

# ARNOTT OPPORTUNITIES TRUST

CLASS D (APIR: ANC632AU)

NOVEMBER 2025

## COMMENTARY

The Fund returned -1.17% net of fees for the month of November 2025.<sup>1</sup> Net exposure averaged 32% long, while gross averaged 155%. This brings the calendar year return to 7.93% net of fees and the Strategy since inception return to 17.57% p.a. net of fees.<sup>2</sup>

Gains through the month of November were generated from the long themes in *Housing* (+62 bps) and *Energy* (+49 bps). Losses stemmed from the long themes *China Champions* (-69 bps), *Data is the new oil* (-62 bps) and *Uranium* (-62 bps).

The largest change in the portfolio exposure during November was a significant increase in the short-theme exposure to the *Shippers* theme, which is currently more than 10% of the portfolio weight. The catalyst for increasing the risk exposure was largely driven by a joint statement between Maersk and the Suez Canal authority seeking to bring trade back through the strait. Arnott believes that, with container freight rates already buckling amid a surge in supply, the re-opening of the Red Sea trade route would add further effective capacity and push the industry into loss making territory that is not currently reflected in the Asia Shipping stocks equity prices.

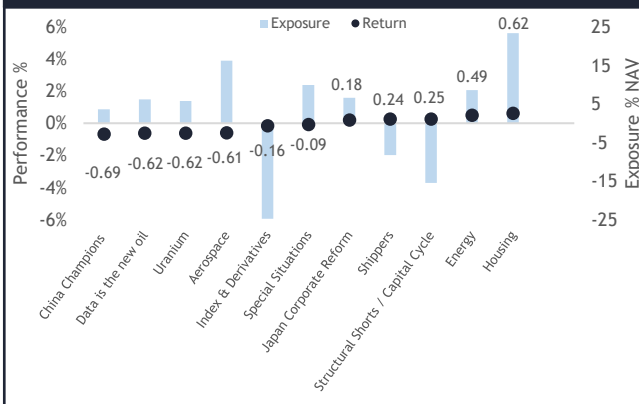
### Thesis on the Shippers theme

Container shipping has been a textbook example of how long lead times and easy access to capital can destroy industry returns. When freight rates rise, management teams tend to recycle their higher earnings into an aggressive ordering cycle in pursuit of scale. New ships are contracted years in advance under non cancellable agreements, meaning capacity continues to arrive even after demand has started to cool.

## STRATEGY METRICS - FROM MAY 2013<sup>1,2</sup>

Annualised returns	17.57%
% Positive months	61.33%
Average monthly return	1.42%
Average return in MSCI up months	1.29%
Average return in MSCI down months	1.65%
Best month	13.07%
Worst month	-6.09%
Largest drawdown	-11.61%
Longest drawdown (mths)	24
Sortino	3.63
Sharpe ratio	1.43

## THEME CONTRIBUTORS TO PERFORMANCE<sup>1,3</sup>



## CORRELATION SINCE MAY 2013<sup>1,2</sup>

Global Equity Markets	0.04
US\$ Gold	0.00
Bloomberg Commodities Index	0.01
Hedge Fund L/S	0.04

## MONTHLY SUMMARY METRICS<sup>1</sup>

NET RETURN	AV GROSS EXP	AV NET EXP
-1.17%	155%	32%

## STRATEGY<sup>2</sup> PERFORMANCE FROM MAY 2013 (NET RETURN %)<sup>1</sup>

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
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	4.29	-4.08	-3.45	9.76	7.61	27.97
2021	3.38	5.98	2.81	4.09	5.28	-0.67	-2.93	5.88	6.04	1.29	5.63	-0.45	42.34
2022	2.20	-0.57	-1.61	1.14	2.78	-2.37	-1.74	5.23	-2.20	-3.20	-1.19	1.74	-0.15
2023	-0.42	-2.45	-0.50	-0.87	0.94	1.87	0.75	1.45	3.06	-2.83	-0.35	3.07	3.59
2024	1.06	-2.01	3.88	1.35	0.73	-1.02	-3.49	-2.06	3.32	0.57	-0.67	0.33	1.75
2025	0.92	-0.14	-2.90	-2.05	3.22	4.44	-1.57	2.58	3.72	0.91%	-1.17		7.93

1. Past performance is not an indicator of future performance. This is historical performance data. Class D is based on month end unit prices in Australian dollars. Net return is calculated after management fees and operating costs. Individual investor level taxes are not taken into account when calculating net returns. Fund inception date: 31 July 2020. 2. To provide a longer-term view of our performance, we have shown returns for the Arnott Opportunities Strategy (shaded). Performance is calculated using monthly returns (after fees) from Jun-13 to Dec-17 for Bondi Capital Investments Pty Ltd (managed account) which is net of 0% management fee & 25% performance fee. From Jan-18 to Jul-20 is the performance of the Fund (Founder Class - closed to new & additional investments). Performance is net of 0% management fee & 25% performance fee. 3. Theme contributors to performance is gross of fees and exclusive of Cash for the Strategy.

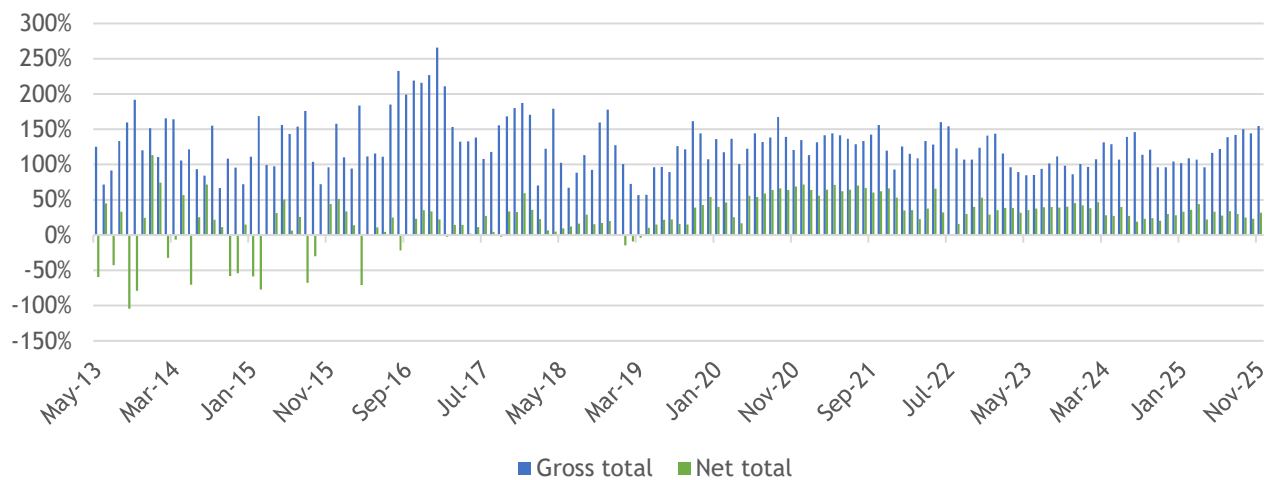
## COMMENTARY CONTINUED

The result is a familiar pattern: a period of super normal profitability followed by years of oversupply, falling rates amidst intense competition for cargo and losses for shipping lines.

The last two decades have followed this script. A large ordering boom in the mid 2000s that ran into the GFC, leaving the industry with an oversupply of ships and very little demand. Many liners spent the following decade struggling to earn their cost of capital, with several destroying substantial equity in the process. The COVID pandemic then delivered a rare period of exceptional profitability as demand shifted from services to goods. Port congestion restricted effective capacity, and more recently, disruption to the Suez route extended voyage times tightening the supply demand balance.

STRATEGY NET AND GROSS HISTORICAL EXPOSURE<sup>2</sup>

Net and Gross Exposure



Source: Arnott Capital. For illustrative purposes only.

## 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.

## IMPORTANT INFORMATION

Arnott Capital Pty Ltd	AFS License 233743 ABN 23086081889	CONTACT DETAILS	<a href="mailto:clientservices@channelcapital.com.au">clientservices@channelcapital.com.au</a>
STRATEGY INCEPTION <sup>4</sup>	1999		
FUND NET ASSET VALUE <sup>5</sup>	A\$134.4m	REDEMPTION PRICE	\$1.1437
FEE STRUCTURE	Management Fee	Performance Fee	Availability
Class A (Founder Class)	0%	25%	Closed to new investors
Class D	1.5375% <sup>6</sup>	20% <sup>7</sup>	Applications/Redemptions - Daily

4. The same investment approach has been utilised since 1999, from 1999 to 2005, leverage used during this period was much higher than later periods.

5. Net Asset Value is calculated as Fund assets less Fund liabilities.

6. Including the net effect of GST less any RITC payable monthly in arrears on the Net Asset Value and excludes expense recoveries of 0.1241%.

7. Performance fee of 20% (plus GST) based on outperformance above the High Water Mark, accruing daily and payable monthly in arrears. Refer to the PDS for further information on the performance fee.

### Fund Disclosures

- Key service provider changes - nil
- Key individual changes - nil
- Risk profile or investment strategy material changes - nil

### Definitions

**Sharpe ratio:** The Fund's annualised average monthly excess return (net of fees) divided by Fund volatility.

**Sortino ratio:** A risk-adjustment measurement which determines the additional return for each unit of downside risk.

**Volatility:** Annualised standard deviation of monthly returns (net of fees) since inception.

### Disclaimer

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