

ARNOTT OPPORTUNITIES (CAYMAN) FUND FACTSHEET

FEBRUARY 2025

COMMENTARY

The Fund returned -0.03% for the month of February 2025. Net exposure averaged 36% long, while gross averaged 109%. This brings our calendar year return to positive 1.06% and since inception return to positive 18.66% p.a. net of fees.

Gains through the month of February, were generated from the long themes in *Aerospace* (+36 bps) and *Data is the New Oil* (+33 bps). With losses stemming from the *Uranium* theme (-60 bps) and *Japan Corporate Reform* theme (-46 bps).

Entering 2025, Arnott believed one of the key risks for the markets this year was related to Artificial Intelligence (AI). Specifically, the concern of when, or if at all, investors and market participants would begin to see revenues that matched the billions of dollars invested in the AI sector.

As the year unfolded, Arnott has continued to refine the thinking and understanding of this space. It is becoming increasingly clear that the timeline for substantial revenue generation from AI is further out than current valuations and market participants expectations suggest. While the technology is advancing at an extraordinary pace, Arnott perceives a lengthy period ahead, before any material revenue generation.

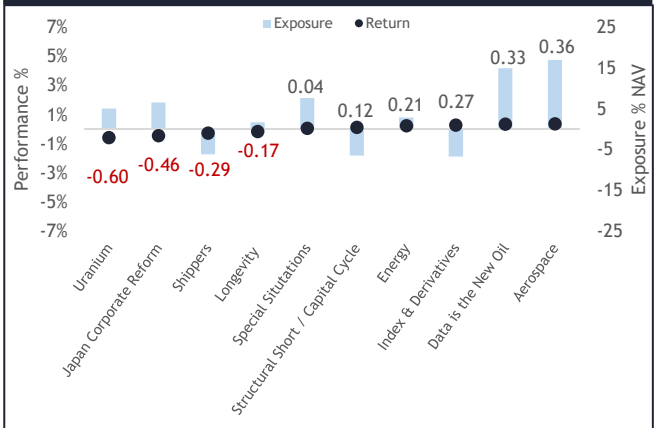
In Arnott's view, the reasoning behind this, is that it appears many enterprises are still in the experimental phase. When questions are asked about use cases and return on investment (ROI), it is often dismissed by vague comments centred around increased engineering efficiency and productivity gains.

To sum it up, the thinking has evolved to be in line with a phrase that is commonly attributed to Bill Gates, "People overestimate what can be done in one year, and underestimate what can be done in ten".

STRATEGY PERFORMANCE METRICS*

From May 2013	
Annualised returns	18.66%
% Positive months	64.54%
Average monthly return	1.50%
Average return in MSCI up months	1.40%
Average return in MSCI down months	1.67%
Best month	13.07%
Worst month	-6.09%
Largest drawdown	-11.61%
Longest drawdown (mths)	24
Sortino	3.53
Sharpe ratio	1.52

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	0.01
Bloomberg Commodities Index	0.00
Hedge Fund L/S	0.02

MONTHLY SUMMARY METRICS - FEBRUARY 2025

NET RETURN	AV GROSS EXP	AV NET EXP
-0.03%	109%	36%

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	3.89	0.19	-0.50	0.16	3.33
2025	1.09	-0.03											1.06

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.

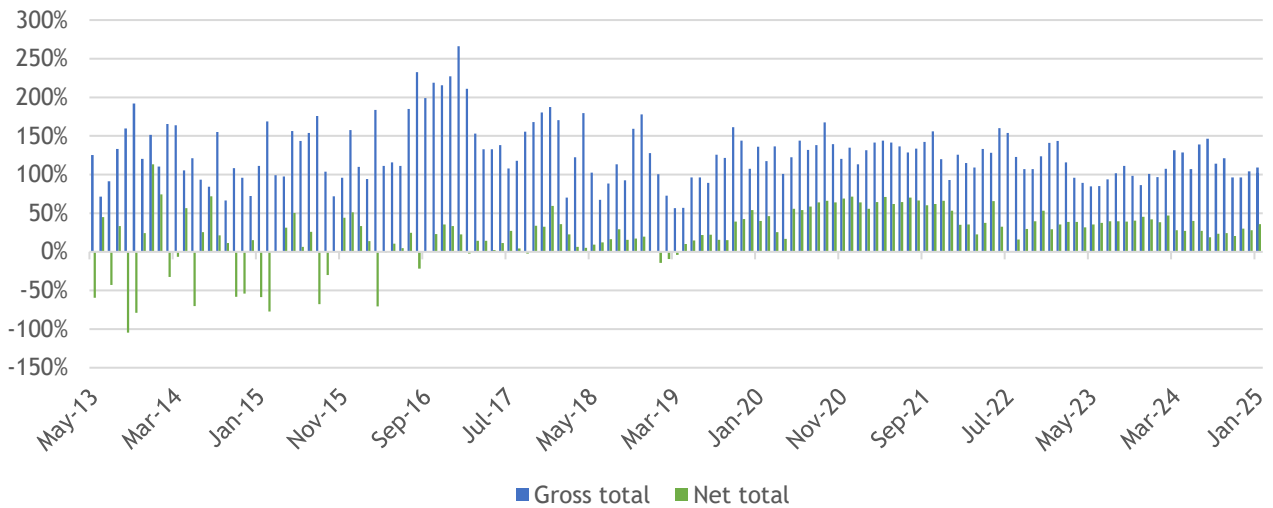
COMMENTARY CONTINUED

Taking this into consideration, Arnott’s outlook for the next 12 months, is that expectations are unrealistic versus the realities, in the AI space.

The implications of this for the portfolio are firstly, a slightly more bearish stance to U.S. indices that are heavy with U.S. technology names with the highest level of capital expenditures in AI. Secondly, Arnott may build short exposure to parts of the market that have been beneficiaries of the AI hype cycle, that may be long term winners, but in the next year expectations may be slightly elevated in comparison to reality.

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.

Disclaimer

This document is given to only wholesale clients (as defined in the Corporations Act 2001 (Cth)) by representatives of Arnott Capital Pty Limited (ABN 23086081889, AFS Licence Number 233743) ('Arnott'). By viewing this document, you are representing that you are a wholesale client and agree to keep this document confidential. This document is directed at persons who are sophisticated investors with sufficient professional or other experience to properly assess the nature of the matter discussed herein. This document has been prepared for general information purposes only without taking into account any potential investors' personal objectives, financial situation or needs. It should not be relied upon by the recipient in making an investment decision. You should obtain relevant and specific professional advice and check the accuracy of all relevant information before making any investment decision. This document is intended to provide a general outline only and is not intended to be a definitive statement on the subject matter. The document is not intended to be relied upon by recipients given the contingent nature of the content matter. This is not an offer to invest in any security or financial product.

Forward-looking information in this document is provided as a general guide only and should not be relied upon as an indication of the future performance of any financial products (including the Arnott Opportunities Trust and Arnott Opportunities (Cayman) Fund (the 'Funds')). No representation is made as to future performance or volatility of the financial products. Persons should rely solely upon their own investigations in respect of the subject matter discussed in this document. Past performance information given in this document is given for illustrative purposes only and are as at the date of publication of this material. It should not be relied upon as (and is not) an indication of future performance.

No representations or warranties, express or implied, are made as to the accuracy or completeness of the information, opinions and conclusions contained in this document. In preparing these materials, Arnott has relied upon and assumed, without independent verification, the accuracy and completeness of all information available to Arnott. Whilst efforts have been made to ensure the information is correct, no warranty of accuracy or reliability is given, and no responsibility is accepted for errors of omissions. To the maximum extent permitted by law, neither Arnott nor its director, employees or agents accept any liability for any loss arising in relation to this document. The offer of interests in the Arnott funds will only be made in the offering document for the respective fund. For a copy of the Offering Memorandum, please contact investor relations at investor@arnott.com.au.

Hong Kong

This document has not been reviewed or approved by any regulatory authority in Hong Kong. This document does not constitute an offer or invitation to the public in Hong Kong to acquire the units in the Fund. Accordingly, unless permitted by the securities laws of Hong Kong, no person may issue or have in its possession for the purposes of issue, this document or any advertisement, invitation or document relating to the units in the Fund, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong other than in relation to the units of the Fund that are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" (as such term is defined in the Securities and Futures Ordinance of Hong Kong (Cap. 571) and the subsidiary legislation made thereunder).

Singapore

This document is being furnished to you on the basis that you are an “institutional investor” (as defined in the Securities and Futures Act (Chapter 289) of Singapore) and on a confidential basis, solely for your information. This document may not be reproduced, disclosed, or distributed to any other person in Singapore. Arnott, as the responsible entity and manager for the Fund has not taken any steps to ensure that the capital markets products referred to in this document are suitable for any particular investor, and will not treat recipients as its customers by virtue of their receiving this document.

This document has not been, and will not be, registered as a prospectus with the Monetary Authority of Singapore and this document is not intended to constitute an offering, and is not regulated by any financial supervisory authority pursuant to any legislation in Singapore. The investments or services referred to in this document may not be suitable for you and it is recommended that you consult an independent investment advisor if you are in doubt about such investments or investment services. Nothing in this document constitutes investment, legal, accounting or tax advice or a representation that any investment or strategy is suitable or appropriate to your individual circumstances or otherwise constitutes a personal recommendation to you.

Additional Information for Investors in Switzerland

Representative in Switzerland is Pvb Pernet von Ballmoos AG, Zollikerstrasse 226, 8008 Zürich where the prospectus / offering memorandum, the articles of association as well as the annual report may be obtained free of charge from the representative. Paying Agent in Switzerland is Helvetische Bank, Seefeldstrasse 215, 8008 Zürich. For investors who have acquired the units sold in Switzerland, the place of performance and the court of jurisdiction have been established at the registered office of the representative.