

ARNOTT OPPORTUNITIES TRUST

CLASS D (APIR: ANC6332AU)

AUGUST 2025

COMMENTARY

The Fund returned 2.58% net of fees for the month of August 2025.¹ Net exposure averaged 30% long, while gross averaged 142%. This brings the calendar year return to 4.34% net of fees and the Strategy since inception return to 17.64% p.a. net of fees.²

Gains through the month of August were generated from *Data is the new oil* (+268 bps) and *Uranium* (+114 bps) long themes. While losses stemmed from long themes *Special Situations* (-75 bps), *Housing* (-55 bps) and *Structural Shorts* theme (-50 bps).

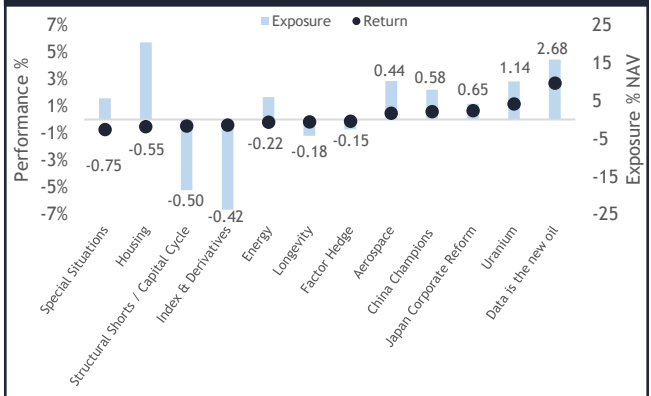
The *Data is the new oil* theme was buoyed through August by the exposure to Softbank Group, as equity market participants began to appreciate the value of Softbank's exposure to OpenAI in addition to a significant volume of group balance sheet and vision fund investments made in artificial intelligence beneficiaries. This saw the discount to NAV (net asset value) contract from a historically wide 60% to presently sitting around 30%. There remains material upside in this name, with the core view that the discount to NAV may contract further and trade at a premium, as the market begins to price the growth of Softbank's underlying companies led by ARM Holdings Plc and OpenAI.

As we enter a seasonally weak period for risk assets, from the end of the Northern Hemisphere summer through late October, Arnott believes stock markets and bond markets are diverging on their messaging.

Commentary continues next page...

STRATEGY METRICS - FROM MAY 2013^{1,2}

| | |
|------------------------------------|---------|
| Annualised returns | 17.64% |
| % Positive months | 61.22% |
| 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 | 3.62 |
| Sharpe ratio | 1.43 |

THEME CONTRIBUTORS TO PERFORMANCE^{1,3}**CORRELATION SINCE MAY 2013^{1,2}**

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

MONTHLY SUMMARY METRICS¹

| | | |
|------------|--------------|------------|
| NET RETURN | AV GROSS EXP | AV NET EXP |
| 2.58% | 142% | 30% |

STRATEGY² PERFORMANCE FROM MAY 2013 (NET RETURN %)¹

| | 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 | | | | | 4.34 |

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 US bond market is factoring approximately 6 rate cuts over the next 12 months as the US Federal Reserve is expected to respond to the weakening US labour market, which appears to be the likely path forward.

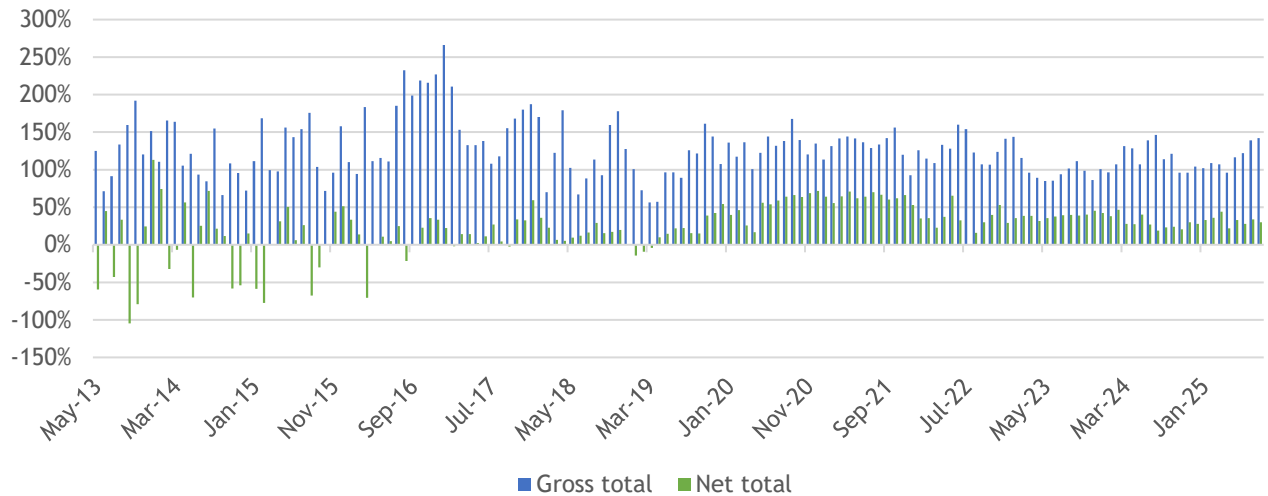
US equity markets are pricing in continued high-single, low-double-digit earnings growth driven by the confluence of AI spending, nearshoring, and now dual policy support, with monetary policy now back in play after fiscal measures has done much of the heavy lifting in recent history.

Considering these factors, the bond market is pricing in a slowing economy led by labour markets, while equities are pricing in a robust growth outlook.

Markets have yet to enter an extended period where two diverging growth views in the world's twin leading asset classes can co-exist happily, with the typical directional path established after a period of extended volatility. As a result, this outlines how the portfolio is being positioned for the next two months, with a focus on capturing cheap volatility and maintaining a low net equity exposure as markets navigate the equity - bond dichotomy.

STRATEGY NET AND GROSS HISTORICAL EXPOSURE²

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 | clientservices@channelcapital.com.au |
| STRATEGY INCEPTION ⁴ | 1999 | | |
| FUND NET ASSET VALUE ⁵ | A\$136.5m | REDEMPTION PRICE | \$1.1057 |
| FEE STRUCTURE | Management Fee | Performance Fee | Availability |
| Class A (Founder Class) | 0% | 25% | Closed to new investors |
| Class D | 1.5375% ⁶ | 20% ⁷ | 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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