

COMMENTARY

The fund returned positive 3.16% for the month of December 2023. Net exposure averaged 42% long, while gross averaged 101%. This brings our calendar year return to positive 4.40% and since inception return to positive 20.10% p.a. net of fees.

Through the month of December, key contributors to fund performance were our long themes, being *Uranium*, *Energy* and *Special Situations*. On the contrary, the largest detractor to fund performance was our short *Australian Banks & Housing* theme.

Throughout December, the only major portfolio change (outside of the exit of our *Japan low price to book* theme) was the exit of UBS Group AG (part of our *Special Situations* theme), after initially entering the position in May of 2023. When initiating the position, it was our view that equity market participants were solely focused on the risks, without an eye for potential returns that created a unique opportunity. With the share price materially rising since May, sell side analyst notes discussing the upside from the Credit Suisse merger and expectations that are now overwhelmingly focused on the returns not the risks, the opportunity no longer feels Asymmetric for us.

We have kept our comments brief as we will be releasing our annual investor letter with a much more extensive update on our current views and positioning for the year ahead.

PERFORMANCE METRICS

From May 2013

Annualised returns	20.10%
% Positive months	62.20%
Average monthly return	1.60%
Average return in MSCI up months	1.44%
Average return in MSCI down months	1.86%
Best month	13.07%
Worst month	-6.09%
Largest drawdown	-11.61%
Longest drawdown (mths)	24
Sortino	3.95
Sharpe ratio	1.61

THEME RETURN & EXPOSURE (DECEMBER 2023)



CORRELATION TO ASSETS

Global Equity Markets	0.04
US\$ Gold	0.01
Bloomberg Commodities Index	-0.02
Hedge Fund L/S	0.03

MONTHLY SUMMARY METRICS

NET RETURN	AV GROSS EXP	AV NET EXP
3.16%	101%	42%

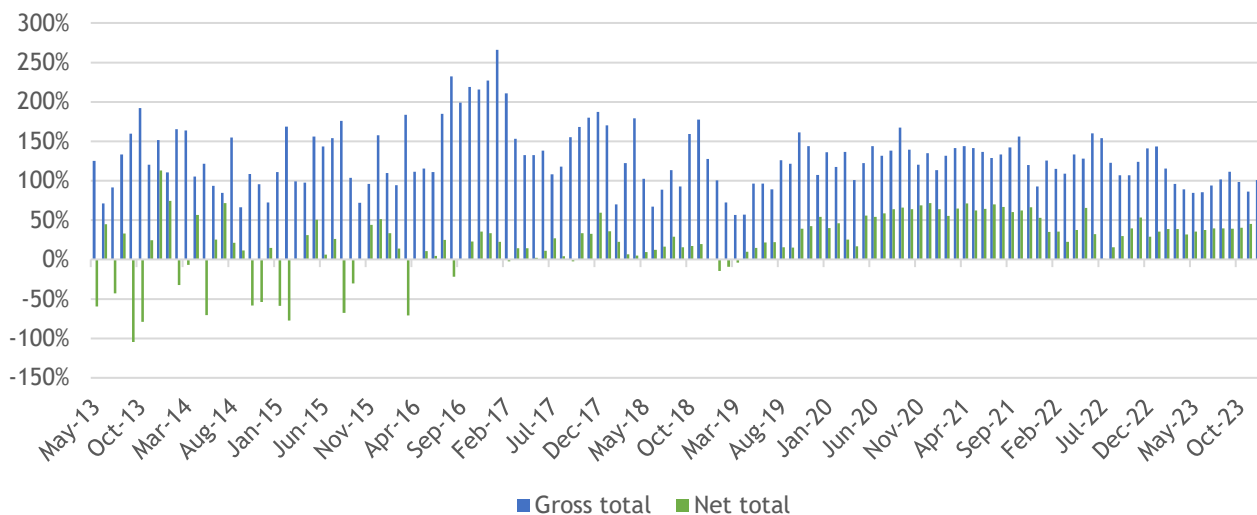
STRATEGY HISTORICAL PERFORMANCE (%)

	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	2.50	-1.68	-1.61	4.48	-1.55	-3.07	-0.77	1.87	1.50
2023	-0.29	-2.34	-0.36	-0.75	1.07	2.02	0.88	1.58	2.45	-2.70	-0.24	3.16	4.40

Past performance is not necessarily an indicator of future performance.
2013 - 2017 Data. Bondi Capital Investments Pty Ltd (managed account). Performance net of 0 & 25 fees. Currency AUD. Fund administered by Apex. Fund was not audited.
2018 - Current Data. Australian Unit trust. Performance net of 0 & 25 fees. Currency AUD. Fund administered by Apex. Fund audited by EY.
Above data and fees apply to the Arnott Opportunities Trust - Founder Class. Other classes will be subjected to different fees. For a copy of the Information Memorandum, please contact investor relations at investor@arnott.com.au.

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	CONTACT DETAILS	investor@arnott.com.au
MINIMUM SUBSCRIPTIONS	AUD \$100,000	WITHDRAWALS	Monthly
FUND ADMINISTRATOR	Apex Group Ltd.	PRIME BROKER	Morgan Stanley International PLC J.P. Morgan Securities PLC
LEGAL ADVISORS	Ernst and Young	FUND AUDITOR	Ernst and Young
FEE STRUCTURE	Management Fee	Performance Fee	Subscriptions
* Founder Class	0%	25%	Closed to new investors
Main - Post July 2020 Class	1.5%	20%	Monthly

* All data displayed in this document is Founder Class data. For a copy of the Offering Memorandum, please contact investor relations at investor@arnott.com.au.

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