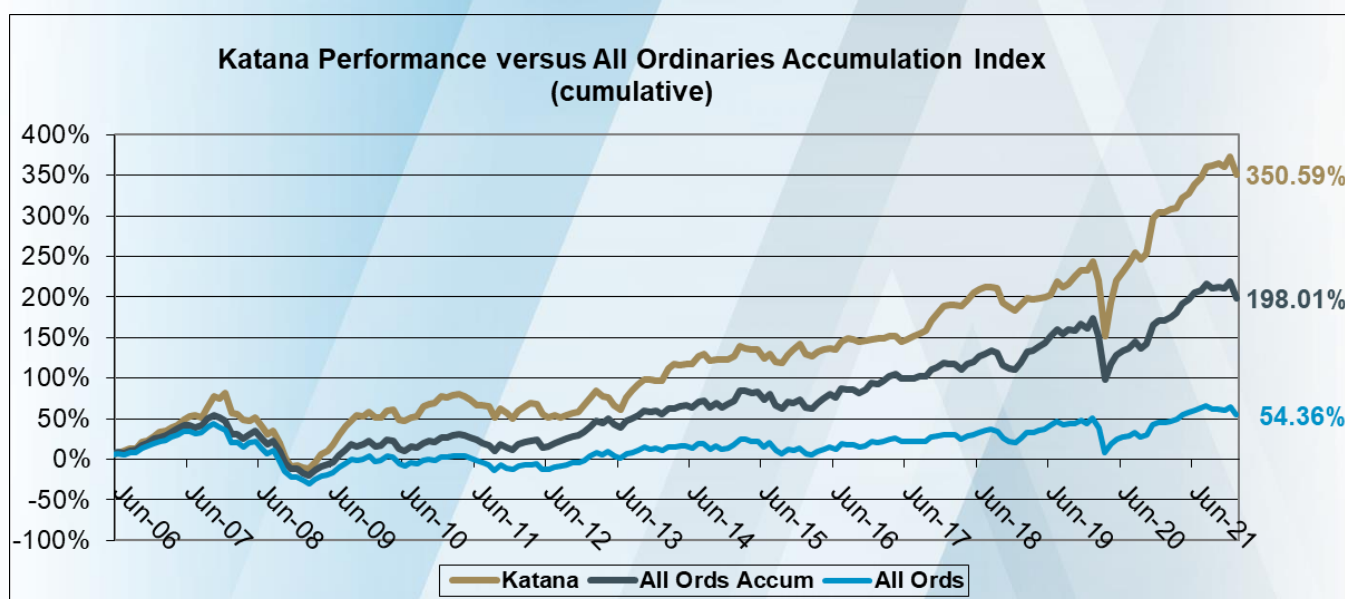


Katana Australian Equity Fund



People. Process. Passion. Performance

Performance at 31 January 2022	1 Month	6 Months	1 Year	3 Years	5 Years	Since Inception
Katana Investment Portfolio	-4.77%	0.69%	11.47%	15.86%	12.64%	9.81%
ASX All Ordinaries Accumulation Index	-6.56%	-3.30%	9.68%	10.79%	9.11%	7.03%
Outperformance	1.79%	4.00%	1.80%	5.06%	3.53%	2.79%



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 31/01/2022. Past performance is not an indicator of future performance

Key contributors:

- Woodside** posted a strong 4th quarter with a record average realised price of \$90/boe, their share price was also boosted by a rallying oil price
- Coronado Global** announced a record revenue for the 4th quarter aided by record high coal prices
- Unibail-Rodamco-Westfield** rose on the news of COVID restrictions easing across Europe which effects majority of their centres

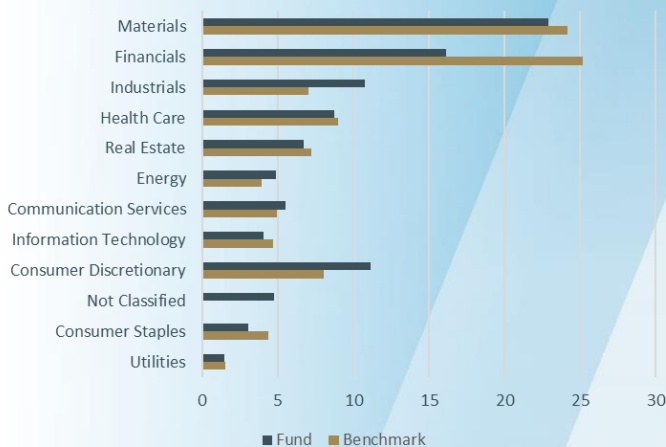
Key detractors:

- Sonic Healthcare** was sold down with the broader healthcare sector on the back of rising yields putting pressure on growth stocks
- NEXTDC** and **Nitro Software**, two of our technology exposures were also impacted by rising yields which put pressure on growth valuations. The technology sector as a whole was the worst performer down just over 18% for the month

Top 10 Holdings

Company	Weight
Mineral Resources Ltd	4.69%
Woodside Petroleum Ltd	3.18%
Unifi Group Ltd	2.83%
Macquarie Group Ltd	2.72%
Westpac Banking Corporation	2.47%
Wesfarmers Ltd	2.34%
Seven Group Holdings Ltd	2.29%
Sonic Healthcare Ltd	2.15%
OZ Minerals Ltd	2.05%
CSL Ltd	2.01%

Sector Exposure vs All Ords



Market Commentary

We have been writing since March 2021 about rising bond yields and our efforts to re-position the portfolio away from long duration growth assets. In January, these efforts were further recompensed when the US 10 Year Bond yield spiked a further 18% to close at 1.78%, after hitting an intra-month high of 1.9%. Commentary by the US Fed that every month was 'live' or open to the possibility of a rate rise, generated panic in high growth and defensive (high PER) sectors. Technology led the way declining -18.4% for the month, followed by Healthcare at -12.1% and Consumer Staples -9.6%. Energy was one of only 3 sectors to close in the black, up a solid 7.9%. This sector has lagged significantly for the past 2 years. In 2020, Energy was the worst performing sector, declining by -32.1%. In 2021, it was the second worst sector,

declining by an additional 6.9%. We see further upside, driven by a combination of mean reversion, supply-demand imbalances and macro/political factors.

The portfolio's underweight exposure to high PER sectors along with an elevated cash weighting and overweight exposure to energy, saw the fund outperform by **1.8%** net of all fees. Even with the market declining 6.6% in January, the Katana Australian Equity Fund has still returned 11.47% net of fees for the 12 months ending 31/1/21.

This is a significant out-performance and continues to build on the funds outstanding track record over all timeframes. In particular, the fund's 5-year performance record is tracking at **+3.53%** per annum net of fees. The 3 years performance is even more robust, at **5.06% per annum net of all fees above the index**. This is an exceptional outcome, especially in light of the fund's reduced risk characteristics relative to many equity products.

	Total Return	+/- Cat	+/- Index	Cat Rank
3 Year	18.65%	+4.93%	+5.03%	13 / 281
5 Year	13.81%	+4.53%	+4.05%	7 / 250

Source: Morningstar, Jan. 2022

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: 70-95%; Cash 5-30%

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: romano.sala@katanaasset.com