positive vs negative pairs, our top contributors did not overcome our worse pair performers. These poorer results came from:

- Long Seek / short News Corp / short Nine Entertainment, driven largely by a solid quarterly profit result from News Corp
- Long ALS / short Aurizon, following a slightly soft first-half earnings result from ALS Limited
- Long Aristocrat / short Tabcorp, driven mainly by a sell-off in Aristocrat following its full year result and announcement of a large acquisition in the on-line gaming market

The most notable positive pair was long Origin / short Caltex / short AGL Energy, with Origin buoyed by a higher oil price and further cost reductions at its APLNG project.

Market Commentary

Share markets were mixed during November. While the US market managed yet another solid gain of +2.8% (S&P 500 Index), the UK market was down (FTSE 100 Index -2.2%). The rest of Europe (MSCI Europe Index -2.2%) was also down, with all the major bourses selling off over the first two weeks, then tracking sideways. Asia witnessed gains in Japan (Nikkei Index +3.2%) and Hong Kong (Hang Seng Index +3.3%) whereas China (Shanghai Composite Index -2.2%) and Korea (Korea 200 Index -2.5%) declined.

The Australian share market managed a rise of +1.0% (ASX/S&P 200 Index) despite a notable sell-off across the banks and a fall in Telstra. Most of the rest of the market was solid with A-REITs (that is, listed property trusts) and Utilities helped by a rally in government bonds as the 10-year yield fell from 2.67% to 2.50%. The Energy sector rallied on a firmer oil price (crude oil +6%) and corporate activity, and various other companies with offshore earnings exposure received a boost from a weaker Australian dollar, which was down -1% vs the US dollar and -3% vs the Euro and Pound.

As 2017 draws to a close, share markets have had a good year with some indices up over 20% (e.g. Nasdaq, Nikkei). Such gains, however, are a pittance when measured against the gains seen in cryptocurrencies. Bitcoin, the most prominent digital currency (among hundreds of others), was originally priced at 1 cent (US) in 2010. At the time of writing, 1 bitcoin is worth US\$11,500. During 2017, Bitcoin has risen 12-fold. By comparison, it has taken the S&P 500 Index a little over 30 years to achieve an equivalent 12-fold increase.

NTA* Performance

1 month	-1.58%
3 months	7.32%
12 months	12.91%
Since inception (annualised)	1.69%

*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	\$1.080
NTA* per share	\$1.076
Market capitalisation	\$109,365,375
Shares on Issue	101,264,236

*Before tax ex-dividend

Portfolio Snapshot

Long exposure	Month End	50.3%
Short exposure	Month End	-49.7%
Net market exposure	Month End	0.6%

Most Profitable Pair for the Month

Long	Origin Energy (ORG)	Short	Caltex (CTX) / AGL Energy (AGL)
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Least Profitable Pairs for the Month

Long	Seek (SEK)	Short	News Corp (NWS) / Nine Entertainment (NEC)
Long	ALS (ALQ)	Short	Aurizon (AZJ)
Long	Aristocrat Leisure (ALL)	Short	Tabcorp (TAH)

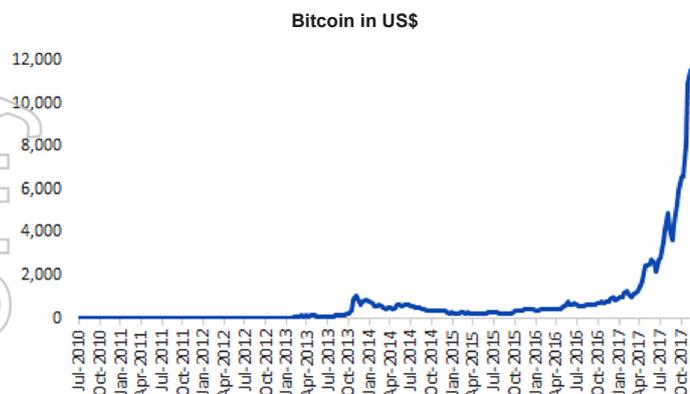
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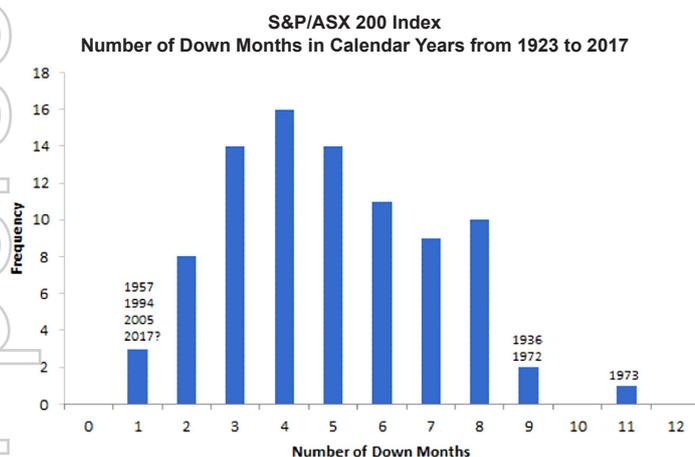
As at 30 November 2017

Market Commentary *continued*



As we approach the end of 2017, the S&P 500 has gained every month from start to finish, except in March when the Index declined -0.04%. As shown in the below chart, this is a very rare occurrence. Specifically, in only three calendar years of the entire history of the S&P 500 Index since 1923 has the Index featured just one of the calendar months closing below its opening value, with the other eleven months closing higher. These years were 1957, 1994 and 2005.

At the other end of the spectrum have been years such as 1973 in which the S&P 500 declined every month of the year except one (October +16.3%). Most commonly, the Index in any calendar year will experience at least three and up to six months in which there is a month of decline, which simply means the market exhibits short-term volatility. The Index this year steadily increasing each sequential month is consistent with other data showing a lack of volatility in the overall market, such as measured by the VIX Index.



Monthly Table of NTA* Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2017	4.91%	2.06%	0.17%	5.83%	2.80%	1.15%	-1.28%	-6.62%	3.61%	5.26%	-1.58%		16.77%
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. *Since inception (annualised) is annualised NTA performance since listing at \$1.065 after listing related expenses



Important Disclaimer

This monthly report has been prepared by Absolute Equity Performance Fund Limited with commentary provided by the Investment Manager, Bennelong Long Short Equity Management Pty Ltd (ABN 63 118 724 173). This document has been prepared for the purpose of providing general information only. It is not an offer or invitation for subscription or purchase, or a recommendation of any financial product and is not intended to be relied upon by investors in making an investment decision. This report does not take into account individual investors' investment objectives, particular needs or financial situation. While every effort has been made to ensure the information in this report is accurate, its accuracy, reliability or completeness is not guaranteed. Past performance is not a reliable indicator of future performance.

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