

COMMENTARY

The fund returned positive 3.82% for the month. Net exposure averaged 64% long, while gross averaged 138%.

Our Uranium theme was the largest contributor to fund performance over the period. When we invest in themes one of the keys we have found to generate asymmetric returns is managing drawdowns. In order to do this, we focus on key catalysts and events looming that may move our positions in particular themes. The Russian Suspension Agreement announcement by the United States Department of Commerce (DOC) is the next key catalyst we are watching within the Uranium theme. The Russian Suspension Agreement covers all forms of uranium, from natural uranium ore to bomb-grade, highly enriched uranium. It allowed Russian uranium to enter the United States pursuant to five different quota provisions, one of which was later replaced by an amendment in 1994. The Russian Suspension Agreement is due to expire in October. Many US utilities thought it might not be renewed and have forward order purchases with Russian sourced uranium much higher than 20% of their demand, with this being frontloaded. For example, one utility has 29% Russian sourced Uranium through to 2030 but mid 30% in the early years. Becoming a political debate - A bipartisan group of US Senators has called for the DOC to extend the Russian Suspension Agreement, as recommended by the Nuclear Fuel Working Group. Settling of Russian Suspension Agreement should see US utilities enter the contracting market. A resolution on this could well be a catalyst for US utilities to resume contracting which we believe is a key catalyst to lift the Uranium spot price. In our discussion with miners they are uninterested in engaging in forward contracts for anything below US\$40 /lb and the spot price is currently in the low US\$30's /lb.

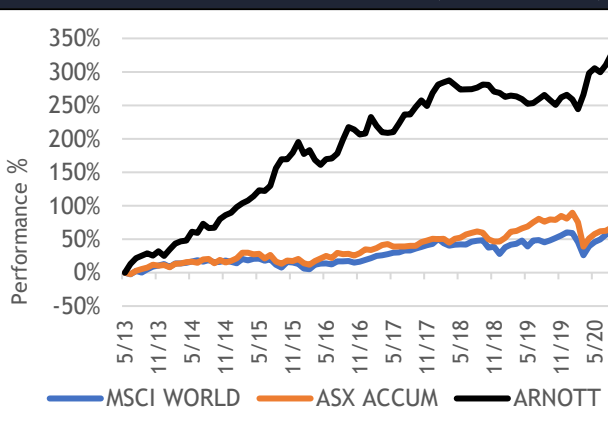
PERFORMANCE METRICS

	From May 2013	
	Arnott	MSCI
Annualised returns	22.15%	7.31%
% Positive months	65.52%	65.52%
Average monthly return	1.75%	0.66%
Avg return in MSCI up months	1.40%	2.73%
Avg return in MSCI down months	2.43%	-3.27%
Best month	13.07%	10.80%
Worst month	-6.09%	-13.47%
Largest drawdown	-11.61%	-21.44%
Longest drawdown (mths)	24	20
Sortino	3.97	0.67
Sharpe ratio	1.75	0.55

CORRELATION TO ASSETS (2013 to Current)

MSCI Index	-0.05
US Government Bond Index	-0.04
US\$ Gold	0.01
Bloomberg Commodities Index	-0.15

CUMULATIVE FUND PERFORMANCE (2013-current)



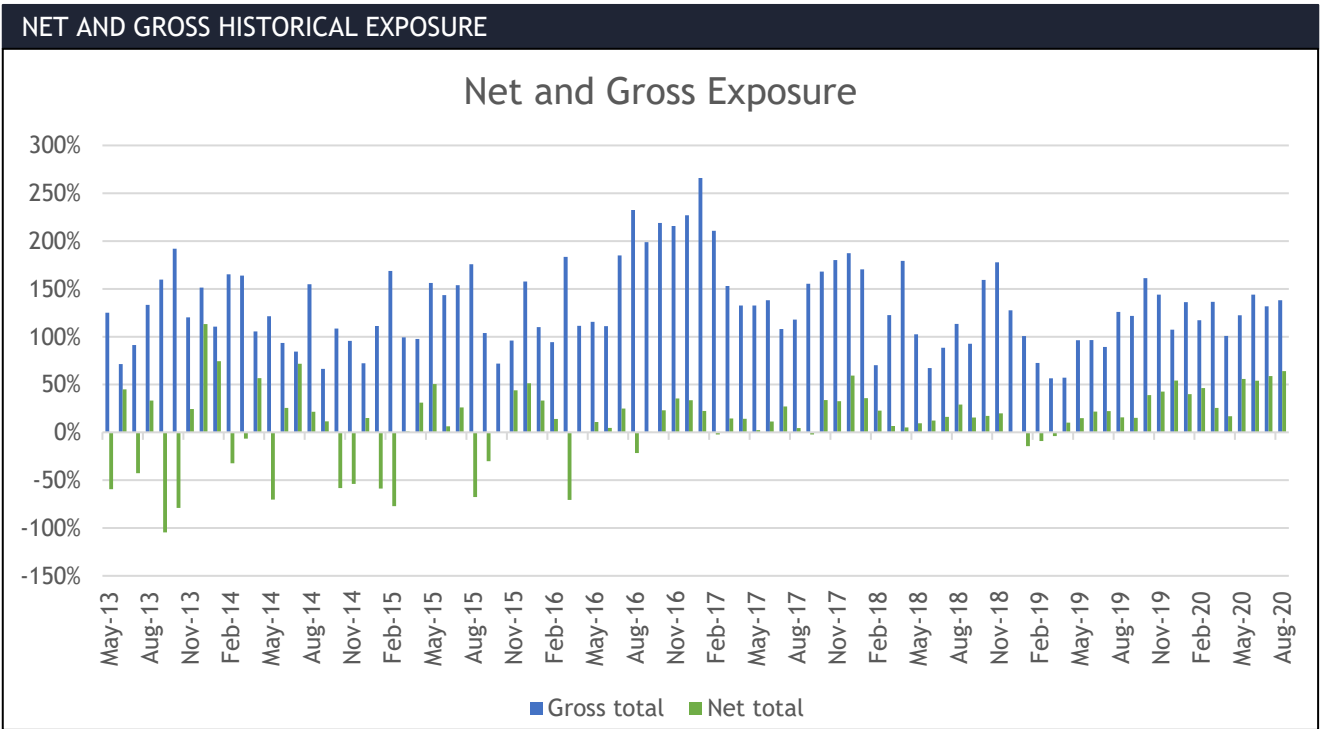
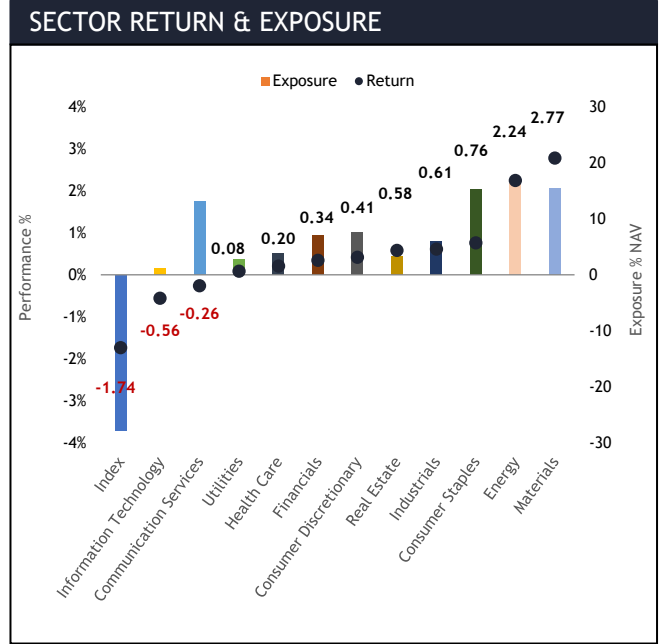
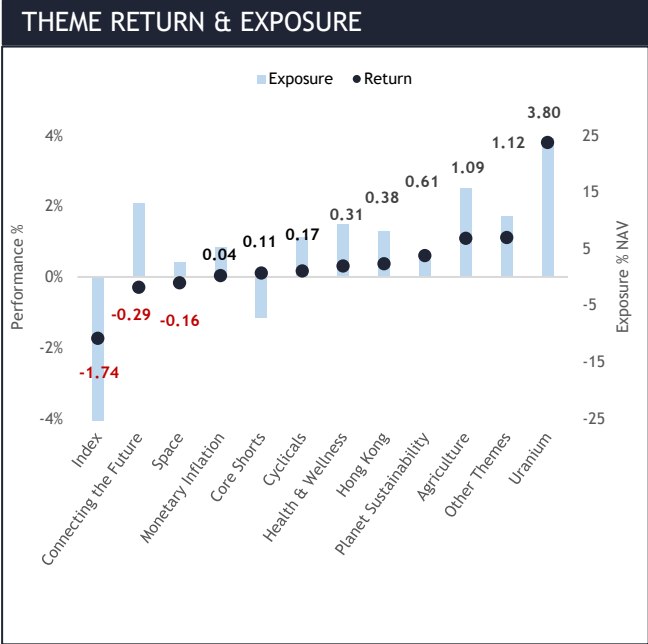
MONTHLY SUMMARY METRICS

NET RETURN	AV GROSS EXP	AV NET EXP
3.82%	138%	64%

STRATEGY HISTORICAL PERFORMANCE (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2013						13.07	7.63	2.97	2.82	-2.69	5.23	-5.25	25.00
2014	7.61	6.56	2.43	0.77	8.87	-0.93	8.46	-3.78	0.34	7.78	3.24	1.92	51.59
2015	4.46	2.88	1.99	3.19	4.12	-0.52	3.44	11.47	5.23	0.00	3.67	5.72	55.80
2016	-6.09	2.14	-5.17	-2.83	3.30	0.40	2.69	7.49	6.29	-1.15	-2.34	0.48	4.33
2017	7.99	-4.01	-2.94	-0.34	0.43	4.08	4.21	-0.02	3.37	2.79	-2.32	5.51	19.58
2018	3.47	0.88	0.72	-1.68	-1.86	0.09	0.03	0.66	1.24	-0.18	-2.61	-0.50	0.12
2019	-1.66	0.53	-0.30	-1.16	-1.90	0.29	1.70	1.72	-2.10	-2.04	3.20	1.05	-0.82
2020	-1.90	-4.03	6.32	8.76	1.82	-1.47	2.69	3.82					16.45

2013 - 2017 Data. Bondi Capital Investments Pty Ltd (managed account). Performance net of 0 & 25 fees. Currency AUD. Fund administered by Mainstream. Fund was not audited.
2018 - Current Data. Australian Unit trust. Performance net of 0 & 25 fees. Currency AUD. Fund administered by Mainstream. Fund audited by EY.



STRATEGY SUMMARY

Our Investment Approach:

1. Find asymmetric themes
2. Invest in the best stocks within those themes
3. Focus on macro drivers for risks and opportunities
4. To generate an asymmetric return profile

The strategy is global long/short equity with a variable delta bias. The portfolio will typically contain 40 to 70 positions. The fund focuses on identifying underinvested global investment themes through extensive macroeconomic research and then utilises a bottom up fundamental process to identify the highest quality securities within an investment theme to deliver Asymmetric returns for investors.

FUND INFORMATION			
BASE CURRENCY	AUD	ARNOTT CAPITAL PTY LTD	AFSL License 233743 ABN 23086081889
STRATEGY INCEPTION	1999	CIO KENNY ARNOTT	kma@arnott.com.au
MINIMUM SUBSCRIPTIONS	AUD \$100,000	CONTACT DETAILS	investor@arnott.com.au
WITHDRAWALS	Monthly	PRIME BROKER	Morgan Stanley
PERFORMANCE FEE	20%	FUND ADMINISTRATOR	Mainstream
MANAGEMENT FEE	1.5%	FUND AUDITOR	Ernst and Young
SUBSCRIPTIONS	Monthly	LEGAL ADVISORS	Ernst and Young

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