FOR PROFESSIONAL / WHOLESALE INVESTORS ONLY

ARNOTT OPPORTUNITIES TRUST

CLASS D (APIR: ANC6332AU)

JULY 2026

ARNOTT CAPITAL EST. 1999

COMMENTARY

The Fund returned 1.57% net of fees for the month of July 2026.[1] Net exposure averaged 40% long, while gross exposure averaged 152%. This brings the calendar year return to -0.16% net of fees, and the Strategy since inception return to 16.80% p.a. net of fees.[2]

Gains through the month of July were generated from *Data is the New Oil* (+201 bps) and *Korea Corporate Reform* (+162 bps) themes. Losses stemmed from *Aerospace* (-111 bps) and the *Australian Banks* short theme (-71 bps).

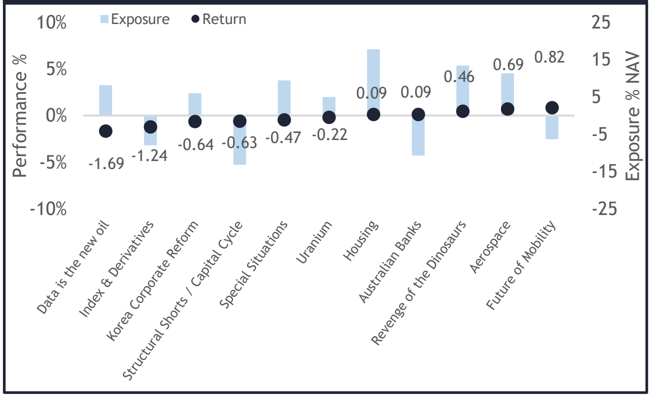
Through June, risk was reduced in the *Korea Corporate Reform* theme and overall exposure to semiconductors as the market became increasingly extended and speculative activity rose sharply. A surge in assets held by Korea-focused leveraged ETFs, together with rising implied volatility, suggested that short-term positioning had moved ahead of fundamentals.

During July, that risk reward changed materially. From its 22 June peak to its low on 30 July, the Korea Composite Stock Price Index (KOSPI) fell 39%, one of only six drawdowns exceeding 35% since 2000. The correction drove a sharp unwind in leveraged ETF exposure and implied volatility. The fundamental drivers of the Korean stock market rally, however, remained intact with AI, defence, near-shoring and corporate governance reform continuing to support the market. Looking ahead, financial year 2027 consensus earnings expectations for the market have increased by more than 340% since the beginning of 2024 and have continued to move higher throughout this drawdown. Despite this, the market has derated to 5.3 times forward earnings, and 8.6 times when excluding Samsung Electronics and SK Hynix.

STRATEGY METRICS – FROM MAY 2013[1,2]

Annualised returns	16.80%
% Positive months	62.03%
Average monthly return	1.37%
Average return in MSCI up months	1.40%
Average return in MSCI down months	1.30%
Best month	13.07%
Worst month	-13.33%
Largest drawdown	-13.33%
Longest drawdown (mths)	24
Sortino	2.41
Sharpe ratio	1.31

THEME CONTRIBUTORS TO PERFORMANCE[1,3]



CORRELATION SINCE MAY 2013[1,2]

Global Equity Markets	0.11
US$ Gold	0.12
Bloomberg Commodities Index	-0.05
Hedge Fund L/S	0.08

MONTHLY SUMMARY METRICS[1]

NET RETURN	AV GROSS EXP	AV NET EXP
1.57%	152%	40%

STRATEGY[2] PERFORMANCE FROM MAY 2013 (NET RETURN %)[1]

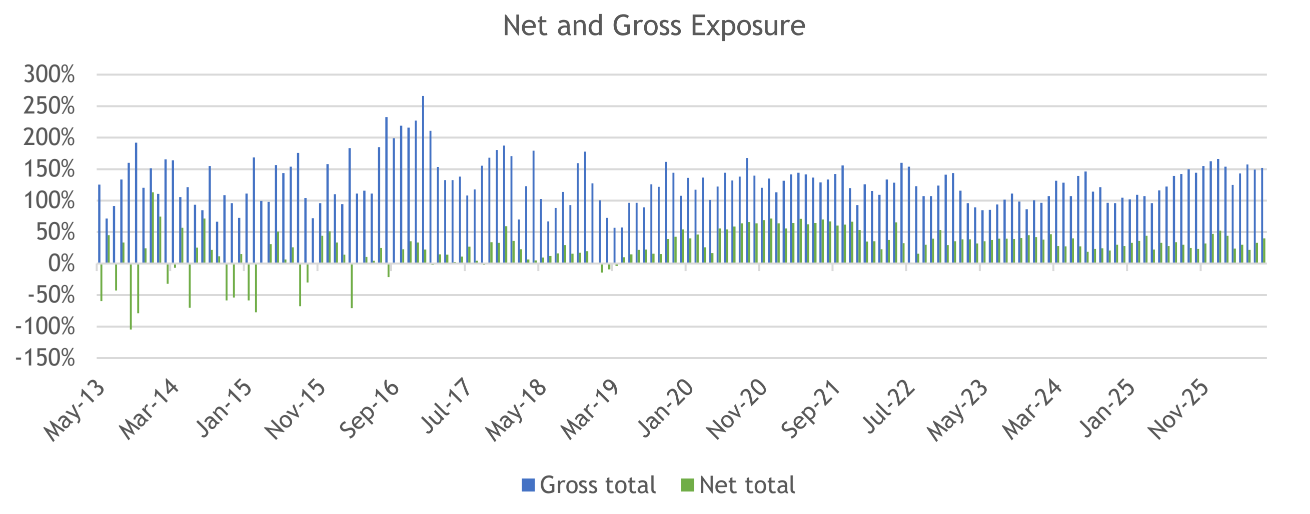
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2013						13.07	7.63	2.97	2.82	-2.69	5.23	-5.25	**25.00**
2014	7.61	6.56	2.43	0.77	8.87	-0.93	8.46	-3.78	0.34	7.78	3.24	1.92	**51.59**
2015	4.46	2.88	1.99	3.19	4.12	-0.52	3.44	11.47	5.23	0.00	3.67	5.72	**55.80**
2016	-6.09	2.14	-5.17	-2.83	3.30	0.40	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	8.67	-2.58	1.57						**-0.16**

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

These conditions prompted the Arnott Capital team to add risk back during the latter part of July. This did not reflect a change in the structural view, but a response to a more compelling price, cleaner positioning and a more attractive payoff. Historically, Korean drawdowns of this magnitude have been followed by strong returns across multiple time frames. History is not a forecast, but with earnings continuing to rise, valuations compressed and the corporate governance flywheel spinning, the Arnott Capital team believes the risk-reward has now become more favourable.

STRATEGY NET AND GROSS HISTORICAL EXPOSURE[2]



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$148.1m	**REDEMPTION PRICE**	$1.1672
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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