

## Absolute Equity Performance Fund Limited Monthly NTA and Performance Update

As at 30 November 2021

### NTA Per Share and Share Price

|                |         |
|----------------|---------|
| NTA before tax | \$1.144 |
| NTA after tax  | \$1.135 |
| Share price    | \$1.040 |

\$ currency notation refers to Australian Dollars.

### Performance Commentary

The Portfolio returned -1.31% for November. November is a busy month for the Portfolio with a number of our companies having September year ends, and many others providing trading updates with AGMs. Even with the amount of fundamental news returns of our top and bottom pairs were modest and balanced. There was no sector influence on performance.

Our top pair was GMG/SGP. Goodman Group provided a strong trading update and upgraded guidance. Stockland held a strategy day which didn't seem to provide much inspiration for shareholders. Both stocks made a positive contribution.

JHX/CSR was our second-best pair. More of the same with James Hardie reporting a strong result; with volumes, price and mix all excellent. CSR reported a reasonable result, in line with expectations.

PBH/SKC was our bottom pair. Pointsbet was one of only nine operators awarded a licence to operate in New York, which will be one of the largest sports betting states. However Pointsbet was still weak, in keeping with other companies exposed to US sports betting, following a very competitive start to the NFL season which has crimped financial returns for all participants.

### Market Observations

For global equity markets in November, the most notable development came in the last few trading days, with the emergence of a new Covid strain. The spread of the Omicron strain from Southern Africa and the reimposition of travel bans in many parts of the world saw enthusiasm for reopening trades deflate considerably, with tourism and leisure stocks notable underperformers. The energy complex was similarly weak, being led lower by the oil price on fears over demand for transport fuels. This followed oil already succumbing to weakness earlier in the month ahead of a key OPEC meeting in December where production quotas are expected to be increased, as well as the news that the US and China are releasing strategic stockpile reserves.

The breadth of the declines was notable with 70% of S&P 500 members closing the month in negative territory, which perhaps indicates a market that was stretched and struggling to set new highs. The MSCI World Index performance showed that the selloff occurred across the board and around the globe, with all subsectors trading down, with the exception of information technology, which tends to benefit from lockdowns and stay at home orders.

### NTA\* Performance

|                              |        |
|------------------------------|--------|
| 1 month                      | -1.31% |
| 3 months                     | -6.38% |
| 12 months                    | -9.12% |
| Since inception (annualised) | 4.74%  |

\*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 |
| Dividend yield <sup>†</sup>            | 5.00%            |
| Grossed up dividend yield <sup>†</sup> | 7.14%            |
| Shares on issue                        | 90,279,949       |
| NTA*                                   | \$103,310,450    |

\* Before tax. <sup>†</sup>Last two semi-annual dividends paid, divided by the share price stated above. This yield was fully franked at a rate of 30%.

### Most Profitable Pairs for the Month

|      |                    |       |                 |
|------|--------------------|-------|-----------------|
| Long | Goodman (GMG)      | Short | Stockland (SGP) |
| Long | James Hardie (JHX) | Short | CSR (CSR)       |

### Least Profitable Pair for the Month

|      |                       |       |                             |
|------|-----------------------|-------|-----------------------------|
| Long | PointsBet (PBH)       | Short | SkyCity Entertainment (SKC) |
| Long | Iluka Resources (ILU) | Short | Rio Tinto (RIO)             |

### Portfolio Snapshot

|                                 |                 |               |
|---------------------------------|-----------------|---------------|
| Long exposure                   | Month End       | 50.7%         |
| Short exposure                  | Month End       | -49.3%        |
| Net market exposure             | Month End       | +1.4%         |
| Gross market exposure*          | Month End       | \$433,897,196 |
| Leverage factor (x NTA)         | Month End       | 4.2           |
| Average leverage factor (x NTA) | Since Inception | 4.5           |

\* Sum of long and short positions in the Portfolio

### Contact Details

|              |  |
|--------------|--|
| Company      | Absolute Equity Performance Fund Limited (ACN 608 552 496)   |
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| Phone Number | 02 8016 2819   |
| Email        | <a href="mailto:info@aepfund.com.au">info@aepfund.com.au</a> |
| Website      | <a href="http://www.aepfund.com.au">www.aepfund.com.au</a>   |

# Absolute Equity Performance Fund Limited

## Monthly NTA and Performance Update

As at 30 November 2021

The ASX200 (-0.93%) fared a little better than the key global markets thanks to a strong materials sector. Key trading partner China moved to support growth and stabilise their property market, by signalling policy support in the form of looser financial conditions. This led to a partial recovery in the iron ore price. A key feature of the ASX200 in November was a very weak banking sector, notably CBA (-11%) and WBC (-20%), after FY21 earnings from the majors came in well below market expectations.

November key index performance:

| Index    | ASX200 | MSCI World | S&P 500 | FTSE 100 | DAX    | Nikkei 225 | CSI 300 |
|----------|--------|------------|---------|----------|--------|------------|---------|
| % Change | -0.93% | -2.3%      | -0.83%  | -2.46%   | -3.75% | -3.7%      | -1.56%  |

### 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.

### Company Secretary

Lisa Dadswell

### Directors

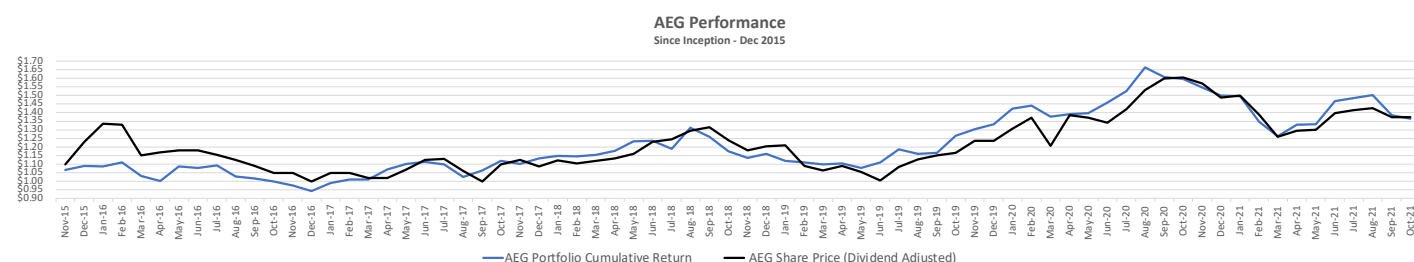
Marc Fisher (Chair)

Raymond Da Silva Rosa

Will Harrison

|      | Jan    | Feb     | Mar    | Apr    | May    | Jun    | Jul    | Aug    | Sep    | Oct    | Nov    | Dec    | YTD     |
|------|--------|---------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------|
| 2021 | -0.22% | -10.12% | -6.13% | 5.33%  | 0.13%  | 10.08% | 1.30%  | 1.09%  | -7.70% | 2.78%  | -1.31% |        | -6.29%  |
| 2020 | 6.68%  | 1.23%   | -4.44% | 1.21%  | 0.34%  | 4.31%  | 4.80%  | 8.83%  | -3.32% | -0.67% | -3.05% | -3.01% | 12.60%  |
| 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.



\*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

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.

