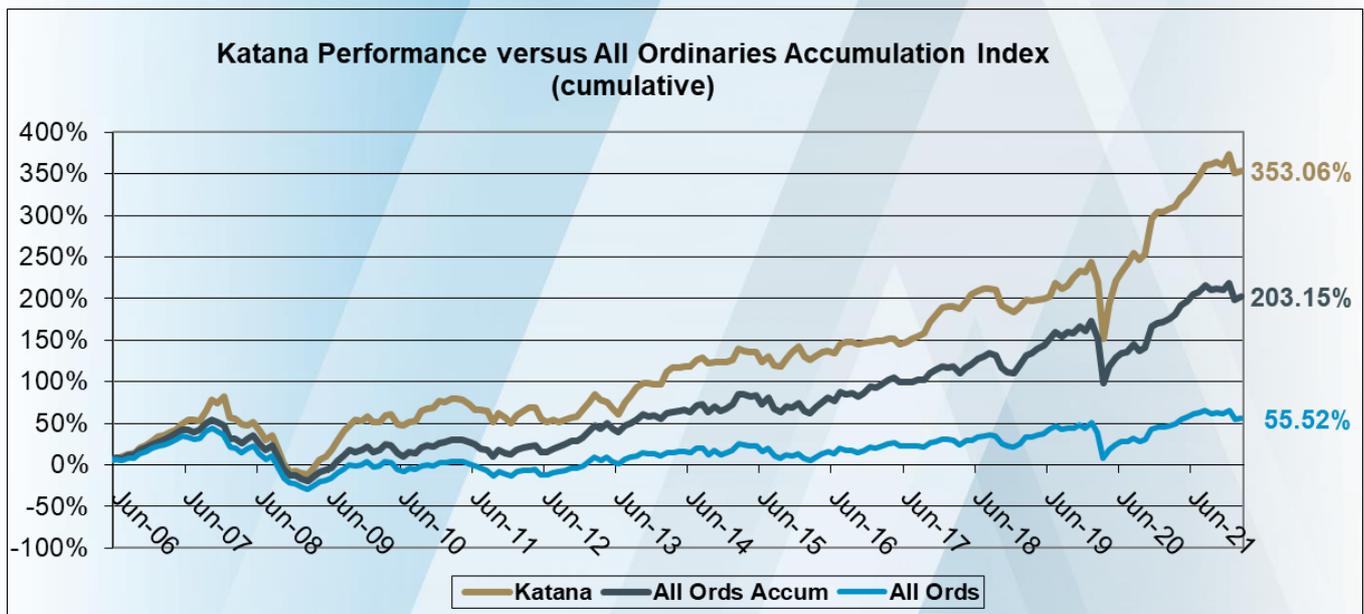


# Katana Australian Equity Fund



*People. Process. Passion. Performance*

Performance at 28 February 2022	1 Month	6 Months	1 Year	3 Years	5 Years	Since Inception
Katana Investment Portfolio	0.55%	-1.49%	10.94%	14.91%	12.75%	9.80%
ASX All Ordinaries Accumulation Index	1.73%	-4.13%	10.00%	9.27%	9.03%	7.10%
<b>Outperformance</b>	<b>-1.18%</b>	<b>2.64%</b>	<b>0.94%</b>	<b>5.64%</b>	<b>3.71%</b>	<b>2.70%</b>



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 28/02/2022. Past performance is not an indicator of future performance

### Key contributors:

- Woodside** announced a strong FY21 result and a final dividend of US\$1.05ps. Strong oil prices driven by Russia/Ukraine tensions also fuelled the stock higher
- Coronado Global** reported a strong FY21 result and surprised the market with a US 9.0c ps dividend
- Westpac** released a positive first qtr trading update with a clear path to achieving cost reduction, this helped restore confidence following an cost uplift in FY21

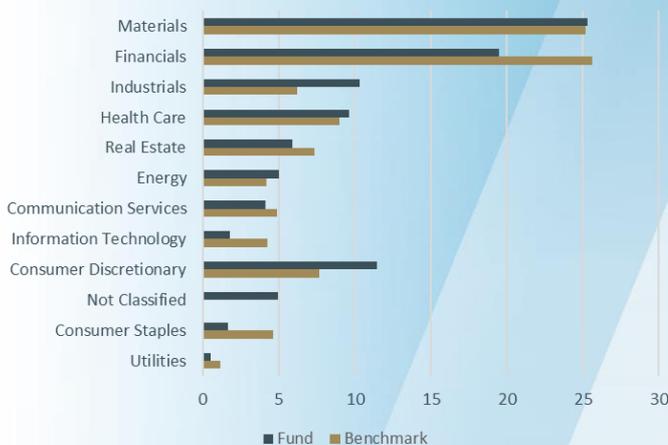
### Key detractors:

- Mineral Resources** delivered a disappointing 1H 2022 result with high logistics costs and price discounting on iron ore impacting earnings
- Uniti Group** reported a strong first half with revenue up 98% on the prior period. Despite this the stock saw heavy selling on rising yields
- Nitro Software** reported results in-line with expectation but was also impacted by rising yields which saw heavy selling across the whole technology sector

### Top 10 Holdings

Company	Weight
Mineral Resources Ltd	4.67%
Macquarie Group Ltd	3.73%
OZ Minerals Ltd	3.37%
Woodside Petroleum Ltd	2.95%
Westpac Banking Corporation	2.71%
CSL Ltd	2.69%
Coronado Global Resources	2.44%
Uniti Group Ltd	2.17%
Wesfarmers Ltd	2.09%
Seven Group Holdings Ltd	2.06%

Sector Exposure vs All Ords



### Market Commentary

Our key theme for more than a year has been the impact of rising bond yields on growth/long duration assets. Our underweight exposure - especially relative to our peer group - has continued to reward our patience. The *Technology* sector once again saw the largest falls, declining by -6.6% for the month. Having been more right than wrong to this point, our challenge is to know when to pivot and reverse our weightings. This time is getting closer but the weight of money continues to flow in the other direction. So for now we will continue to wait, recognising that we may miss the rebound (which is likely to be swift). But as we regularly say amongst our team: *you don't have to be on every bus, but you have to make sure you are not under the bus.*

On the positive side, *Energy* was again the leading sector, rising by 8.6% followed by *Staples* and *Materials* both up 5%+.

The events of the past week or so since the invasion of the Ukraine are tragic and horrific. No doubt many experts will claim that they were foreseeable, but on the balance of evidence this was not our assessment. Nonetheless we continue to hope for the best and prepare for the worst. As usual we are not betting the portfolio on any one outcome. Our strong cash weighting balanced by our exposure to *Energy* and commodities, positions the portfolio for either eventuality.

Given our strong out-performance in January, and in light of some fund managers that suffered double digit losses during the month, it was pleasing to report a positive return for February. It was also particularly pleasing to see our fund move inside the *Top 10* over 3 years and the *Top 5* over 5 years:

	Total Return	+/- Cat	+/- Index	Cat Rank
3 Year	18.65%	+4.93%	+5.03%	<b>6/ 287</b>
5 Year	13.81%	+4.53%	+4.05%	<b>3/ 254</b>

Source: Morningstar, Feb. 2022

### Fund Objective

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

### Key Facts

<b>APIR Code</b>	KTA0002AU
<b>Responsible Entity:</b>	Katana Asset Management Ltd
<b>Minimum Application</b>	\$25,000
<b>Asset Allocation</b>	Australian equities: 70-95%; Cash 5-30%

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You should seek appropriate advice to determine personal suitability before investing.

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