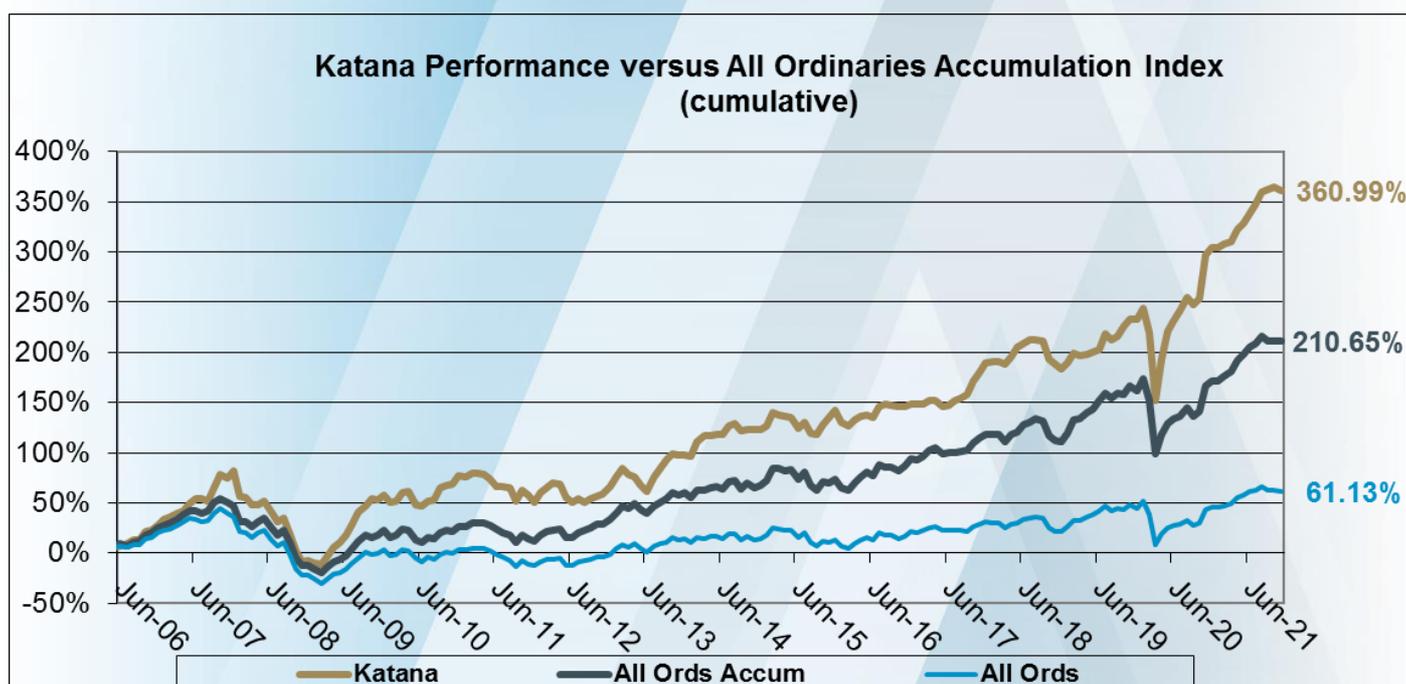


Katana Australian Equity Fund



People. Process. Passion. Performance

Performance at 30 November 2021	1 Month	6 Months	1 Year	3 Years	5 Years	Since Inception
Katana Investment Portfolio	-0.69%	7.73%	16.19%	17.01%	13.39%	10.08%
ASX All Ordinaries Accumulation Index	-0.33%	4.47%	16.69%	13.64%	10.75%	7.38%
Outperformance	-0.36%	3.26%	-0.50%	3.36%	2.64%	2.70%



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** bounced with Iron Ore prices which closed back above US\$100/t. MIN also reported a landmark Port & Rail agreement
- Seven West Media** had a series of good news flow including favourable debt refinancing and the acquisition of Prime Media Group
- Genusplus Group** won their first contract in the Defence industry worth approximately \$16m over the next 6 months

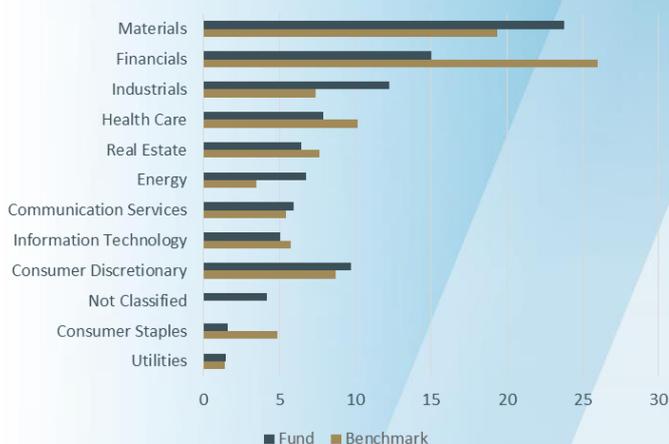
Key detractors:

- Coronado Global** saw selling as coal prices took a breather from their recent rally
- APM Human Services** had a disappointing debut on the ASX. A combination of investor fatigue and high Private Equity ownership a possible driver of weakness
- Woodside** declined along with the whole energy sector on the back of weaker commodity prices and recent fears of the new Omicron variant

Top 10 Holdings

Company	Weight
Mineral Resources Ltd	4.03%
Uniti Group Ltd	3.16%
Woodside Petroleum Ltd	2.86%
Wesfarmers Ltd	2.66%
Macquarie Group Ltd	2.63%
Sonic Healthcare Ltd	2.55%
NextDC Limited	2.29%
Westpac Banking Corporation	2.19%
Seven Group Holdings Ltd	2.14%
Ingenia Communities Group	2.12%

Sector Exposure vs All Ords



Market Commentary

It is unusual to see the *Energy* and *Materials* sectors digress to any degree, let alone as significantly as they did during November. However, *Materials* was the top performing sector increasing by 6.3%, whilst *Energy* declined by 8.3%. *Communication*, *REITs*, *Utilities* and *Consumer Staples* were also strong contributors. The *Financials* sector declined by 6.9%, which dragged the index into the red.

The fund was overweight energy leading into the month. This was predicated on the belief that stock prices had materially lagged their respective commodity prices – especially LNG, oil and metallurgical coal. This can be a dangerous stance, as it is equally possible that equity prices do not rerate and when commodity prices (inevitably) roll over, there can be a race for the door.

The US Government's decision to release 50m barrels of oil from their strategic reserves, along with the emergence of the Omicron strand, compressed the timeline and brought forward the decline. However, at this point we see both of these items as being transitory. And when combined with the sizeable underinvestment in new oil and gas developments over the past 4+ years, we continue to believe that energy prices will trade at heightened levels for an extended period.

The poor listing of APM Human Services – which is a high calibre business – has largely shut the IPO market for 2021. The weak price action is probably a reflection on the valuation and management of the process as much as investor fatigue. But in any event, it would require something very special from this juncture to entice us into a primary raising. December is traditionally the 2nd strongest month in the year, and our fund is well positioned to capitalise with some of our largest positions ready to bounce back from a subdued month.

	Total Return	+/- Cat	+/- Index	Cat Rank
3 Year	14.10%	+5.17%	+4.45%	7 / 283
5 Year	13.29%	+3.58%	+2.87%	8 / 254

Source: Morningstar

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: 70-95%; Cash 5-30%

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 Romano Sala Tenna on (08) 9220 9888. Level 9, The Quadrant, 1 William Street, PERTH WA 6000 Ph: (08) 9220 9888 Email: bdm@katanaasset.com