

COMMENTARY

The fund returned negative 2.81% for the month of July 2021. Net exposure average 70% long, while gross averaged 129%. This brings our Calendar Year return to positive 18.48% and since inception (2013) return to positive 23.25% p.a. net of fees.

There were two key thematic detractors from fund performance over the period. **Uranium** detracted 1.28%, giving back some of the years gains as we have entered into a traditionally quiet period ahead of the World Nuclear Association conference in September. **Real Assets** detracted 1.05%, as we took advantage of the opportunity to materially increase our exposure to this theme.

The recent outbreak of COVID-19 in Australia and ensuing lockdowns provided the opportunity to acquire high quality assets on what we believed to be 'fire sale' prices. While looking forward to 2022, we are tremendously excited about the prospective returns from these acquisitions made throughout the month of July.

For a more detailed update on our current thoughts and thematic exposures please refer to our interim investor letter [here](#) or a webinar we recently hosted [here](#).

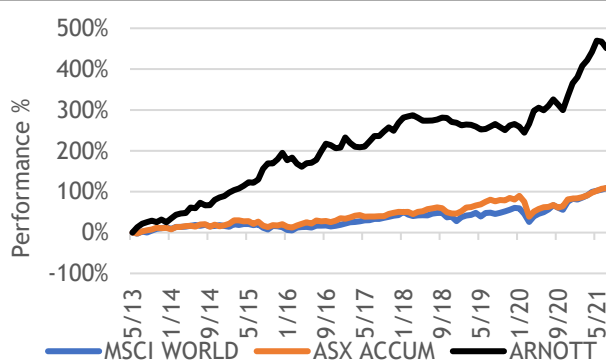
PERFORMANCE METRICS

	From May 2013	
	Arnott	MSCI
Annualised returns	23.25%	9.42%
% Positive months	65.31%	66.33%
Average monthly return	1.83%	0.83%
Avg return in MSCI up months	1.68%	2.88%
Avg return in MSCI down months	2.12%	-3.21%
Best month	13.07%	12.66%
Worst month	-6.09%	-13.47%
Largest drawdown	-11.61%	-21.44%
Longest drawdown (mths)	24	20
Sortino	4.29	0.91
Sharpe ratio	1.74	0.69

CORRELATION TO ASSETS (2013 to Current)

MSCI Index	0.07
US Government Bond Index	-0.07
US\$ Gold	0.03
Bloomberg Commodities Index	-0.05
Hedge Fund L/S	0.02

CUMULATIVE FUND PERFORMANCE (2013-current)

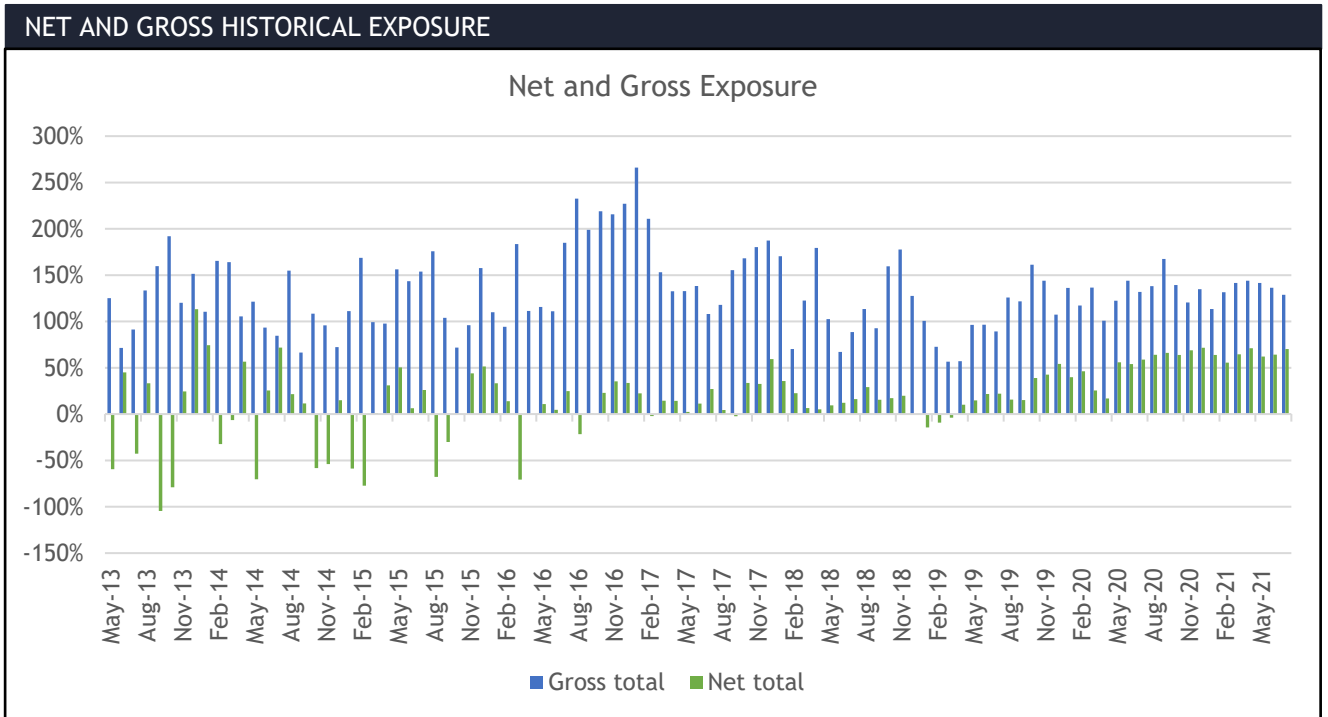
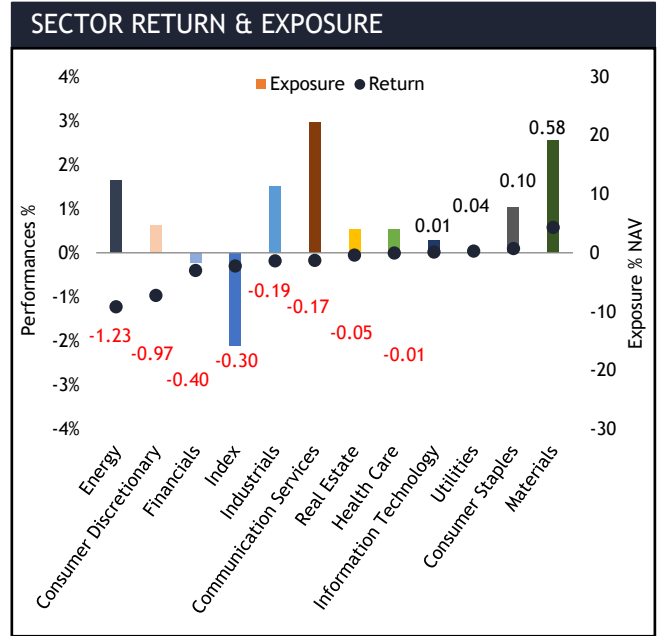
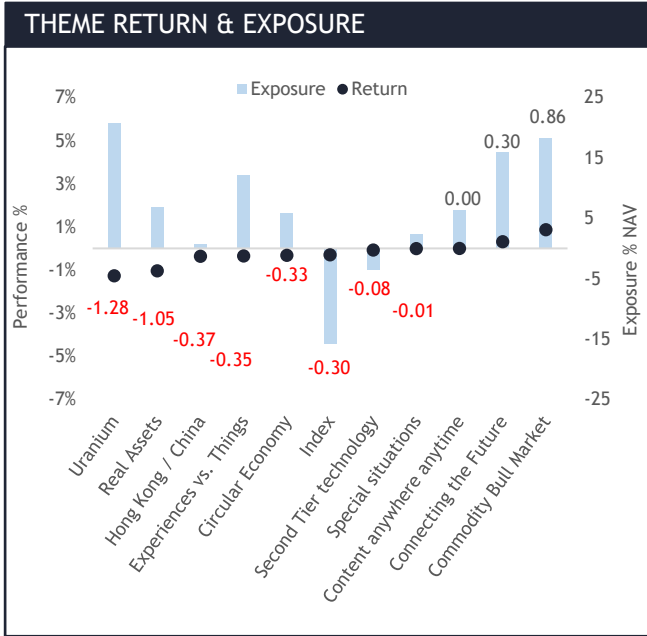


MONTHLY SUMMARY METRICS

NET RETURN	AV GROSS EXP	AV NET EXP
-2.81%	129%	70%

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	-2.94	-3.32	8.59	7.22	27.23
2021	3.26	5.69	2.74	3.93	5.03	-0.40	-2.81						18.48



STRATEGY SUMMARY

Our Investment Approach:

1. Find asymmetric themes
2. Invest in the best ideas 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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