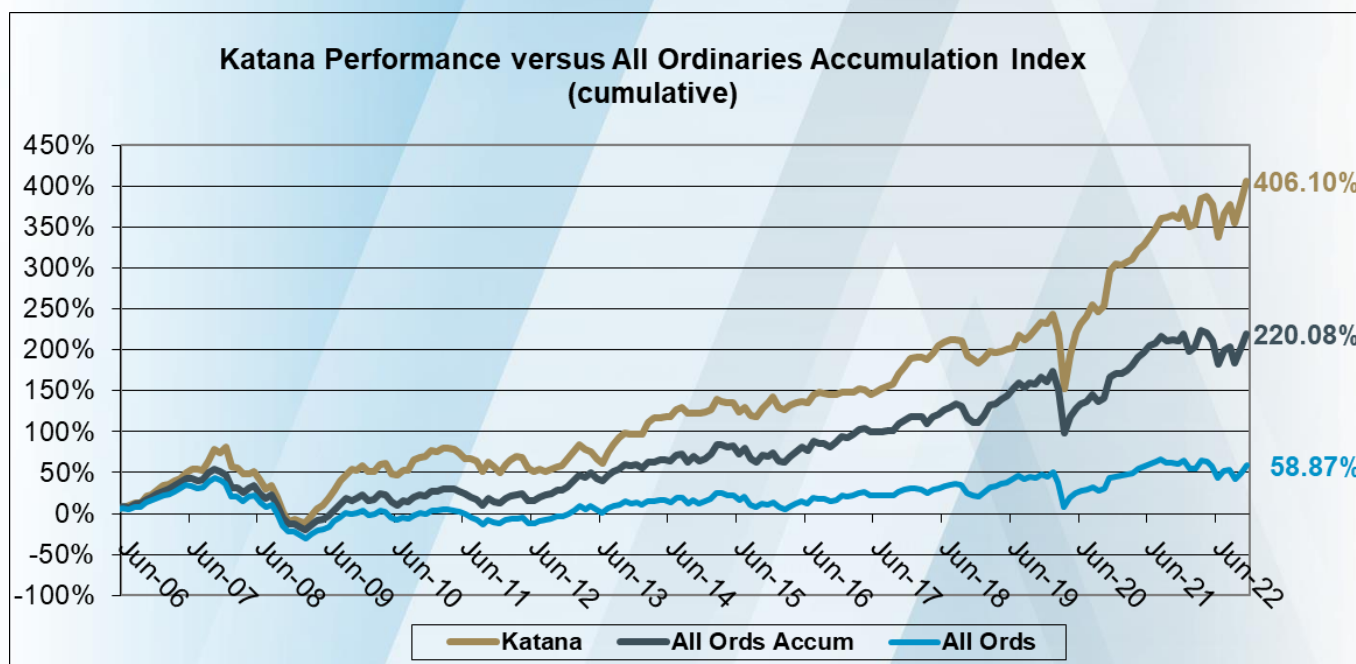


Katana Australian Equity Fund



People. Process. Passion. Performance

Performance at 30 November 2022	1 Month	1 Year	3 Years	5 Years	(Inception) 17 Years
Katana Investment Portfolio	5.80%	9.78%	14.95%	12.60%	10.06%
ASX All Ordinaries Accumulation Index	6.44%	3.03%	6.30%	8.38%	7.12%
Outperformance (pa)	-0.64%	6.75%	8.65%	4.22%	2.94%



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 30/11/2022. Past performance is not an indicator of future performance

Key contributors:

- Mineral Resources** continued their strong run supported by spot Lithium Hydroxide prices sitting at record levels above US\$80k/t
- Sandfire** rallied on the back of BHP's bid for OZL which would leave Sandfire as the biggest pure play copper producer on the ASX
- Coronado Global** declared a special dividend highlighting the significant cash flow being generated at current coal prices

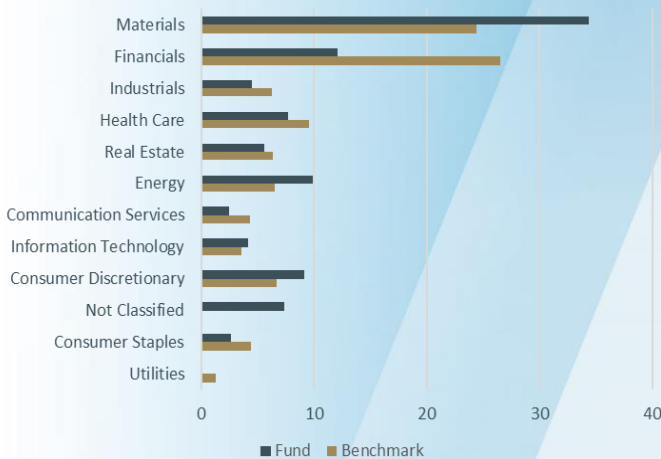
Key detractors:

- Seven West Media** provided an update and flagged TV revenue is expected to fall 8% in the first half
- Aristocrat Leisure** released a strong FY22 result but indicated lower growth in bookings and the digital segment is expected
- Allkem Ltd** released a positive update but got sold on news of potential softening in the lithium market

Top 10 Holdings

Company	Weight
Mineral Resources Ltd	7.01%
CSL Ltd	4.21%
Macquarie Group Ltd	2.86%
IGO Ltd	2.55%
South32 Ltd	2.53%
Aristocrat Leisure Ltd	2.46%
Allkem Ltd	2.26%
Wesfarmers Ltd	2.04%
Vaneck Global Clean Energy	1.87%
Yancoal Australia Ltd	1.79%
Total Top 10 Holdings	29.58%
Total Cash	33.41%

Sector Exposure vs All Ords



Market Commentary

November carried on where October left off, with the main accumulation index rising by 6.44%. For the first time in some years, every sector finished the month in positive territory. *Utilities* rose a remarkable 20.85% led by corporate activity in Origin and AGL. *Materials* were strong at +16.33% and *Healthcare*, *Industrials* and *A-REITTS* all saw rises of greater than 5%.

The fund was once again able to hold its own due to excellent stock selection across key holdings, especially in *Materials*. Despite the high cash weighting, the fund has out-performed the accumulation index by **6.75% net of all fees** for the 12 months to 30 November, 2022.

Nonetheless, as *Managers*, we are in an uncomfortable phase, whereby the short term sentiment does not align with our medium term outlook. The recent dovish comments by the Chair of the US Federal Reserve have provided a sizeable sugar hit. Whilst this was as per our expectation, the rally has now surpassed the levels we were anticipating. This creates a degree of discomfort as our cash mitigates our performance. US corporate earnings reports in early January may well be the catalyst for the next leg down, but it is also possible that the rally could continue for several more months.

However, there are at least 4 factors which will materially impact the consumer in the coming 12 months: interest rates, food inflation, energy prices and the dent to household wealth from the property correction. These factors are likely to result in a decline in consumer spending. Consumer spending makes up 50% of GDP. We therefore believe that corporate earnings need to rebase and rebase materially.

Whenever we hold or maintain a position substantially different to the market, we need to rigorously examine the underlying thesis. We continue to do this at regular intervals and continue to arrive at the same conclusion: that both actual and forecast corporate earnings will rebase lower in the coming year. And with them, share prices.

	Total Return	Category +/-	Cat Rank
3 Year	12.90%	3.06%	+9.84% Top 2%
5 Year	11.97%	6.10%	+5.87% Top 2%

Source: Morningstar, September 30 2022

Key Facts

APIR Code	KTA0002AU
Responsible Entity:	Katana Asset Management Ltd
Minimum Application	\$25,000
Asset Allocation	Australian equities: 70-95%; Cash 5-30%

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