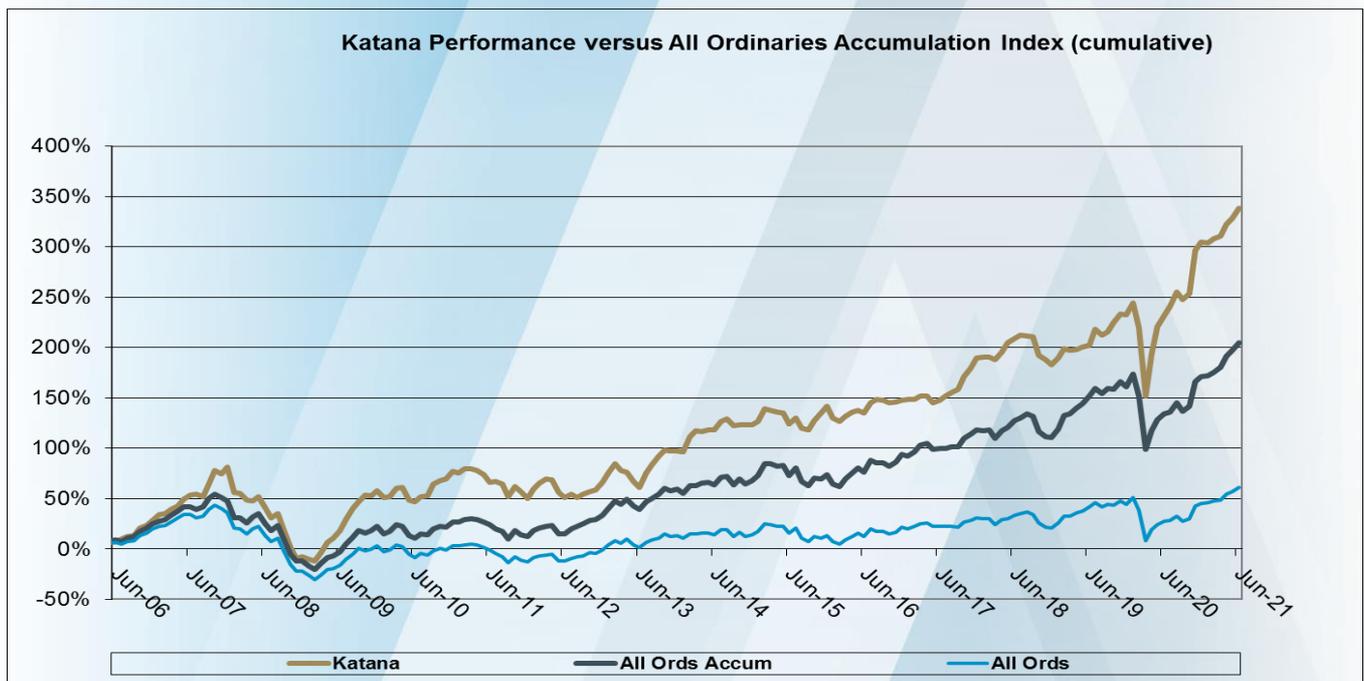


Katana Australian Equity Fund



People. Process. Passion. Performance

Performance at 30 June 2021	1 Month	6 Months	1 Year	3 Years	5 Years	Since Inception
Katana Investment Portfolio	2.40%	8.33%	32.15%	12.33%	13.29%	10.00%
ASX All Ordinaries Accumulation Index	2.56%	12.58%	30.24%	10.30%	11.54%	7.46%
Outperformance	-0.15%	-4.25%	1.91%	2.03%	1.75%	2.54%



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 30/06/2021. Past performance is not an indicator of future performance

Key contributors:

- Mineral Resources** reached a record high aided by a strong iron ore price which remained above US\$200/t
- Unity Group** gained admission to the ASX 200 Index which saw increased interest from institutional investors
- Worley** announced numerous new contract wins, including a contract to help develop one of the largest green hydrogen facilities in the world

Key detractors:

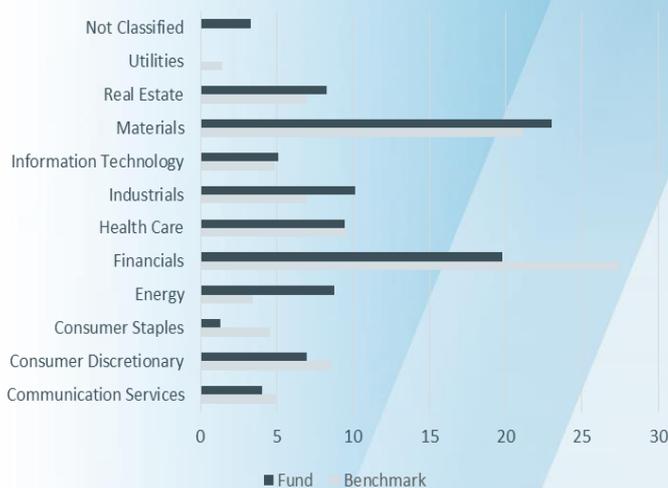
- MLZ OZ** announced the early completion of their largest crushing contract with FMG driven by labour constraints on FMG's side
- Regis Resources** sold off with the gold price which fell from US\$1,900/oz to US\$1,760/oz
- OZ Minerals** experienced profit taking sparked by recent copper price weakness, OZL remains a key exposure to the global electrification thematic

Top 10 Holdings

Company	Weight
Mineral Resources Ltd	3.47%
Uniti Group Ltd	2.72%
Seven Group Holdings Limited	2.56%
South32 Limited	2.55%
Westpac Banking Corporation	2.54%
CSR Ltd	2.48%
Wesfarmers Ltd	2.42%
Woodside Petroleum Ltd	2.28%
Ingenia Communities Group	2.14%
NextDC Limited	2.07%

anomaly than a break in trend. We expect that bond yields will continue their upward trajectory shortly, and drive profit-taking in long duration growth assets. This view is predicated on 2 key inter-related observations: 1. the return of above system inflation and 2. the inevitable winding back of the enormous level of money printing. The former will 'force' the central banks to respond by raising the official rate. The latter will drive a return to free market forces (at a much higher equilibrium) and accelerate the speed of transmission.

Sector Exposure vs All Ords



Market Commentary

Technology was the outstanding sector during June, rising by an extraordinary 13.4% (see below).

Communication and *Consumer Staples* both rose by more than 5% and *Consumer Discretionary* and *Energy* both by around 4%. Only the *Financial Services* sector finished in the red, down 0.2%.

Whilst our call on energy continues to track in line with expectations, we have been perplexed by the strength in the price of US bonds (which has driven the technology sector) Whilst this remains a work in progress and we remain aloft to the possibility that we may need to pivot in the coming months, at this juncture it would seem the past quarter is more of an

Our June performance was somewhat impacted by our past success, in that we were forced to hold additional cash ahead of what will be a record distribution of over **18.6c** for the year. We are delighted to be able to reward our co-investors with such a strong return. It is especially pleasing given the lower level of risk that we have taken on to achieve this return. For example, there is no use of gearing, derivatives, off-shore exposure, commodities or short-selling. Additionally, we hold a high cash weighing and diverse portfolio comprising a minimum of 50 stocks.

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