

Absolute Equity Performance Fund Limited Monthly NTA and Performance Update

As at 30 April 2020

Net Tangible Assets Per Share

NTA before tax	\$1.209
NTA after tax	\$1.155

\$ currency notation refers to Australian Dollars.

Performance Commentary

Portfolio performance was +1.21% for April. Contribution from the top and bottom pairs was equal with overall positive performance an outcome of two thirds of portfolio pairs being profitable.

Our top pair was long WOW / short MTS, TWE. Metcash was the key contributor following a capital raising and a somewhat soft trading update. Long ORG / short AGL bounced following a weak prior month for the pair which reflected Origin's oil exposure though APLNG.

Our weakest pair was long MQG / short BEN, APT. Macquarie bounced along with the market but was more than offset by Afterpay which released a trading update which indicated that thus far they have not been negatively impacted by the current environment. Long LNK / short CPU was our next worst pair. Computershare downgraded guidance again however this time the outcome was not quite as weak as feared, and the stock bounced following an extended period of weakness.

Market Observations

Share markets managed a recovery during April with most markets posting gains in the single digits but closer to 20% from the lows seen on 23 March. The USA was an exception with both the S&P 500 and Nasdaq up 30% off their lows and up 13% and 15% respectively for the month. Australia had a solid bounce of 9% for the month and would have been much stronger had it not been for the heavyweight banking sector which closed flat as the majors reported soft earnings, increased bad debt provisioning, a capital raising, and regulatory headwinds. Following the bounce in April, while no market is ahead of its level 31 January levels (an arbitrary date to nominate as pre-COVID), some markets are close such as the Nasdaq Composite (-3%), Shanghai Composite (-4%), and Korea Stock Exchange (-8%).

The bounce in equity markets during April seemingly reflected the effect of further liquidity and stimulus measures rather than favourable developments regarding the expected impact of coronavirus on economies and financial markets. This could be seen with safe-haven assets such as gold and government bonds not being sold off and instead rising further, as well as oil failing to recover and oil futures on one trading day closed negative for the first time in history.

Returning to Australia, there were a number of capital raisings over the month bringing the total raised since the outbreak of coronavirus to almost \$18bn. Capital raising to strengthen the balance sheet can lead to a share price rerating as the share price immediately prior to the capital raising can be depressed due to financial distress. Below we show the change in share price pre and post capital raise, indicating that rerate has only been 50/50 so far.

NTA* Performance

1 month	1.21%
3 months	-2.09%
12 months	25.95%
Since inception (annualised)	6.25%

* 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	\$1.165
NTA* per share	\$1.209
Dividend yield [†]	5.58%
Grossed up dividend yield [†]	7.97%
Shares on issue	94,238,305
NTA*	\$113,968,445

* 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%.

Most Profitable Pairs for the Month

Long	Woolworths (WOW)	Short	Metcash (MTS) / Treasury Wine (TWE)
Long	Origin Energy (ORG)	Short	AGL Energy (AGL)

Least Profitable Pair for the Month

Long	Macquarie (MQG)	Short	Bendigo Bank (BEN) / Afterpay (APT)
Long	Link Administration (LNK)	Short	Computershare (CPU)

Portfolio Snapshot¹

Long exposure	Month End	49.4%
Short exposure	Month End	-50.6%
Net market exposure	Month End	-1.2%
Gross market exposure*	Month End	\$563,957,380
Leverage factor (x NTA)	Month End	4.9
Average leverage factor (x NTA)	Since Inception	4.6

¹ Pre-dividend. * Sum of long and short positions in the Portfolio

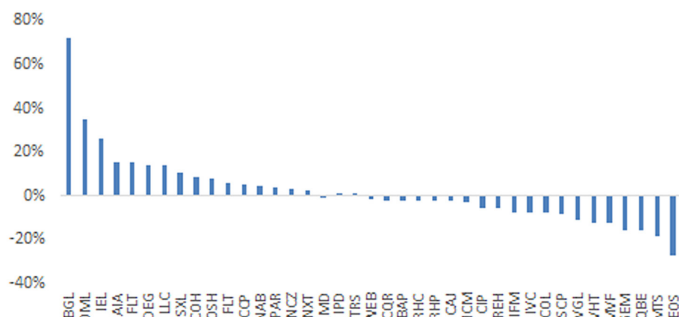
Contact Details

Company	Absolute Equity Performance Fund Limited (ACN 608 552 496)
Address	Level 12, Grosvenor Place, 225 George St, Sydney, NSW 2000
Phone Number	02 8016 2819
Email	info@aepfund.com.au
Website	www.aepfund.com.au

Absolute Equity Performance Fund Limited Monthly NTA and Performance Update

As at 30 April 2020

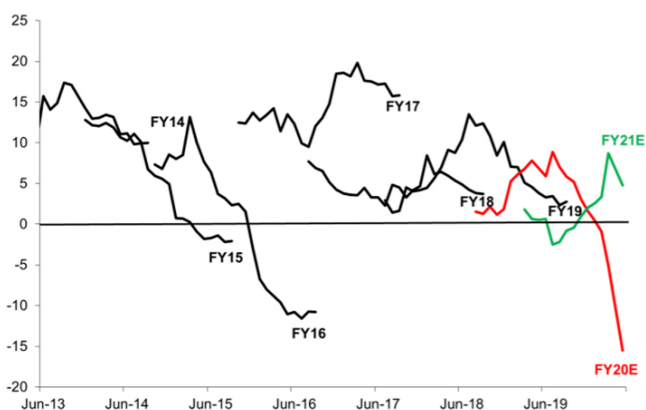
Share Price Return Post Capital Raising



Source: Bloomberg

Finally, the below chart was published by Macquarie post month end showing the extent of earnings declines being forecast across the market for fiscal 2020. Growth forecasts for FY21 are also shown (green line) and remain positive, but given the decline in FY20 starting point implies a lower absolute level of FY21 earnings than was being forecast pre-virus.

Australian Market EPSg Profile (%)

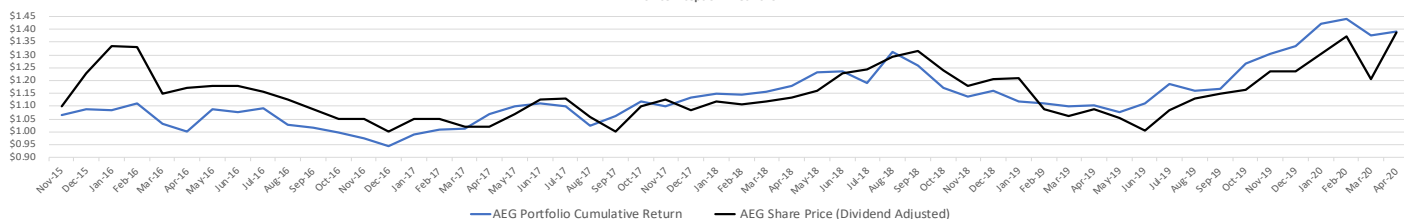


Source: Macquarie

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2020	6.68%	1.23%	-4.44%	1.21%									4.45%
2019	-3.51%	-0.84%	-0.90%	0.52%	-2.53%	3.04%	6.99%	-2.29%	0.56%	8.50%	2.88%	2.31%	14.94%
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.

AEG Performance Since Inception - Dec 2015



*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.

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



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.

