

COMMENTARY

The Fund returned -1.83% for the month of August 2024. Net exposure averaged 23% long, while gross exposure averaged 114%. This brings calendar year return to -0.39%. The since inception return for the Strategy* is 19.06% p.a. net of fees.

Portfolio detractors through the month of August were concentrated on the short side and in two long themes, *Uranium* (-121 bps) and *Data is the new oil* (-95 bps). With gains in our *Index and Derivatives* hedge book (+80 bps) and *China* (+29 bps), these themes were unable to offset the losses in our two largest themes.

Our thesis for *Uranium* remains intact. Losses in the month arose due to a surprise production guidance upgrade from Kazatomprom, the world's largest Uranium miner, on 1 August, adding an additional 1 million lbs of production in their 2024 guidance. While immaterial in terms of percentage increase in production, the impact on sentiment was material, with many recent participants questioning the sustainability of the demand and supply imbalance.

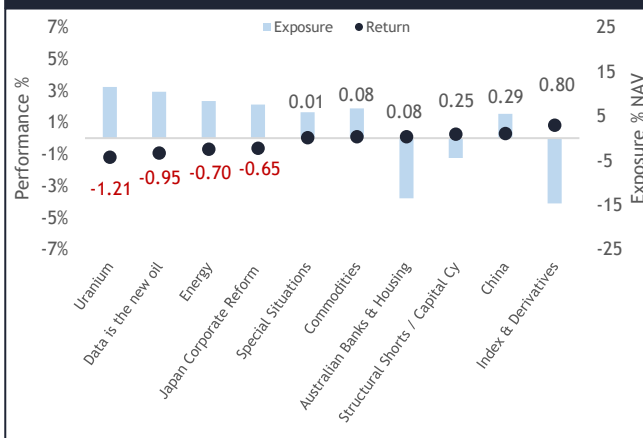
Despite this sharp drawdown, our conviction remains in the *Uranium* theme. The underlying question at the core of our thesis remains unanswered, with rising demand and a questionable supply backdrop, where will we find the Uranium required to power the world's growing nuclear fleet?

Within the *Data is the new oil* theme, we have rotated exposure away from semiconductor and equipment related names and pivoted into securities we believe are beneficiaries of increasing data demand, such as the London Stock Exchange Group, discussed in our most recent [interim letter](#). While uncertainty remains about the durability and sustainability of AI related capital expenditures, we have elected to sit on the sidelines for the more cyclical components of this theme. Our focus and exposure will be on the names we perceive to have hidden value in their business models as increased data demand and usage drives earnings upside.

STRATEGY PERFORMANCE METRICS*

From May 2013	
Annualised returns	19.06%
% Positive months	64.44%
Average monthly return	1.53%
Average return in MSCI up months	1.39%
Average return in MSCI down months	1.76%
Best month	13.07%
Worst month	-6.09%
Largest drawdown	-11.61%
Longest drawdown (mths)	24
Sortino	3.63
Sharpe ratio	1.53

THEME CONTRIBUTORS TO FUND PERFORMANCE^{^*}



[^] Theme Contributors to Performance is Gross of Fees and exclusive of Cash.

CORRELATION TO ASSETS - STRATEGY*

Global Equity Markets	0.04
US\$ Gold	0.00
Bloomberg Commodities Index	-0.02
Hedge Fund L/S	-0.07

MONTHLY SUMMARY METRICS - AUGUST 2024

NET RETURN	AV GROSS EXP	AV NET EXP
-1.83%	114%	23%

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	-1.33	0.20	-0.21	-0.95	-1.87	0.50	1.75	1.53	-1.91	-2.00	3.28	1.12	-0.04
2020	-2.03	-5.10	7.77	7.95	1.60	-1.31	3.22	4.56	-3.56	-3.90	9.33	8.24	28.38
2021	3.43	5.63	2.80	4.05	5.19	-0.48	-2.74	5.37	5.86	1.87	4.51	0.22	41.60
2022	1.61	0.17	-0.73	0.32	2.65	-1.85	-0.96	3.75	-1.79	-2.93	-0.48	2.21	1.75
2023	0.26	-2.97	-0.12	-0.77	0.99	2.39	1.12	1.03	2.37	-2.72	0.21	3.15	4.84
2024	0.97	-1.52	3.67	1.42	1.07	-0.61	-3.39	-1.83					-0.39

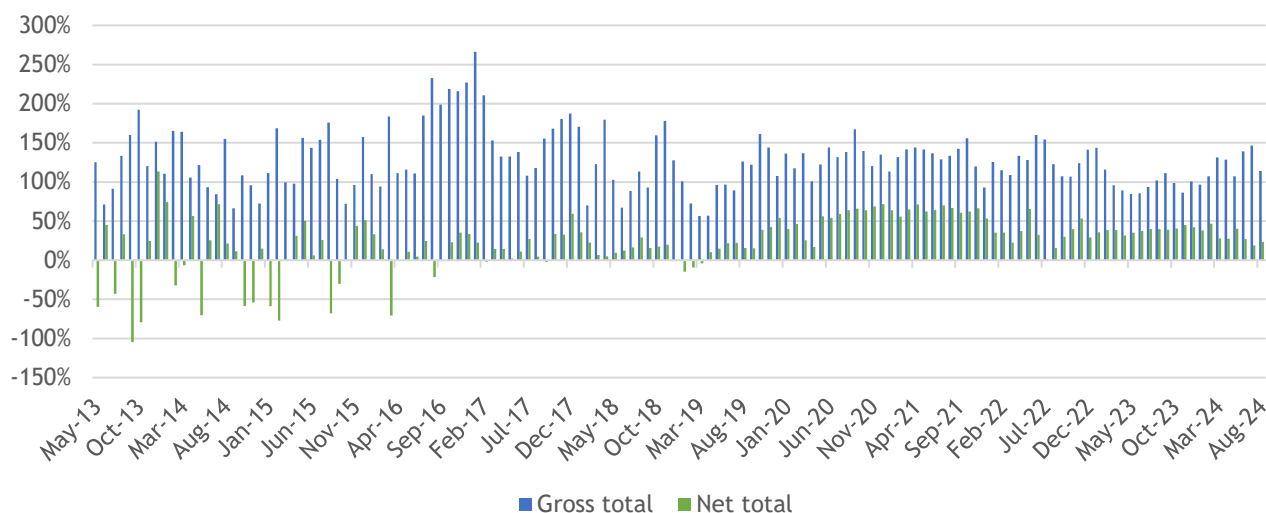
Past performance is not an indicator of future performance.

* Strategy - refers to the period from 2013 - 2017 for Bondi Capital Investments Pty Ltd ('Managed Account'), and 2018 - 2024 is for the Fund. The Managed Account was externally administered by Apex, but not externally audited. The Fund is audited by EY. Performance for the whole reported period is reported net of all fees. The currency is USD.

Above data and fees apply to the Arnott Opportunities (Cayman) Fund - Main Class (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.

STRATEGY 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	USD	ARNOTT CAPITAL PTY LTD	AFSL License 233743 ABN 23086081889
STRATEGY INCEPTION	1999	CONTACT DETAILS	investor@arnott.com.au
MINIMUM SUBSCRIPTIONS	USD \$100,000	WITHDRAWALS	Monthly
FUND ADMINISTRATOR	Apex Group Ltd.	PRIME BROKER	Morgan Stanley International PLC
LEGAL ADVISORS	Ernst and Young	FUND AUDITOR	Ernst and Young
FEE STRUCTURE	Management Fee	Performance Fee	Subscriptions
Class A (Founder Class)*	0%	25%	Closed to new investors
Class C	1.5%	20%	Monthly

* All data displayed in this document is Founder Class data. Other classes will be subjected to different fees. For a copy of the Offering Memorandum, please contact investor relations at investor@arnott.com.au.

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