

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 [†]	5.00%
Grossed up dividend yield [†]	7.14%
Shares on issue	90,279,949
NTA*	\$103,310,450

* Before tax. [†]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

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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

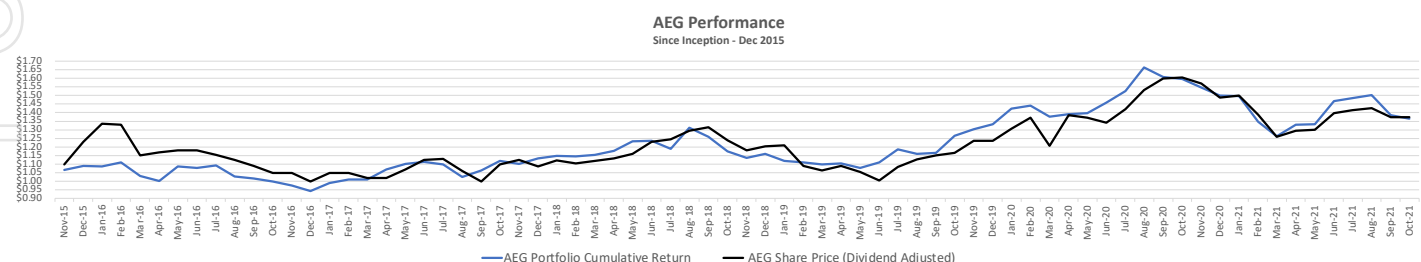
Marc Fisher (Chair)

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

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