

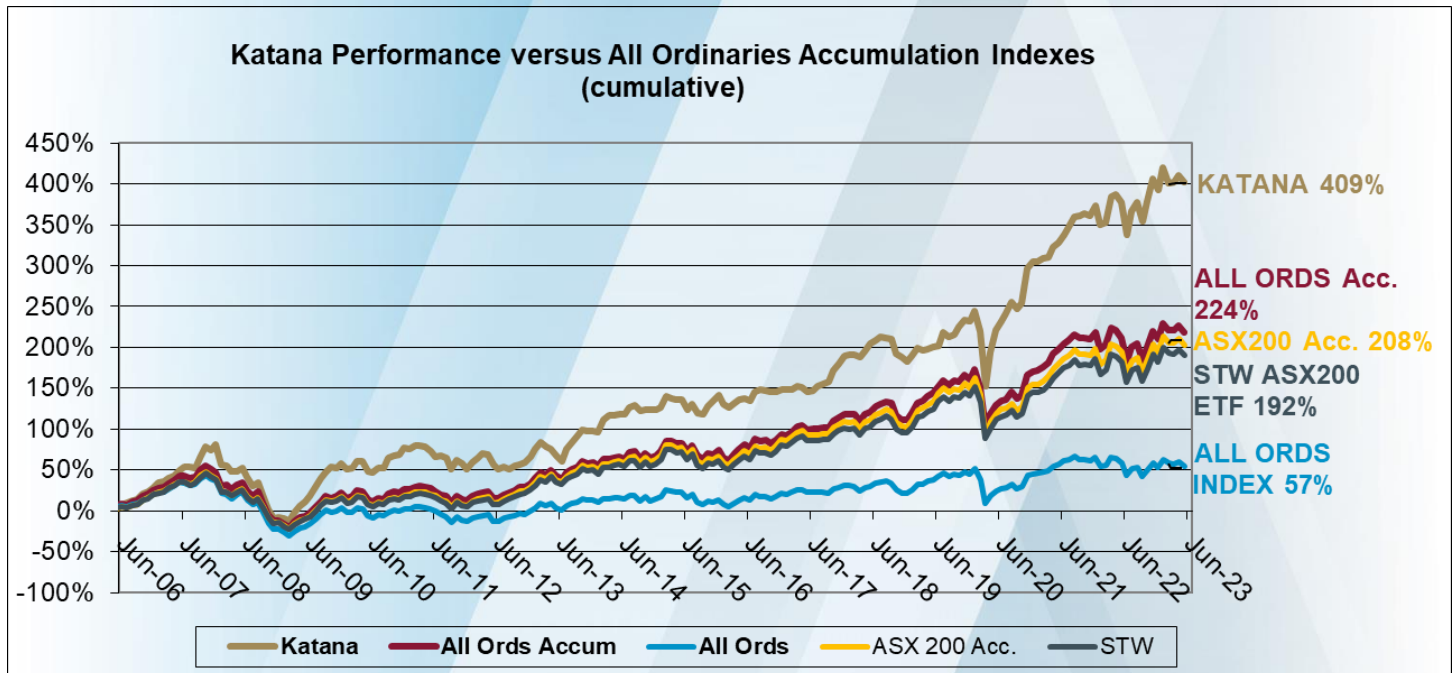
Katana Australian Equity Fund



Performance at 30 June 2023	1 Month	1 Year	3 Years	5 Years	(Inception) 17 Years
Katana Investment Portfolio	1.23%	16.41%	15.34%	10.48%	9.74%
ASX All Ordinaries Accumulation Index	1.94%	14.75%	11.42%	7.35%	6.95%
Outperformance (pa)	-0.71%	1.66%	3.92%	3.13%	2.79%

Total Return	3 Year	5 Year
Category	11.03%	6.52%
+/- Cat	5.03%	3.93%
% Rank	Top 4%	Top 3%

Source: Morningstar Data as at 31/05/23



Source: Katana Asset Management, strategy inception was January 2005. Fund net returns are post fees, pre tax using redemption prices and assume reinvestment of distributions. Dated 30/06/2023. Past performance is not an indicator of future performance

Key contributors:

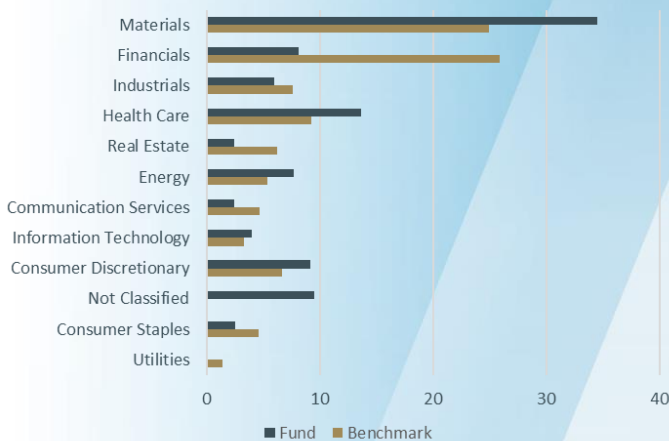
- Delta Lithium** announced positive drilling results at their Yinnetharra and Mt Ida Lithium Projects
- Coronado Global** bounced from an oversold position as the decline in Met coal prices found support
- Allkem Ltd** provided an update on their Ore Reserve confirming a 34% increase to 7.8Mt

Key detractors:

- CSL Ltd** provided a trading update which included underwhelming FY24 guidance pointing to tougher conditions
- Regis Resources** followed the Gold price lower and announced a 13% decline in their Reserves
- Beach Energy** abandoned their plans for drilling the Trigg 1 and 2 Projects following weak test results

Top 10 Holdings	Weight
CSL Ltd	5.08%
Mineral Resources Ltd	4.84%
Wesfarmers Ltd	2.63%
Beach Energy Ltd	2.35%
Macquarie Group Ltd	2.00%
Sandfire Resources Ltd	1.95%
Global X Copper Miners ETF	1.93%
IGO Ltd	1.87%
Vaneck Global Clean Energy	1.76%
Regis Resources Ltd	1.74%
Total Top 10 Holdings	26.15%
Total Cash	35.70%

Sector Exposure vs All Ords



Market Commentary

Courage is Fear Holding on a Minute Longer...

General George S. Patton would have been mortified if he ever thought that his famous quote would have been applied to the stock market. But sometimes investing is war!

And it has taken some courage to hold our overweight cash position during the 2023FY. Indeed with the market rising 14.75% over the past 12 months to 30 June, our average cash weighting of 35% has impacted performance. It has taken every ounce of experience and effort to generate enough bottom up alpha to not just match, but indeed exceed the index by a healthy 1.66% net of all fees.

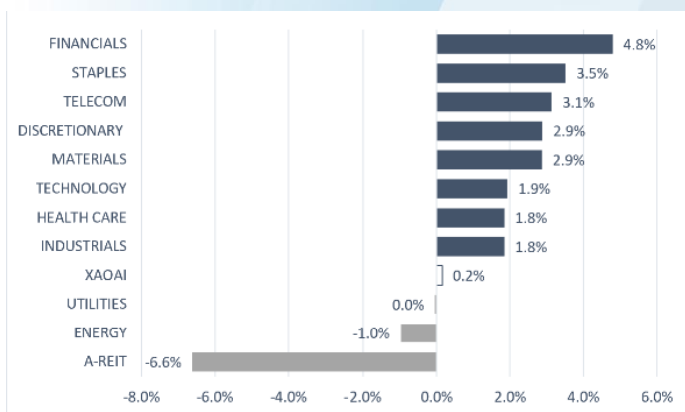
This strong bottom up performance has bought us the breathing space to assess how the most rapid application of monetary policy in Australia's history plays out. And to date, our observations have been that both consumers and investors alike have been considerably more robust than we would have anticipated.

In the case of consumers, I suspect that covid and savings buffers have further elongated what is already a laggard policy tool. In the case of investors, given that markets are forward looking, it is harder to understand. Perhaps it is a blind belief in the brilliance of central banks. Perhaps the March 2020 Covid-19 flash crash desensitised investors. Or perhaps the economy won't contract as most professional investors anticipate.

All these are reasonable possibilities, but we are paid to play probabilities not possibilities. And as we read the data, the most probable outcome remains that the US is 'moments' away from a recession. So at the risk of repeating ourselves, we shall remain patient for at least another 'minute'.

Key Facts

APIR Code	KTA0002AU
Minimum Application	\$25,000
Asset Allocation	Australian equities 65-95%; Cash 5-35%



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