



Absolute Equity Performance Fund Limited Monthly NTA and Performance Update

As at 31 August 2021

NTA Per Share and Share Price

NTA before tax	\$1.249
NTA after tax	\$1.216
Share price	\$1.130

\$ currency notation refers to Australian Dollars.

Performance Commentary

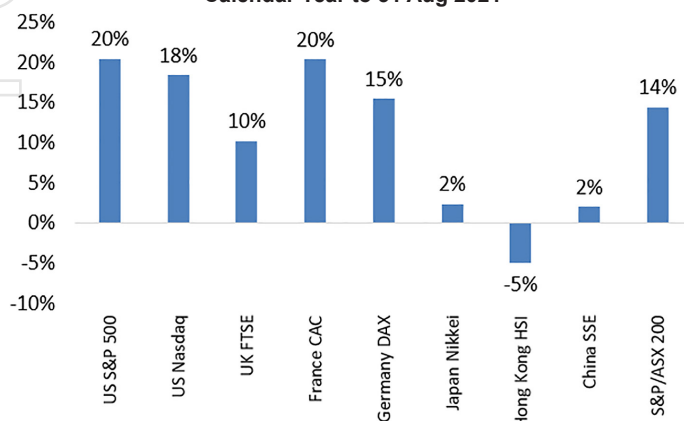
Performance was 1.09% for the month. Overall we were pleased with financial results for those portfolio companies which reported June year end results.

RMD/ANN was our top pair with both sides contributing. The main focus of the ResMed result was management comments regarding the significant opportunity to grow share as Philips deals with its product recall issues. Over the last 18 months Ansell has enjoyed a windfall from the COVID boom in glove use. The result indicated the best of that gain may have come and gone. JHX/CSR return was entirely due to JHX contribution. James Hardie delivered another exceptional result with strong top line growth and strong margins. CAR/NEC was also strong and has been a good contributor for the last few months, which is notable as it was our weakest pair late last year and early this year. Carsales had a solid result and Nine had a miss with higher content costs the culprit. We had anticipated that at some stage Nine would need to reinvest following a period of significant cost reduction last year. WOR/DOW was our only material negative pair with the contribution all Downer. Downer's result was as forecast, however the stock had underperformed the market leading into the announcement.

Market Observations

August was a solid month for equities. Dovish commentary from the world's largest central bank, the US Federal Reserve, was supportive for markets, as was continued earnings progress in the wake of COVID restricted activity. The US S&P 500 Index has now risen for 7 straight months which is uncommon. While Asia recovered this month, not all markets gained (Japan and China up but Hong Kong, Korea and Singapore down) and the region overall remains a notable laggard vs American and European share markets as shown in the below chart.

Share Price Index Returns
Calendar Year to 31 Aug 2021



Source: Bloomberg

NTA* Performance

1 month	1.09%
3 months	12.74%
12 months	-9.61%
Since inception (annualised)	6.16%

*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 [†]	4.60%
Grossed up dividend yield [†]	6.57%
Shares on issue	92,095,812
NTA*	\$115,062,906

* 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	ResMed (RMD)	Short	Ansell (ANN)
Long	James Hardie (JHX)	Short	CSR (CSR)
Long	Carsales (CAR)	Short	Nine Entertainment (NEC)

Least Profitable Pair for the Month

Long	Worley (WOR)	Short	Downer (DOW)
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Portfolio Snapshot

Long exposure	Month End	52.3%
Short exposure	Month End	-47.7%
Net market exposure	Month End	+4.6%
Gross market exposure*	Month End	\$481,269,898
Leverage factor (x NTA)	Month End	4.2
Average leverage factor (x NTA)	Since Inception	4.6

* Sum of long and short positions in the Portfolio

Contact Details

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Absolute Equity Performance Fund Limited

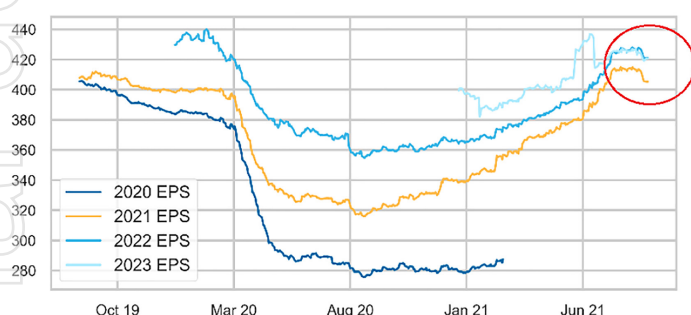
Monthly NTA and Performance Update

As at 31 August 2021

The Australian market fared well during August with the ASX 200 Index +1.9%. Gains were broad based with the Information Technology (+17%), Healthcare (+7%) and Staples (+7%) sectors strongest. The only sectors to decline were Materials (-8%) and Energy (-5%) driven by falls in iron ore and crude oil prices.

Earnings results reported during August were generally solid and dividends were a particular positive and reflects both solid balance sheet positions and catch-up from last year when many companies withheld dividends given heightened uncertainty. In terms of outlook, understandably many corporates with domestic businesses noted a soft start to fiscal 2022 given a majority of Australia's households and businesses are currently in a form of lock-down. While markets have good reason to look through this transitory period, it nonetheless is unhelpful for earnings momentum to have stalled at a time when the market is trading at record highs.

ASX 200 Earnings Per Share - 12m Forward



Source: Macquarie Research

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

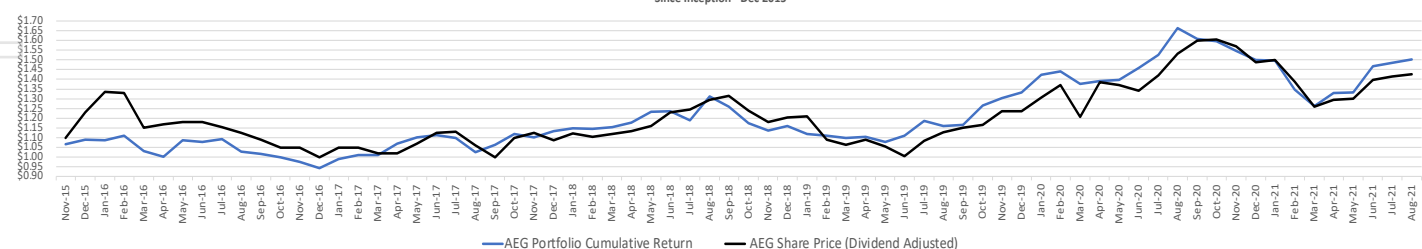
Directors

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%	10.08%	1.30%	1.09%					0.09%
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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