

ARNOTT OPPORTUNITIES TRUST

CLASS D (APIR: ANC6332AU)

April 2026

COMMENTARY

The Fund returned 3.94% net of fees for the month of April 2026.¹ Net exposure averaged 30% long, while gross exposure averaged 143%. This brings the calendar year return to -7.14% net of fees and the Strategy since inception return is 16.50% p.a. net of fees.²

Gains through the month of April were generated from the long themes in *Data is the new oil* (+348 bps), *Korea Corporate Reform* (+130 bps) and *Special Situations* (+73 bps), alongside the short theme in *Shippers* (+31 bps). Losses stemmed from *Aerospace* (-101 bps), *Index & Derivatives* (-96 bps) and *Housing* (-51 bps) themes.

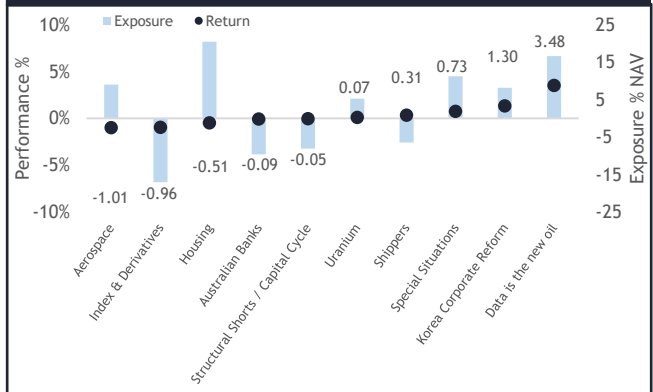
April saw a partial recovery from the severe dislocation experienced in March. The key point was not that risks related to the Middle East conflict disappeared. They did not. The important change was that markets moved from forced liquidation and indiscriminate selling to a more selective assessment of where underlying earnings power had been impaired and where it had not. This saw a sharp, but narrow rally in Artificial Intelligence (AI) exposed equities benefitting from an unprecedented surge in technology adoption.

In light of this, the *Data is the new oil* theme was the largest contributor to performance. The two primary drivers were SoftBank Group and Samsung Electronics. In the case of SoftBank, the market began to capitalise the value of its exposure to OpenAI, Arm and the broader AI capital cycle. In the case of Samsung, recent results reinforced that the memory cycle is no longer just a normal cyclical restocking event.

Commentary continues next page...

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

Annualised returns	16.50%
% Positive months	61.94%
Average monthly return	1.35%
Average return in MSCI up months	1.33%
Average return in MSCI down months	1.38%
Best month	13.07%
Worst month	-13.33%
Largest drawdown	-13.33%
Longest drawdown (mths)	24
Sortino	2.35
Sharpe ratio	1.29

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

Global Equity Markets	0.10
US\$ Gold	0.09
Bloomberg Commodities Index	-0.05
Hedge Fund L/S	0.11

MONTHLY SUMMARY METRICS¹

NET RETURN	AV GROSS EXP	AV NET EXP
3.94%	143%	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	3.72	0.91%	-1.17	2.25	10.35
2026	2.45	0.61	-13.33	3.94									-7.14

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

AI demand is driving genuine scarcity in high-end memory, customers are seeking to secure long-term supply, and pricing power is returning to the suppliers held in the portfolio. This is consistent with the view that has been shared previously: the most interesting part of the AI opportunity is not always the visible application layer, but the constrained infrastructure and component supply chain underneath it.

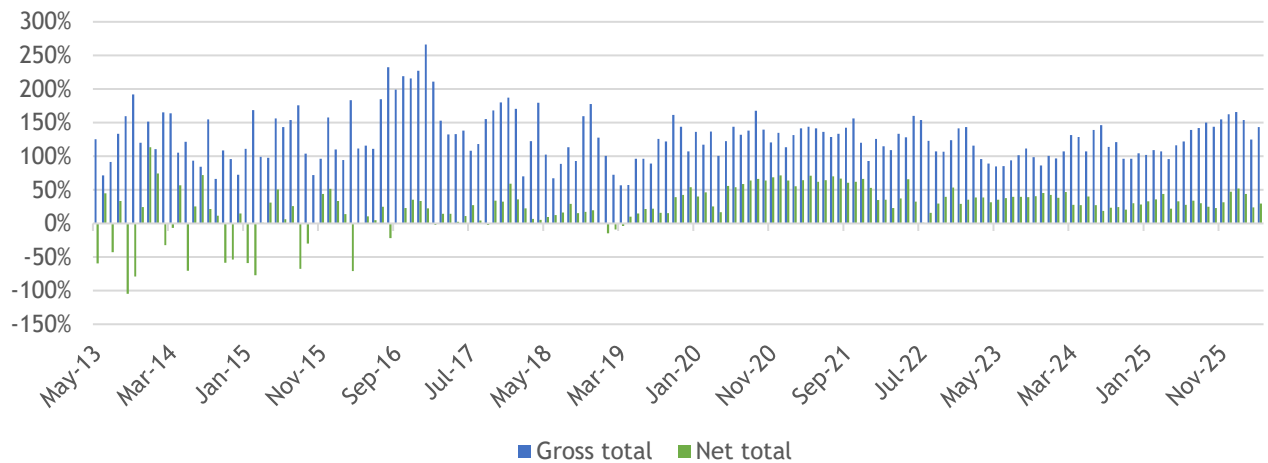
Korea Corporate Reform was also a positive contributor to performance. The theme benefitted from the recovery in Korean equities after heavy selling in March as policy driven momentum continued to reduce the Korea discount. The March dislocation was used to increase exposure where selling was believed to be liquidity driven rather than fundamentally driven. The Arnott Capital team maintain the view that Korea is no longer simply a cheap market. It is a cheap market with an improving policy architecture, a stronger shareholder-return framework and receiving increasing attention from foreign investors. However, this not expected to move in a straight line, but instead the combination of low starting valuations, improving governance, and world-class underlying assets remains attractive.

The main detractors were the *Aerospace* and *Housing* themes. The weakness is not considered a thesis impairment but, as previously discussed, a 'shift to the right'. The base case for geopolitical tensions remains that the Strait of Hormuz will open and oil will flow, resulting in a normalisation in energy risk premia.

As always, the Arnott Capital team remains fluid to change their prior view as new information comes to light.

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\$147.9m	REDEMPTION PRICE	\$1.0859
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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