

# Katana Australian Equity Fund



*People. Process. Passion. Performance*

Performance at 30 November 2020	1 Month	6 Months	1 Year	3 Years	5 Years	Since Inception
Katana Investment Portfolio	12.17%	23.66%	19.08%	12.37%	11.02%	9.68%
ASX All Ordinaries Accumulation Index	10.16%	16.35%	-0.08%	7.54%	9.46%	6.78%
<b>Outperformance</b>	<b>2.01%</b>	<b>7.30%</b>	<b>19.16%</b>	<b>4.84%</b>	<b>1.56%</b>	<b>2.89%</b>

## Katana Performance versus All Ordinaries Accumulation Index (cumulative)



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 30/11/2020. Past performance is not an indicator of future performance

### Key contributors:

- Mineral Resources** has been a company we have invested in for nearly 15 years; the latest uplift was driven by a burgeoning iron ore price.
- Unibail-Rodamco-Westfield** was buoyed by the removal of incompetent management, director buying and a cheap bond issuance
- Scentre Group** driven by the Covid-19 recovery trade and a rotation to value over growth.

### Key detractors:

- NextDC** profit-taking and the rotation out of long duration assets into value; remains a highly profitable position in the fund
- Regis Resources** weakness throughout the entire gold complex; we have re-tested our thesis on gold, and believe it remains intact
- Sonic Healthcare** similar to NextDC profit-taking and rotation out of high PER stocks; has been a strong contributor over the past year.

### Top 10 Holdings

Company	Weight
Mineral Resources Ltd	4.37%
Wesfarmers Ltd	2.43%
Bell Financial Group Ltd	2.36%
Commonwealth Bank of Australia	2.33%
Ingenia Communities Group	2.31%
Sonic Healthcare Ltd	2.27%
AMP Limited	2.25%
Australia and NZ Banking Group	2.22%
Lendlease Corp Ltd	2.09%
Pendal Group Ltd	2.07%

process and criteria, along with the experience and dedication of our investment team.

There was a clear rotation towards value, and the energy sector led the way with a 28% rise followed by Financials at +15%. A-REITs and the Communication sectors were both up by more than 13%, whilst Consumer Staples was the only sector to close the month in the red, down 0.73%.

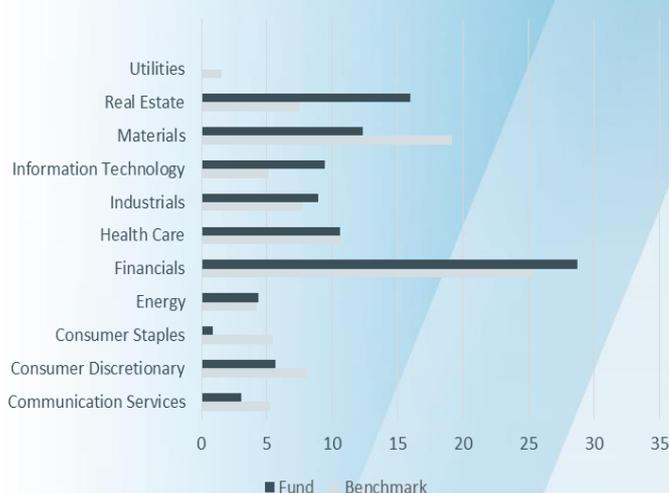
In terms of the market outlook, we believe that there may be some short term profit-taking and consolidation, however the medium term outlook is positive driven by the twin themes of 'Liquidity and Necessity.' We outline these major drivers at the end of our most recent webinar which also steps through our investment process in detail (<https://youtu.be/EFcH0QiaC-o>).

With a strong cash weighting balanced by some high alpha performers, the fund is well positioned to benefit from a significant move in either direction.

### Fund Objective

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

Sector Exposure vs All Ords



### Market Commentary

November was an extraordinary month to state the obvious, with the 10.16% rise the largest monthly increase since 1988 and the largest for any November on the ASX.

Given our over-arching focus on capital preservation, there is the potential danger that our fund may under-perform during such periods of exuberance. We are happy to report that despite our cash weighting increasing to more than 25% at month end, we OUT-PERFORMED the accumulation index net of all fees by more than 2%. This is another excellent outcome and a testimony to the investment

### 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.

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