

## COMMENTARY

The fund returned negative 1.47% for the month. Net exposure averaged 54.03% long, while gross averaged 144.08%.

After three pretty hectic months, June was relatively quiet on the macro front. Our hedge book performance reflected the quiet markets. The hedge book is generally short equity index through futures and puts. This book was only a slightly negative performance contributor despite the fact it was around 30% short.

Our positions in “Gold” and “Health and Wellness” were positive contributors. “Connecting the Future” theme and “Uranium” were small detractors from performance.

Our large “Agriculture Theme” was a negative contributor to performance. This was despite positive news on the Australian wheat crop plantings. We continue to see this theme as a great asymmetric investment; however we may have to be patient for a payoff on this one. Not only is the Agriculture sector uncoupled from the traditional business cycle, it is not on investors radar currently. We remain long around 15%.

More detail on our theme exposure and performance is on the accompanying charts on page two.

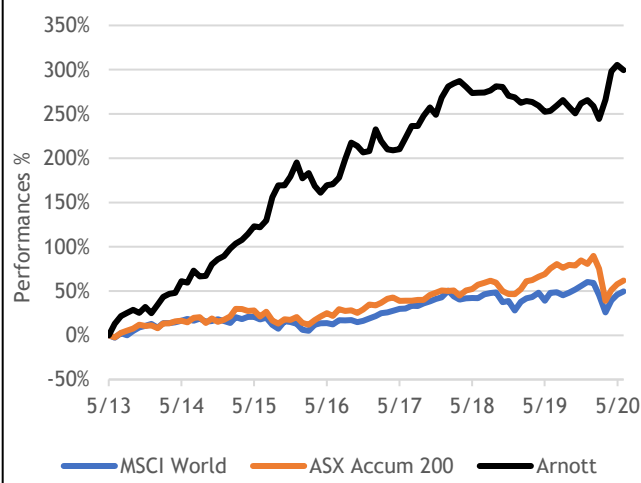
Best tweet of the day -

“My price target on Tesla is \$8,000. I arrived at this price target by taking the current price and multiplying it by 5.”

## PERFORMANCE METRICS

	From May 2013	
	Arnett	MSCI
Annualised returns	21.59%	5.85%
% Positive months	64.71%	63.86%
Average monthly return	1.71%	0.55%
Avg return in MSCI up months	1.33%	2.63%
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	3.69	0.61
Sharp ratio	1.53	0.50

## CUMULATIVE FUND PERFORMANCE (2013-current)



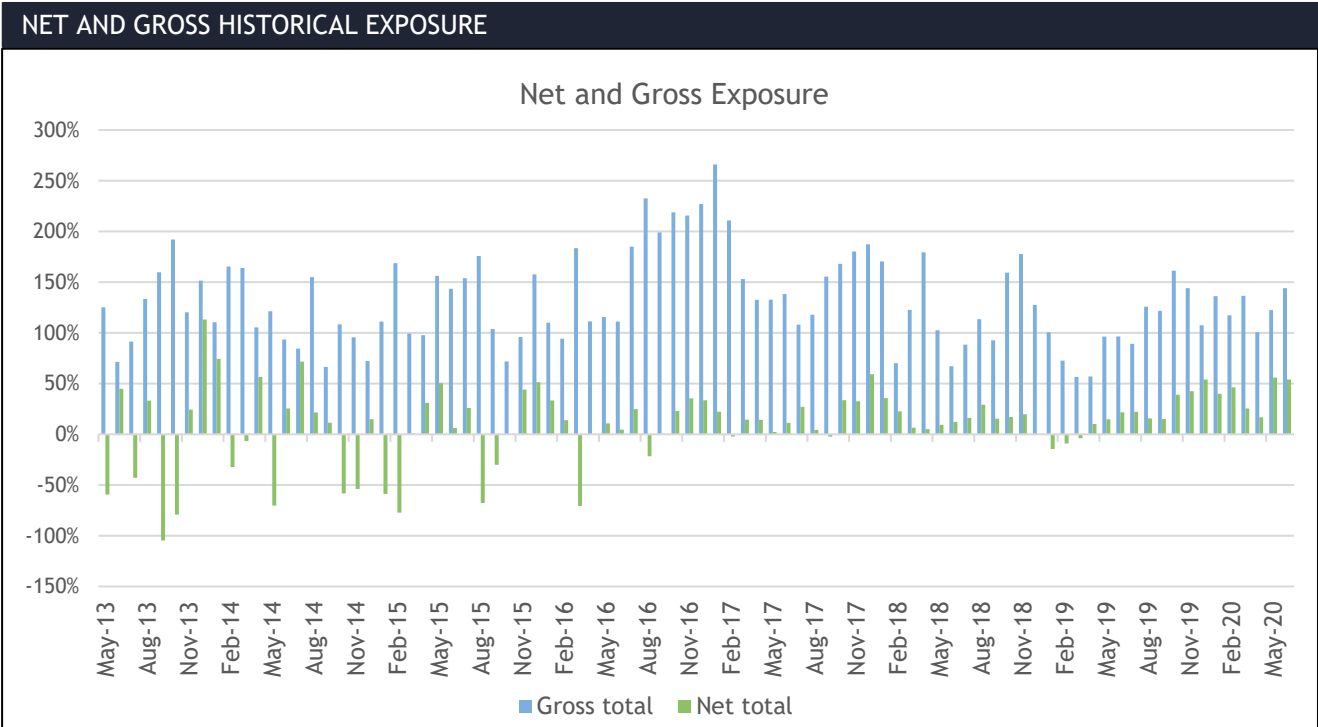
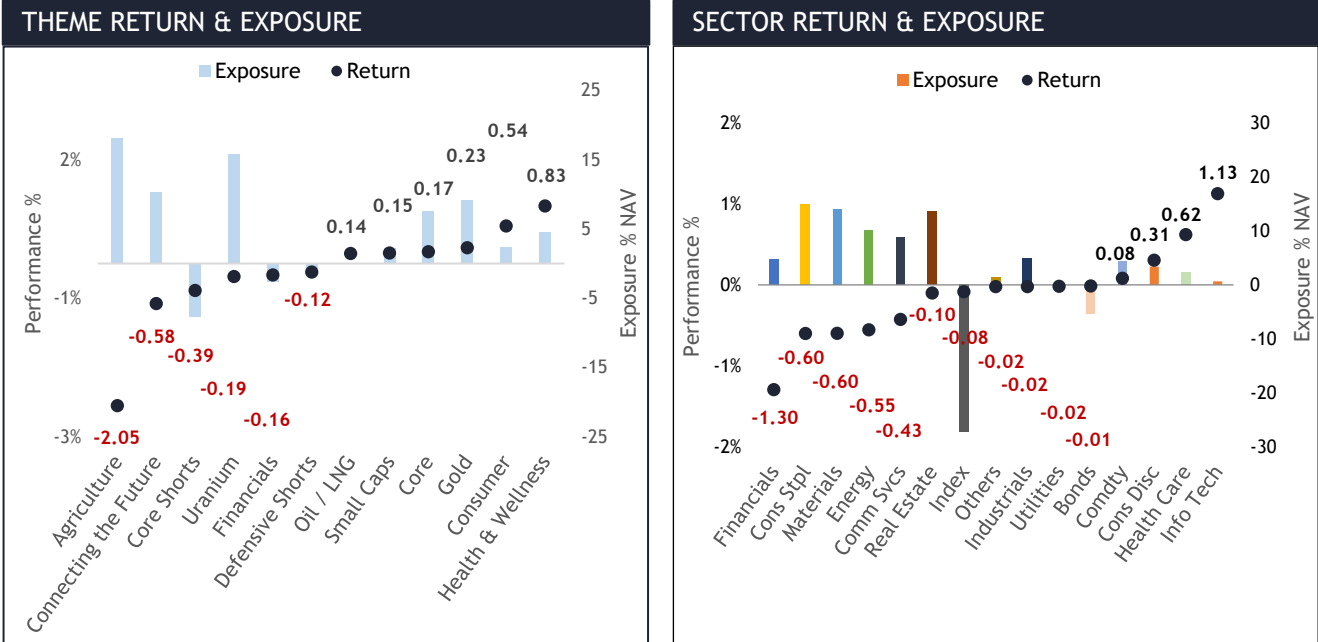
## MONTHLY SUMMARY METRICS

NET RETURN	AV GROSS EXP	AV NET EXP
-1.47%	144.08%	54.03%

## 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							9.23

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**

The investment process involves three stages:

1. Themes are identified as investment opportunities
2. Valuation screens are run to find stock opportunities within the theme
3. Market dynamics are assessed to determine entry timing

The strategy is long / short equity with a variable delta bias. The universe is global equities. The portfolio will typically contain 40 to 70 positions. Global futures and options are also actively traded from time to time.

The strategy aims to identify trends and opportunities using value investing principles and capture price oscillations around the underlying trend using trading skills.

**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	<a href="mailto:investor@arnott.com.au">investor@arnott.com.au</a>
WITHDRAWALS	Monthly	PRIME BROKER	Morgan Stanley
PERFORMANCE FEE	25%	FUND ADMINISTRATOR	Mainstream
MANAGEMENT FEE	0%	FUND AUDITOR	Ernst and Young
SUBSCRIPTIONS	Monthly	LEGAL ADVISORS	Ernst and Young

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