



Absolute Equity Performance Fund Limited Monthly NTA and Performance Update

As at 31 May 2021

NTA Per Share and Share Price

NTA before tax	\$1.108
NTA after tax	\$1.105
Share price	\$1.005

\$ currency notation refers to Australian Dollars.

Performance Commentary

Performance for May was +0.13%. Individual pair contribution was generally very modest, other than the positive pairs highlighted. The number of negative pairs exceeded positive pairs. Ongoing rotation into lower rated companies was a headwind for the fund, offset by some excellent company results.

ALQ/AZJ was our top pair with ALQ reporting a strong full year result. All segments are growing and the company has dealt with the difficult environment of the last year very well. The more volatile commodities division is experiencing very strong tailwinds with strong sample flow growth from booming minerals exploration.

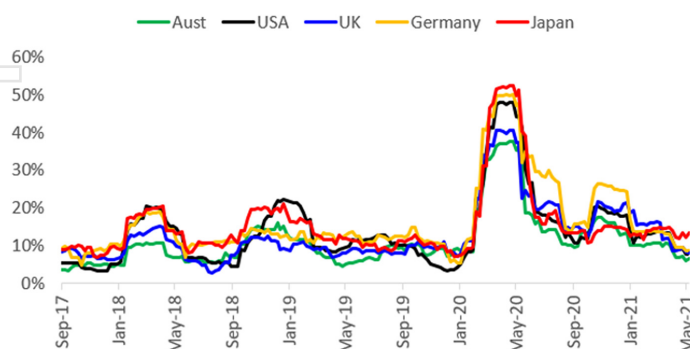
ALL/SGR was our second-best pair with Aristocrat reporting a strong result, well ahead of market forecasts. Aristocrat is enjoying the payoff from years of consistent and productive investment in both its land based and digital divisions.

Market Observations

World share markets maintained a steady course during May with all markets posting small positive gains and adding to the already solid gains achieved thus far in 2021. The only market of exception was the tech-laden US Nasdaq Index, down -1.5% over the month, but remains up comfortably year to date and supported by accelerated earnings growth in the wake of COVID (discussed below). Weakness in tech stocks also featured in our local market over the month, and to a larger degree, with the Information Technology sector down -10% vs a rise of +1.9% for the ASX 200 Index. Elsewhere, other than some softness in the Utilities and Energy sectors, all other sectors across the ASX 200 posted low single digit gains. Similar to recent months, commodity prices maintained their upward momentum, government bonds were steady, and the US dollar further softened against the Euro, Sterling and Yen.

The more settled tone of markets in recent months can be seen in the data. As per the below chart, there has been a notable easing in share market volatility toward pre-pandemic levels.

Annualised Weekly Share Market Volatility



NTA* Performance

1 month	0.13%
3 months	-1.01%
12 months	-4.62%
Since inception (annualised)	4.16%

*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 [†]	5.17%
Grossed up dividend yield [†]	7.39%
Shares on issue	92,095,812
NTA*	\$102,062,317

* 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	ALS (ALQ)	Short	Aurizon (AZJ)
Long	Aristocrat (ALL)	Short	Star Entertainment (SGR)

Portfolio Snapshot

Long exposure	Month End	51.2%
Short exposure	Month End	-48.8%
Net market exposure	Month End	+2.4%
Gross market exposure*	Month End	\$438,900,246
Leverage factor (x NTA)	Month End	4.3
Average leverage factor (x NTA)	Since Inception	4.6

* Sum of long and short positions in the Portfolio

Contact Details

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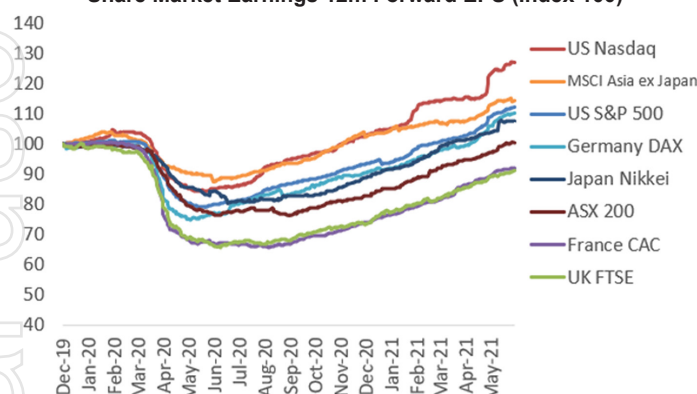
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Despite rising inflationary pressures bringing the prospect of tapering into view, share markets have continued to grind higher. In no small part does this reflect the grind higher of corporate earnings. The following chart plots the 12m forward earnings of eight share market indices over the period from December 2019 to today. As shown, 12m forward earnings are at or above their pre-COVID level for six markets, while two remain below (UK and France). The US Nasdaq Index is a standout market where earnings are up ~30%, a reflection upon many stocks within the index benefiting from the corollaries of COVID (e.g. buying goods on-line, work-from-home software, TV streaming services).

Share Market Earnings 12m Forward EPS (Index 100)



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)

Andrew Reeve-Parker

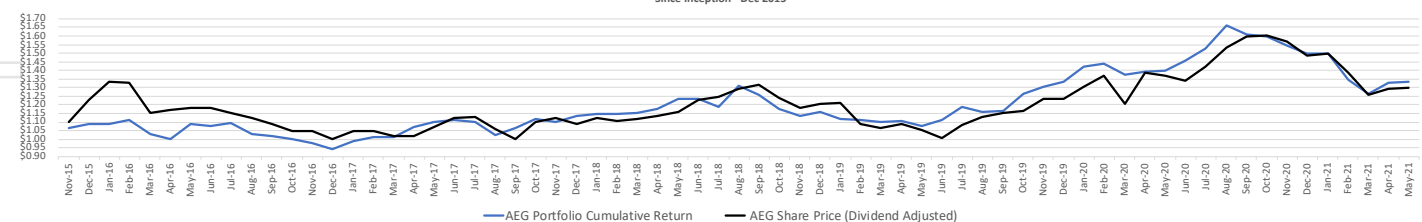
Raymond Da Silva Rosa

Peter Lanham

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2021	-0.22%	-10.12%	-6.13%	5.33%	0.13%								-11.22%
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.

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.



Important Disclaimer

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