

COMMENTARY

The Fund returned -0.66% net of fees for the month of November 2025.¹ Net exposure averaged 32% long, while gross averaged 155%. This brings the calendar year return to 9.06% and Strategy since inception return to 18.16% p.a. net of fees.²

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.

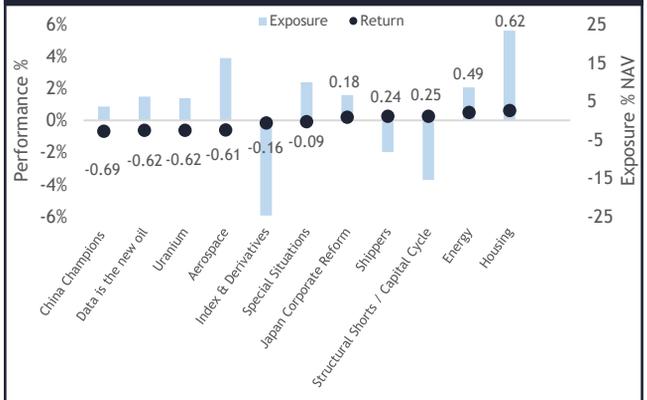
Thesis on the Shippers theme

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 PERFORMANCE METRICS^{1,2}

Annualised returns	18.16%
% Positive months	64.00%
Average monthly return	1.46%
Average return in MSCI up months	1.39%
Average return in MSCI down months	1.58%
Best month	13.07%
Worst month	-6.09%
Largest drawdown	-11.61%
Longest drawdown (mths)	24
Sortino	3.53
Sharpe ratio	1.50

THEME CONTRIBUTORS TO FUND PERFORMANCE^{1,3}



CORRELATION TO ASSETS - STRATEGY^{1,2}

Global Equity Markets	0.06
US\$ Gold	0.01
Bloomberg Commodities Index	0.01
Hedge Fund L/S	0.04

MONTHLY SUMMARY METRICS¹

NET RETURN	AV GROSS EXP	AV NET EXP
-0.66%	155%	32%

STRATEGY HISTORICAL PERFORMANCE (%)^{1,2}

	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	-2.82	-2.00	3.89	3.97	-1.37	2.60	3.54	0.78	-0.66		9.06

1. Past performance is not an indicator of future performance.

2. 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 (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.

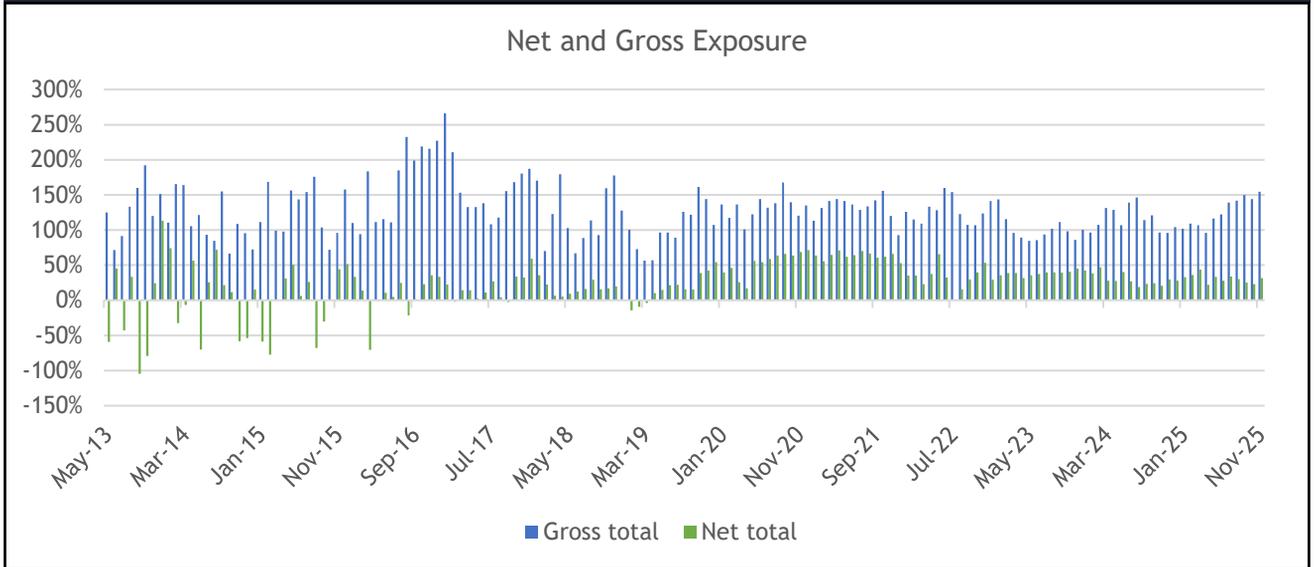
3. Theme Contributors to Performance is Gross of Fees and exclusive of Cash.

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 EXPOSURE²



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.

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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Additional Information for Investors in Switzerland

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United Kingdom

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