Hello Investor

This is the 100th Newsletter since the establishment of the Balmain Opportunity Trust (**BOT**).

JUNE 2026 DISTRIBUTIONS*

Class A Units returns, **net of all fees**, for the period ending 30 June 2026 are as follows:

	THIS MONTH (JUN 26)	LAST MONTH (MAY 26)
Monthly	9.08%	9.05%
Monthly Annualised	9.49%	9.46%
Last 12 Months	9.51%	9.53%
Since Inception	8.74%	8.73%

**returns are calculated on a 'distribution re-invested' basis*

GENERAL UPDATE

The 2026 financial year is now behind us. This gives me pause for thought as to what, if anything, has changed in the last 12 months. Unfortunately, the reality is that Oz in now in a far worse position than we had anticipated last year.

GDP was recovering but growth is now slowing materially, inflation was tracking down to target but no longer, interest rates were easing but this has now halted and reversed and, finally, consumer/ business confidence that were both recovering are now weak. Add to this a cooling housing market and a weaker labour market and you could fairly ask, 'where did it all go wrong'.

The answer is two-fold. Firstly, it hasn't gone *that* wrong. Whilst we now face the difficult combination of interest rates higher than expected, persisting inflation, slower GDP growth, weaker household consumption and softer business confidence, this would seem a moderate price to pay for Trump's geographic foray into the Middle East and economic assault on tariffs. Other countries are doing it much tougher.

And to be clear, Epic Fury (mid FYE26) and Liberation Day (just before the start of FYE26) were the most significant contributors to the turnaround in Australia's economic trajectory. Trump appears to be the joke that does wear out. No longer funny.

Whilst I do not feel 100% comfortable that the Albanese government is the best ideologically placed administration to deal with Australia's current woes, given its dogmatic persistence and scant regard for both policy consistency and public opinion, it is what it is, and I am forever optimistic that uncommon sense will eventuate.

Insofar as BOT's performance during FYE26, an honest assessment is that BOT benefitted from economic uncertainty and lethargic equities markets. BOT is now sitting at $2.80bn and the recent redemption payment (in June 2026) saw minimal redemptions of just $56MM, well below our expectations of 4-5% ($110MM- $140MM).

Distributions have remained constant and this trend is likely to continue.

The quality of BOT's loan assets remains high with BOT's exposure to 'troubled' assets being de minimis. Given the macro-economic environment, we are keeping an even closer watch over all of our loan investments for any signs of frailty or vulnerability.

The competition for loans has also eased as the private credit markets mature through mergers and consolidation. This is good news for BOT as it means that margin compression has largely reversed and getting, 'the right price', for our investments is now much more achievable.

I mentioned Balmain's corporate ambitions at the recent Investor meetings. We have started the search for an additional partner on our shareholder register to help us further grow our business. We do not know if this search will be successful (as we are extremely choosey!) but I will keep you all updated if anything progresses. As I have mentioned many times, even if we are successful in our search, you will still be stuck with the existing management team (including yours truly) for the foreseeable future.

I hope that you collectively see this as good news!

We have had a very large number of views of the Investor presentations that we completed in May 2026. A few newer Investors have asked for copies, so we provide the links again for everyone below:

BOT Investor Presentation - May 2026 - Short Version

BOT Investor Presentation - May 2026 - Long Version

TRUST UPDATE

As foreshadowed, the distribution for June 2026 is a fraction more than last month to ensure that BOT ends the year with no carried forward profits or losses. All will return to normal next month!

The distribution for this month ensures that BOT carries a nil balance profit and loss as at 30 June 2026. In other words, we have distributed all available profits to investors and we start FYE27 afresh.

Assets (loans) and liabilities (investor capital) remain ideally in sync with close to identical growth trajectories. This means that distributions remain unchanged from last month.

I also confirm that the updated Information Memoranda are now "live" and can be accessed via the BOT website. You will recall the principal changes from the prior versions are:

- **Redemptions**: After 1 July 2026, there will be four-(4) redemption windows each year (September, December, March, and June);
- **Target Distribution**: This is now expressed as a margin over the RBA Cash Rate. Distributions are currently in excess of guidance;
- **Performance Fees**: The new IM increases the Hurdle Rate above which Balmain can earn Performance Fees (i.e. reduces the amount of Balmain's Performance Fees); and,
- **Asset Eligibility**: Minor amendments to ensure that Investors are aware that BOT only invests in secured loans.

I again encourage you to re-read (or read) the IM.

You are now able to see performance matrix for the Balmain Opportunity Trust at https://www.balmainopportunitytrust.com.au/history. We have also emailed all investors with the login details for the investor portal which I encourage you to use.

If you have any difficulty in accessing the portal please give the Balmain Investments Team a call on 02 9232 8888.

ACMC Control Account- Class A: Monthly Distributions

We confirm that the amount of $74.63 in respect of income referable to June 2026 was paid to you / reinvested in your account in accordance with your nominated Distribution Method election on 09 July 2026.

ACMC Control Account- Class A: Status of Investment

We also confirm that as at 30 June 2026, ACMC Control Account- Class A's investment in Class A Units in the Balmain Opportunity Trust stood at $10,000.00 (you will receive multiple emails if you have multiple investment entities).

Please note that this balance does not include:

- any investment or redemption made after that date; or
- the June 2026 distribution re-investment (if applicable).

Should you have any questions or queries please do not hesitate to contact the writer or Tom Sherston.

Warmest regards,

Andrew Griffin

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