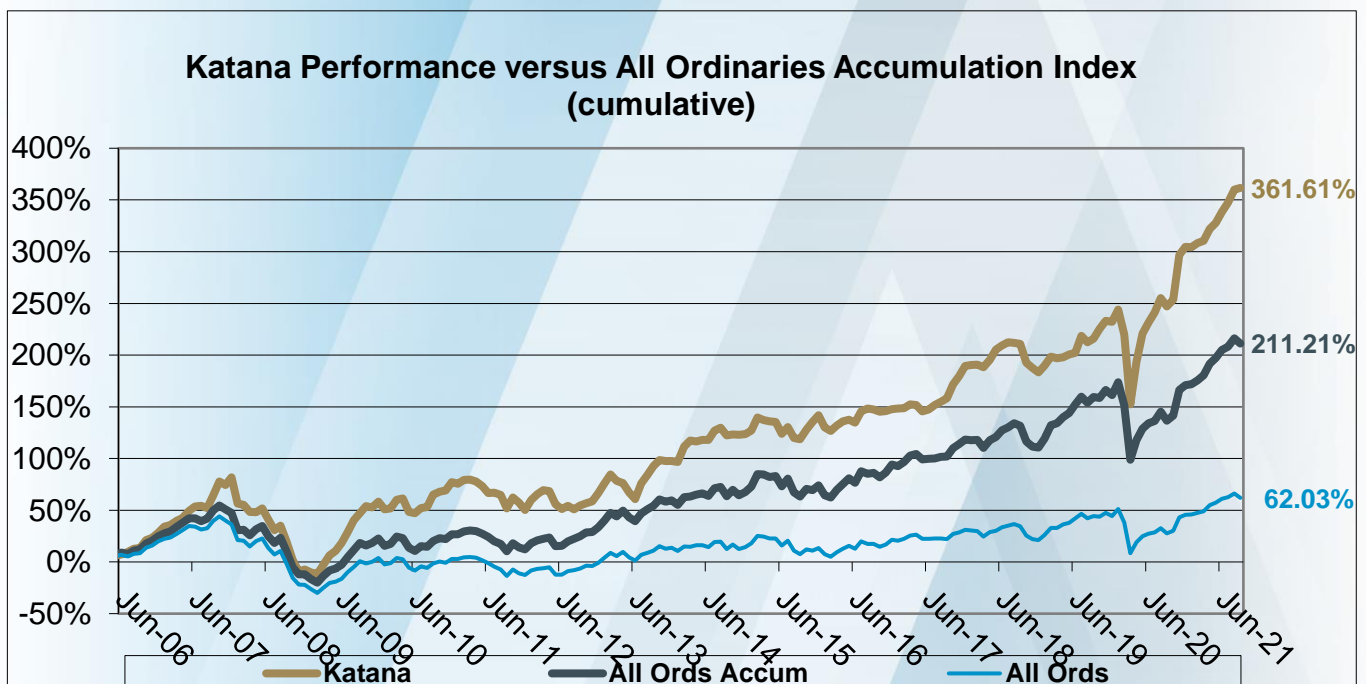


Katana Australian Equity Fund



People. Process. Passion. Performance

Performance at 30 September 2021	1 Month	6 Months	1 Year	3 Years	5 Years	Since Inception
Katana Investment Portfolio	0.37%	12.49%	32.95%	14.10%	13.29%	10.20%
ASX All Ordinaries Accumulation Index	-1.58%	10.88%	31.46%	10.37%	10.84%	7.47%
Outperformance	1.95%	1.60%	1.48%	3.73%	2.44%	2.72%



Source: Katana Asset Management, strategy inception was December 2005. Fund net returns are post fees, pre tax using redemption prices and assume reinvestment of distributions. Dated 30/06/2021. Past performance is not an indicator of future performance

Key contributors:

- Woodside** recovered strongly from last month's heavy selling aided by strong Brent and LNG prices
- South32** rose on the back of strong commodity prices including Aluminium which is at its highest level since 2008
- Coronado Global Resources** also benefited from strong commodity prices with Metallurgical Coal up over 200% in the past 5 months

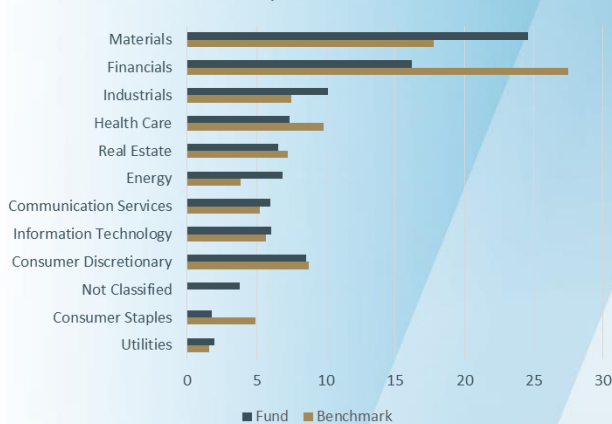
Key detractors:

- Mineral Resources** declined on weaker Iron Ore prices which fell 29% for the month from \$US156/t to \$US110/t
- Regis Resources** reported a mixed FY21 result with NPAT falling slightly below expectations and saw selling upon moving ex-dividend
- Nextdc** share price came under pressure from rising bond yields which dragged on the whole technology sector

Top 10 Holdings

Company	Weight
Mineral Resources Ltd	4.00%
Uniti Group Ltd	2.76%
Woodside Petroleum Ltd	2.66%
Wesfarmers Ltd	2.61%
Macquarie Group Ltd	2.44%
NextDC Limited	2.42%
South32 Limited	2.36%
Seven Group Holdings Ltd	2.31%
Ingenia Communities Group	2.30%
Westpac Banking Corporation	2.23%

Sector Exposure vs All Ords



Market Commentary

The rout in the iron ore market accelerated during September, with the price declining a further 29.7% from US\$156 to \$US110 per tonne. This was on the back of the \$US40 decline in August. Not surprisingly, the Materials sector once again bore the brunt of investor nervousness, declining by 9.3%.

The higher priced sectors in Healthcare, Technology and Consumer Staples were also sold off by between 3-5%. This was largely in response to rising US 10-Year Bond yields, which increased 19.25% from 1.27% to 1.52%.

On the flipside, the standout sector for September was Energy. We have been steadily building positions in this sector for a number of months, and this has detracted from past performance. However,

this patience was rewarded with the Energy sector gaining 16.7% for the month. Stock prices do not move in straight lines, so we may well see a retracement and consolidation. But after a long period in the wilderness, this sector is finally front and centre once more. Our base case at this juncture is therefore for further gains.

After 11 consecutive monthly increases, there was more than a little relief to see the market finally decline. However, our over-weight exposure to *Energy* and underweight holdings in high-PER growth stocks, enabled the fund to generate a **POSITIVE return of 0.37%**. This represented a significant out-performance of **1.95%** for the month and built on an already strong quarter that saw the fund out-perform by **3.29%** (net of all fees).

It was also pleasing to see the fund continue its run of out-performance in down months. Since inception (nearly 16 years or precisely 189 months ago), the fund has out-performed a declining market **69.7%** of the time. This should come as no surprise to our long term investors, given our focus on capital preservation and risk aversion.

Fund Objective

To maximise risk adjusted returns to investors. The Fund is an All Opportunities benchmark unaware long only Australian Equity portfolio.

Key Facts

APIR Code	KTA0002AU
Responsible Entity:	Katana Asset Management Ltd
Minimum Application	\$25,000
Asset Allocation	Australian equities: 70-85%; Cash 15-30%
Performance fee	10% (plus GST) of the Fund's out performance with a high-water mark.

The information contained in this email is of a general nature only. It does not take into consideration your specific needs or circumstances.

You should seek appropriate advice to determine personal suitability before investing.

Copyright © 2021 Katana Asset Management Ltd, All rights reserved. (AFSL 288412) For questions or to talk to a product specialist please contact Romano Sala Tenna on (08) 9220 9888. Level 9, The Quadrant, 1 William Street, PERTH WA 6000 Ph: (08) 9220 9888 Email: bdm@katanaasset.com