

Absolute Equity Performance Fund Limited Monthly NTA and Performance Update

As at 30 April 2021

NTA Per Share and Share Price

NTA before tax	\$1.107
NTA after tax	\$1.104
Share price	\$1.000

\$ currency notation refers to Australian Dollars.

Performance Commentary

Performance was +5.33% for the month. In recent months a sharp step up in bond yields triggered a rally in the type of company we often include in our short portfolio. In April, bond yields steadied, the trend of rotation steadied and our performance improved. Whilst short term fund volatility has settled down considerably, we are running leverage slightly lower than normal, and have increased the number of pairs in the portfolio. We think there is a good chance market volatility will increase.

Two thirds of pairs were positive, with positive and negative pairs spread across a variety of sectors.

Our two most profitable pairs both performed well due to tailwinds of the current bullish commodity cycle. Both sides of our third best pair BSL/SGM announced a profit upgrade during the month. Our bottom pair JBH/SUL featured a sales update from JBH, but more influential on the share price was the surprise announcement that long serving CEO, Richard Murray has resigned to take on the CEO role at Premier.

Market Observations

April saw continued steady gains across the world's major share markets. US markets were strongest with gains of 5% and was noted as one of the broadest rally's on record with 95% of stocks rising (vs a typical month averaging 60-65%). European markets also rose albeit to a lesser extent following strong gains in February and March, while Asian markets lagged with Japan -1% and China flat. Locally our market was solid with a gain of +3.5% (ASX 200). Like offshore markets, gains were broad based (8 sectors up, 3 down).

Looking at performance so far in 2021, all the major markets are up, some into the teens (see column chart below), fuelled by recovering economic data and highly supportive policy settings. China is the only anomaly with its share market down slightly in 2021. In part this reflects the way China emerged from COVID last year earlier than the rest of the world and hence its share market priced in recovery earlier too. However, it also seems China shares have recently stumbled (see chart below) on fresh concerns over issues such as regulating internet companies and record levels of corporate bond defaults.

NTA* Performance

1 month	5.33%
3 months	-11.14%
12 months	-4.42%
Since inception (annualised)	4.20%

*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 [†]	5.20%
Grossed up dividend yield [†]	7.43%
Shares on issue	92,095,812
NTA*	\$101,932,387

* 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	Mineral Resources (MIN)	Short	BHP (BHP)
Long	ALS (ALQ)	Short	Aurizon (AZJ)
Long	BlueScope Steel (BSL)	Short	Sims (SGM)

Least Profitable Pairs for the Month

Long	JB Hi-Fi (JBH)	Short	Super Retail (SUL)
Long	TPG Telecom (TPG)	Short	Telstra (TLS)
Long	Ramsay Health Care (RHC)	Short	Medibank (MPL)

Portfolio Snapshot

Long exposure	Month End	51.5%
Short exposure	Month End	-48.5%
Net market exposure	Month End	+3.0%
Gross market exposure*	Month End	\$452,035,843
Leverage factor (x NTA)	Month End	4.4
Average leverage factor (x NTA)	Since Inception	4.6

* Sum of long and short positions in the Portfolio

Contact Details

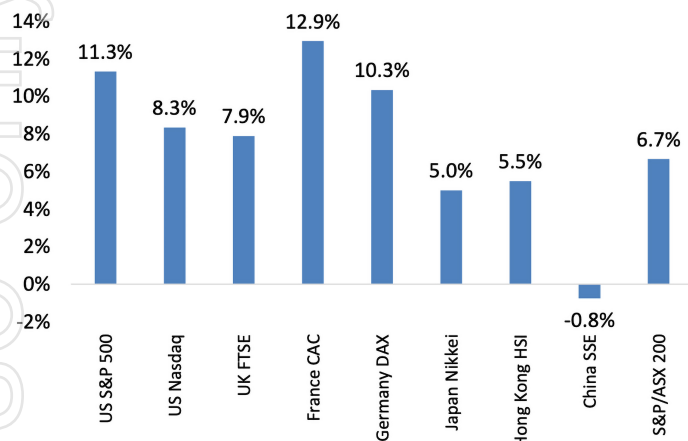
Company	Absolute Equity Performance Fund Limited (ACN 608 552 496)
Address	Level 12, Grosvenor Place, 225 George St, Sydney, NSW 2000
Phone Number	02 8016 2819
Email	info@aepfund.com.au
Website	www.aepfund.com.au

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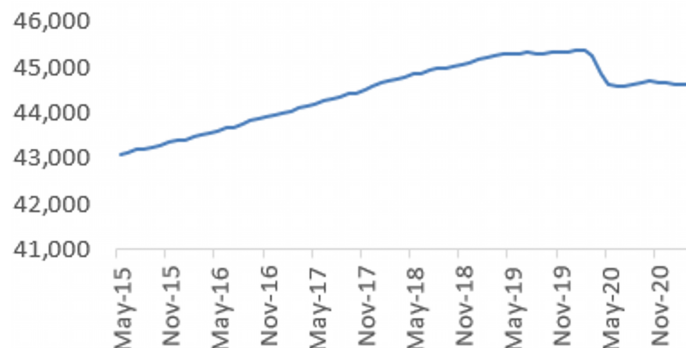
As at 30 April 2021

Share Price Index Returns - Calendar Year 2021



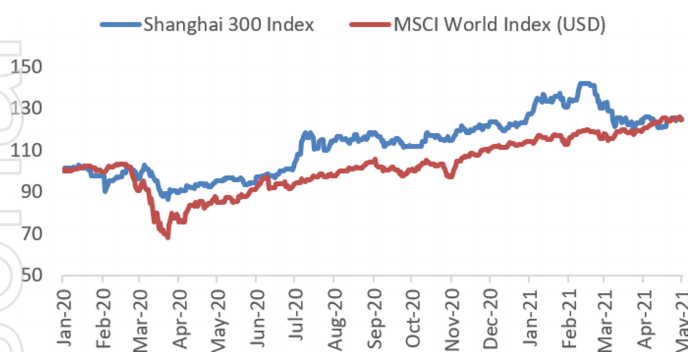
Source: Bloomberg

Employed Persons ('000s) - Germany



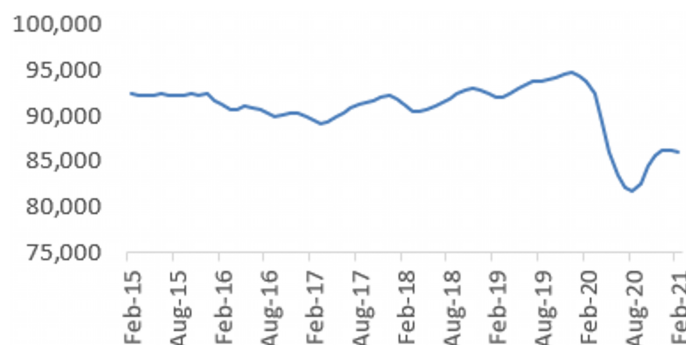
Source: Bloomberg

China vs MSCI World



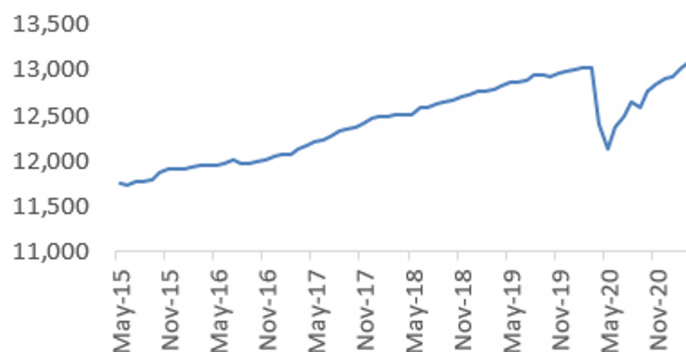
Source: Bloomberg

Employed Persons ('000s) - Brazil



Source: Bloomberg

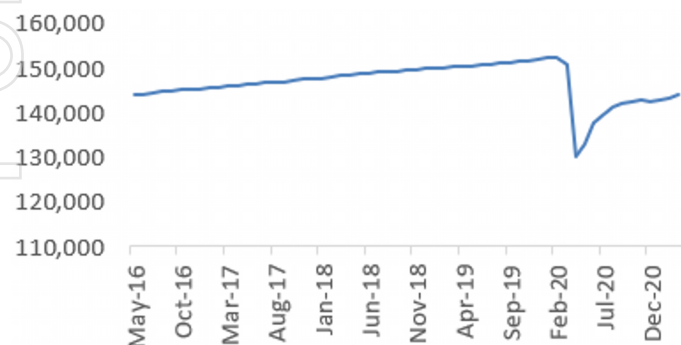
Employed Persons ('000s) - Australia



Source: Bloomberg

Commodity prices continued to rally over the month with a variety of soft (e.g. soy, corn) and hard (e.g. copper, silver) commodities now well north of their pre-COVID levels. Such escalation has added to concerns about the outlook for inflation. However, much as goods feature strongly in consumer price measures, so do services and hence the outlook for inflation also involves labour markets. As per the below chart, conditions vary markedly around the world with some countries (e.g. USA) still well below their pre COVID employment levels whereas others (e.g. Australia) are at or above.

Employed Persons ('000s) - USA



Source: Bloomberg

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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)
Andrew Reeve-Parker
Raymond Da Silva Rosa
Peter Lanham

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

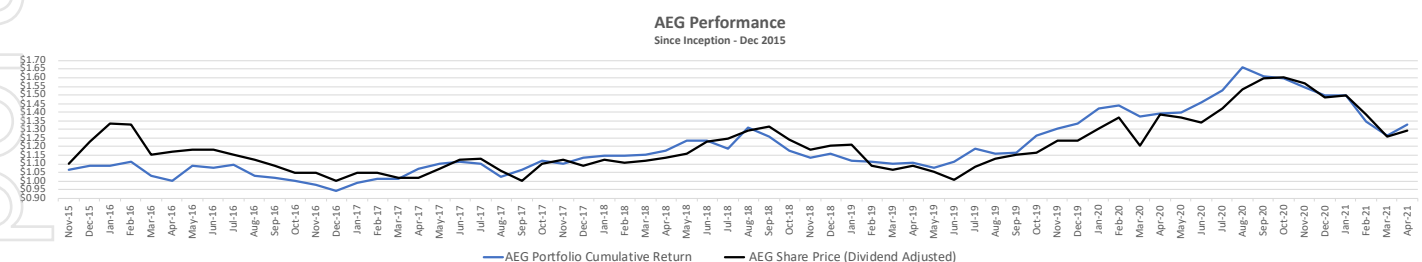
Bennelong Long Short Equity Management Pty Ltd.

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
2021	-0.22%	-10.12%	-6.13%	5.33%									-11.33%
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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