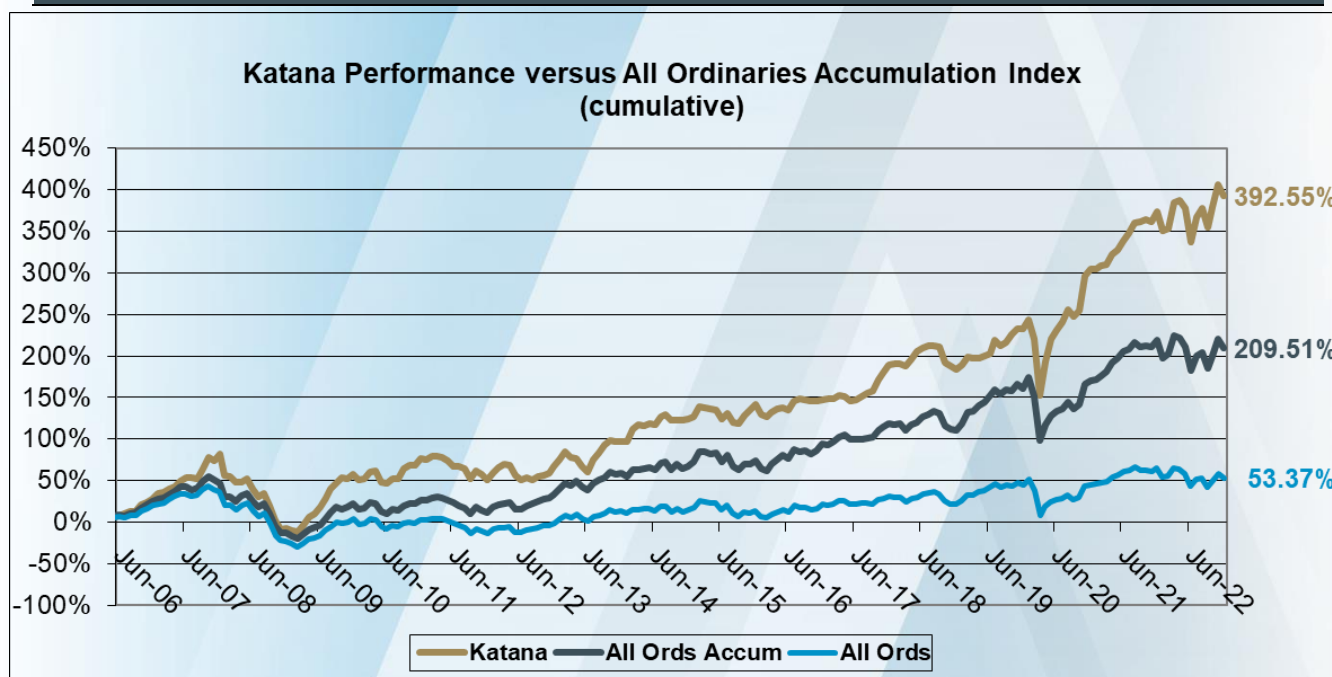


Katana Australian Equity Fund



People. Process. Passion. Performance

Performance at 31 December 2022	1 Month	1 Year	3 Years	5 Years	(Inception) 17 Years
Katana Investment Portfolio	-2.68%	4.09%	14.01%	11.21%	9.83%
ASX All Ordinaries Accumulation Index	-3.30%	-2.96%	5.79%	7.22%	6.87%
Outperformance (pa)	0.62%	7.05%	8.22%	3.99%	2.96%



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 31/12/2022. Past performance is not an indicator of future performance

Key contributors:

- Norwest Energy** received a takeover bid as interest for gas assets in the Perth Basin escalated
- Strike Energy** announced a takeover offer for Warrego Energy in the Perth Basin to increase their ownership above 50%
- Yancoal Australia** announced they will do an early debt repayment of US\$459m resulting in a US\$91m cost saving

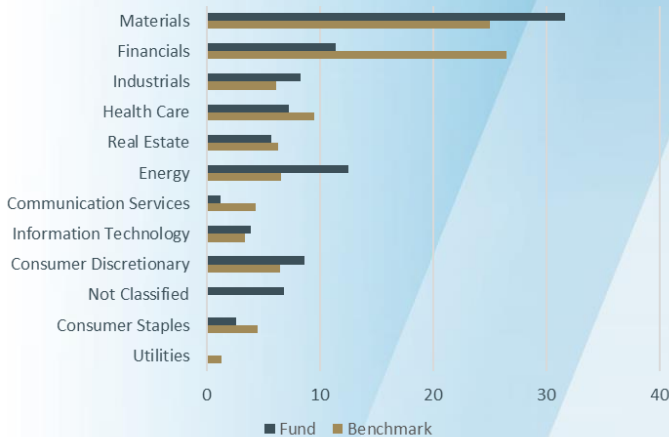
Key detractors:

- Mineral Resources** saw profit taking as spot lithium prices retraced from record highs
- Allkem Ltd** also retraced with softening lithium prices
- APM Human Services** continued the previous months selling despite announcing a new acquisition of Everyday Independence

Top 10 Holdings

Company	Weight
Mineral Resources Ltd	6.37%
CSL Ltd	4.16%
Macquarie Group Ltd	2.76%
Seven Group Holdings Ltd	2.56%
Yancoal Australia Ltd	2.27%
South32 Ltd	2.25%
Aristocrat Leisure Ltd	2.20%
Allkem Ltd	2.19%
Wesfarmers Ltd	1.99%
IGO Ltd	1.97%
Total Top 10 Holdings	28.72%
Total Cash	31.44%

Sector Exposure vs All Ords



Market Commentary

The seasonal 'Santa Rally' failed to deliver with the accumulation index closing -3.30% lower for the month. Every sector finished the month in the red, a complete reversal from the previous month which saw every sector finish in the green. Discretionary and Technology was hit the hardest falling -7.04% and -5.45% respectively. Materials was the best relative performer closing down -0.85% followed by Utilities -1.19%.

The fund held on to out-perform for the month despite the lithium sell-down impacting some of the fund's biggest holdings. This highlights the durability of a diversified portfolio during periods of heightened volatility. The fund has outperformed the

accumulation index by **7.05% net of all fees** for the 12 months to 31 December, 2022.

The Australian market followed global markets lower as the US Fed re-affirmed that rates will be higher for longer despite weakening economic data. Rising rates into a weakening economy is a worst-case scenario for equity markets as it stresses consumer spending and corporate profits alike. We'll closely monitor the January reporting season currently underway in the US for signs of corporate profits rebasing, as alluded in our previous update this will also require share prices to rebase.

Our focus is also on consumer data as it emerges. We're still in the early stages of seeing inflation, rising interest rates and declining property values meaningfully flow through to consumer confidence and spending. These forces have a lag affect and will likely begin to materialise in the first half of the new calendar year, particularly as more mortgages begin cycling off low fixed rates.

For these reasons, the fund continues to maintain a high cash level heading into the new year. We continue to rigorously examine our positioning and underlying thesis and remain prepared to adjust our thinking if adequate data to the perverse emerges.

	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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