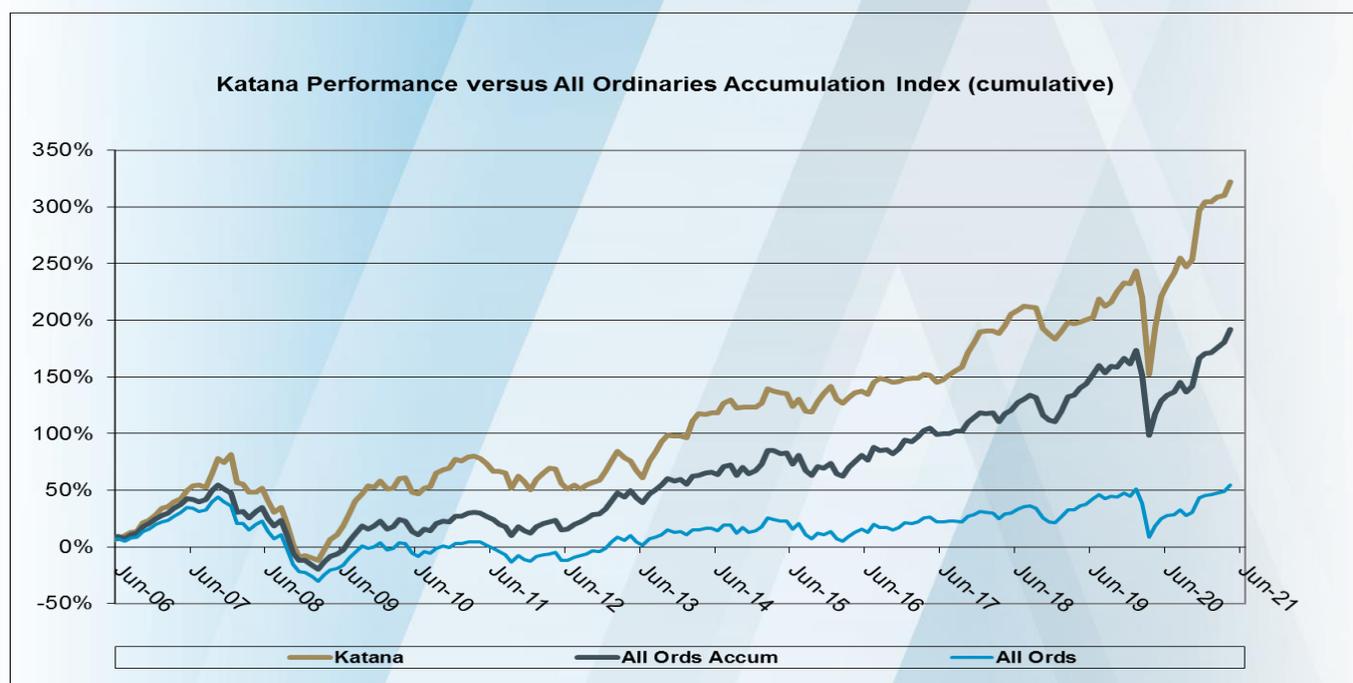


Katana Australian Equity Fund



People. Process. Passion. Performance

| Performance at 30 April 2021 | 1 Month | 6 Months | 1 Year | 3 Years | 5 Years | Since Inception |
|--|---------------|---------------|---------------|--------------|--------------|--------------------|
| Katana Investment Portfolio | 2.85% | 19.32% | 43.90% | 12.64% | 12.34% | 9.85% |
| ASX All Ordinaries Accumulation Index | 3.92% | 20.69% | 33.89% | 10.24% | 10.71% | 7.23% |
| Outperformance | -1.07% | -1.36% | 10.01% | 2.40% | 1.63% | 2.62% |



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 30/04/2021. Past performance is not an indicator of future performance

Key contributors:

- Mineral Resources** had a series of good news flows including acquiring two highly prospective gas exploration permits, and reaching a JV agreement with BCK
- Unity Group** is benefiting from upgrades following the recent results beat and OptiComm acquisition
- Pendal Group** reported a strong March Qtr with positive FUM growth and investment returns

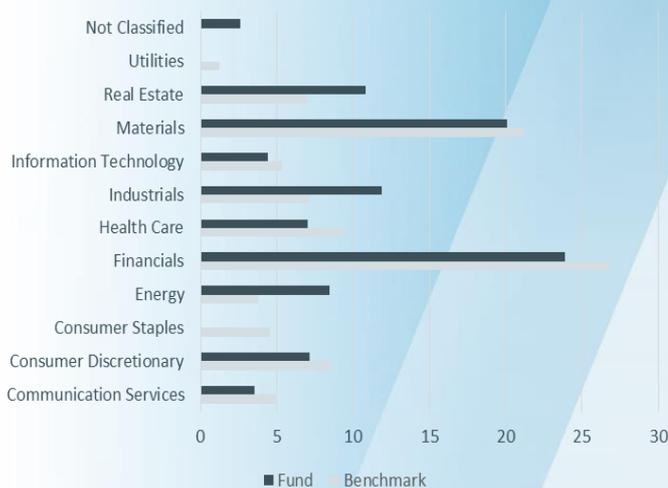
Key detractors:

- Beach Energy** downgraded its full-year forecast based on lower production rates from the Western Flank oil reserves
- AMP** ended discussions with Ares to sell the private markets business and the recent AGM did little to restore confidence
- Regis Resources** announced an equity raise of up to \$650m to acquire a 30% interest in the Topicana Gold Project from IGO

Top 10 Holdings

| Company | Weight |
|--------------------------------|--------|
| Mineral Resources Ltd | 4.36% |
| Commonwealth Bank of Australia | 3.33% |
| Westpac Banking Corporation | 3.30% |
| Australia and NZ Banking Group | 3.16% |
| Uniti Group Ltd | 2.44% |
| Wesfarmers Ltd | 2.38% |
| CSR Ltd | 2.36% |
| Ingenia Co | 2.32% |
| Woodside Petroleum Ltd | 2.26% |
| Sonic Healthcare Ltd | 2.21% |

Sector Exposure vs All Ords



Market Commentary

April heralded the acceleration in the appreciation of stock prices, as a strong recovery in company earnings (especially in the US) added further impetus to unprecedented liquidity and record low rates (necessity).

Technology was surprisingly the top performing sector, recording a 9.7% gain for the month. Materials, Industrials and Financials were also strong. Energy was the worst performing segment, declining by 4.9%.

Whilst our monthly performance at positive 2.85% net of all fees was solid, our over-exposure to energy and under-exposure to technology detracted from our relative performance.

In the case of technology, the pause in the rise of the US 10 year bond rate, was greeted with an irrational level of exuberance. We believe that the US 10 year bond rate is en route to 200bp, and hence we are due another downward leg in long duration/ growth assets. We would however draw a distinction between 'real tech' – which has strong earnings and cashflow – and 'spec tech', which does not.

In the case of energy, the disconnect between the oil/LNG price and valuations on companies such as Woodside, is now at close to record levels. Something has to give – either the price of energy or the price of stocks. Our money is on the latter.

During the past quarter, the team has also worked to identify and build positions in a host of new stocks that meet our evolving view of the market. History shows that this can often be ahead of the curve. However, we are confident that we have laid the foundation for our next period of performance, and results thus far in May are encouraging.

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: 70-85%; 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.

Copyright © 2021 Katana Asset Management Ltd, All rights reserved. (AFSL 288412) For questions or to talk to a product specialist please contact Zaffar Subedar on 0438 853 073. Level 9, The Quadrant, 1 William Street, PERTH WA 6000 Ph: (08) 9220 9888 Email: bdm@katanaasset.com