

COMMENTARY

The fund returned positive 0.95% for the month of April 2022. Net exposure averaged 37% long, while gross averaged 133%. This brings our Calendar Year Return to positive 1.56%, Financial Year Return to positive 17.38% and since inception return to positive 23.69% p.a. net of fees.

Over the month of April global equity markets continued to grapple with the changing investment landscape with short and long end interest rates continuing their ascent, valuation multiples compressing and the broader investment community grappling with a Federal Reserve Board hell bent on lowering inflation at any cost, including asset prices.

With this cocktail of uncertainty served up in global markets we have continued to run low net exposure (averaging between 0%-40% net long), increasing the level of single stock equity and equity index shorts in the portfolio and concentrating our long thematic exposure in under invested trends that we believe are beneficiaries of the current environment:

- Carbon Credits (10% of portfolio exposure)
- Connecting the future (10% of portfolio exposure)
- Energy Paradox (20% of portfolio exposure)
- Real Assets (15% of portfolio exposure)
- Uranium (10% of portfolio exposure)

We have written extensively about all of these themes in previous commentaries and annual letters so will refrain from re-hashing our theses in these areas.

What we can say is that all of our long thematic investments are essential for the operations of the global economy, have limited speculative capital invested in them and all have incredibly attractive valuations under any interest rate environment.

When constructing the long side of our portfolio in the current environment, we feel like the words of undoubtedly one of the greatest money managers in history sums it up nicely:

“If investing is entertaining, if you’re having fun, you’re probably not making any money. Good investing is boring”

- George Soros

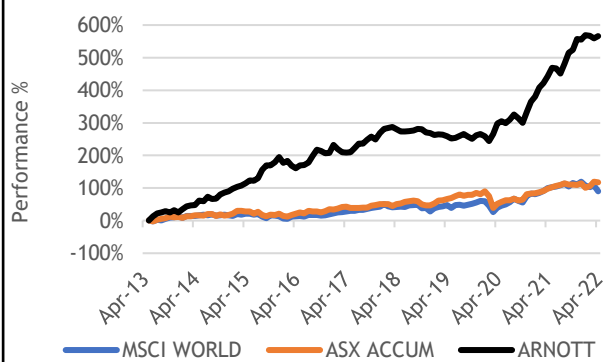
PERFORMANCE METRICS

	From May 2013	
	Arnott	MSCI
Annualised returns	23.69%	7.46%
% Positive months	65.42%	64.49%
Average monthly return	1.86%	0.68%
Avg return in MSCI up months	1.67%	2.92%
Avg return in MSCI down months	2.20%	-3.39%
Best month	13.07%	12.66%
Worst month	-6.09%	-13.47%
Largest drawdown	-11.61%	-21.44%
Longest drawdown (mths)	24	20
Sortino	4.37	0.74
Sharpe ratio	1.81	0.54

CORRELATION TO ASSETS (2013 to Current)

MSCI Index	0.06
US Government Bond Index	-0.04
US\$ Gold	0.01
Bloomberg Commodities Index	-0.06
Hedge Fund L/S	-0.00

CUMULATIVE FUND PERFORMANCE (2013-current)



MONTHLY SUMMARY METRICS

NET RETURN	AV GROSS EXP	AV NET EXP
0.95%	133%	37%

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	5.60	5.75	1.30	5.37	-0.24	40.90
2022	2.07	-0.34	-1.10	0.95									1.56

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.

THEME RETURN & EXPOSURE

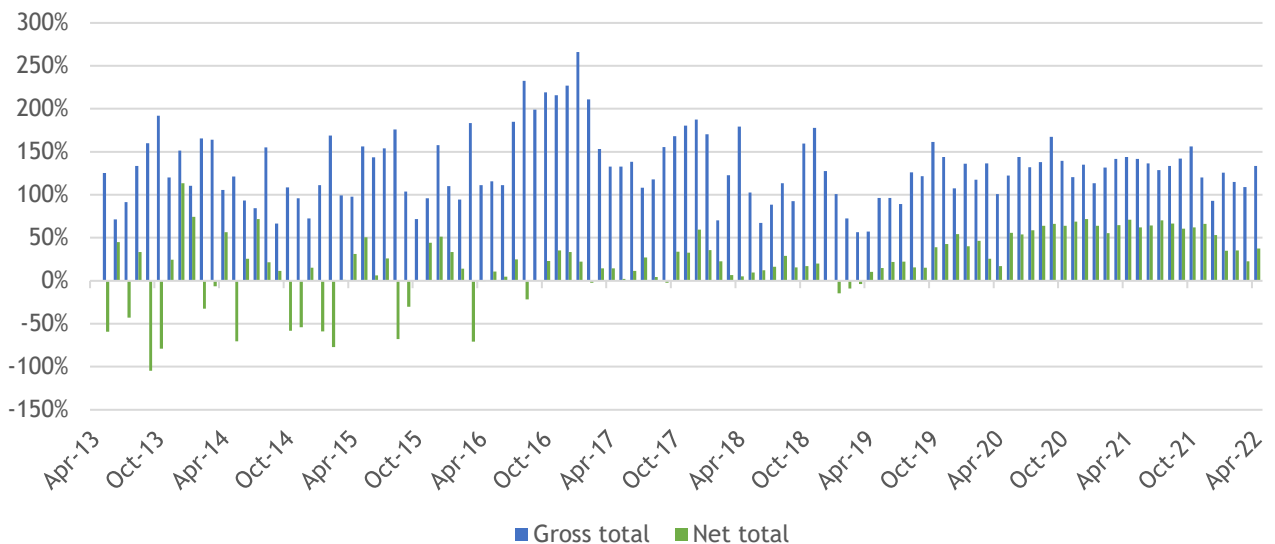


SECTOR RETURN & EXPOSURE



NET AND GROSS HISTORICAL EXPOSURE

Net and Gross Exposure



INVESTMENT STRATEGY

The Fund adopts an absolute return strategy, focusing on thematic investment opportunities with an equity bias. We seek to achieve the investment objective through our asymmetric investment approach which includes:

1. Finding what we perceive to be good quality investments based on our analysis; and
2. Not losing money in the pursuit of realising these investments.

We strive to achieve asymmetric returns through a thematic investment process. This has four pillars.

1. Find asymmetric themes;
2. Invest in the best ideas within those themes;
3. Focus on macro drivers for risk & opportunities; and
4. Generate an asymmetric return profile.

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 International PLC J.P. Morgan Securities PLC
PERFORMANCE FEE	20%	FUND ADMINISTRATOR	Apex Group Ltd.
MANAGEMENT FEE	1.5%	FUND AUDITOR	Ernst and Young
SUBSCRIPTIONS	Monthly	LEGAL ADVISORS	Ernst and Young

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