

Katana Australian Equity Fund



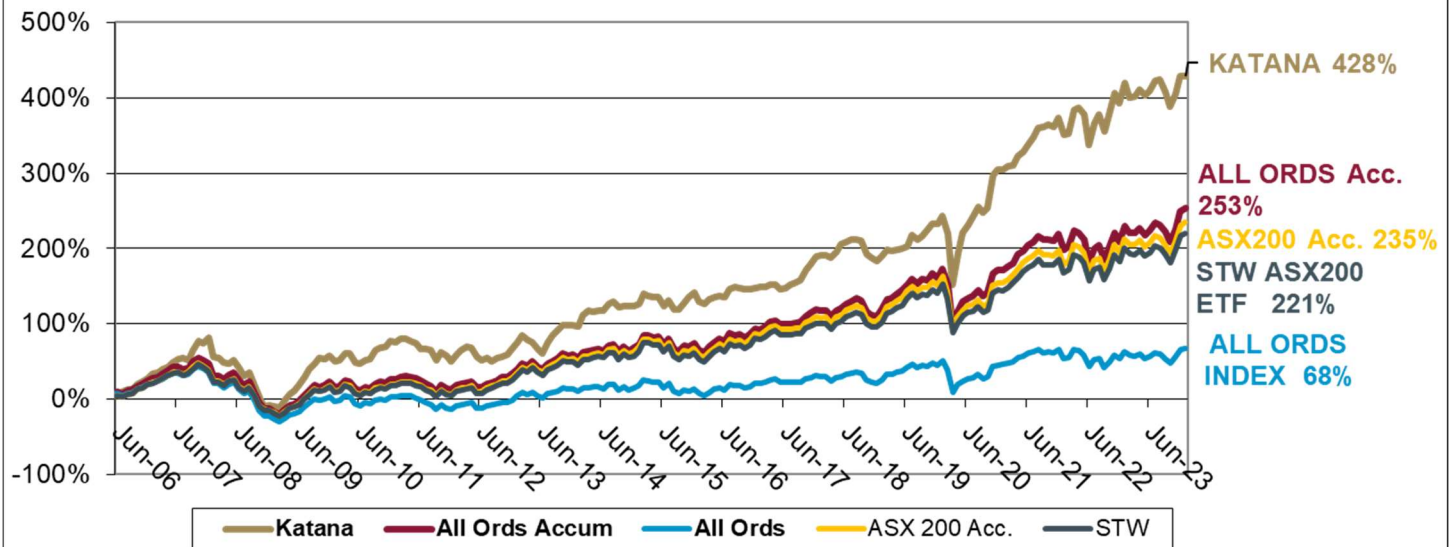
KATANA
ASSET MANAGEMENT LTD

Performance at 31 January 2024	1 Month	1 Year	3 Years	5 Years	(Inception) 17 Years
Katana Investment Portfolio	-0.16%	1.58%	9.33%	12.76%	9.64%
ASX All Ordinaries Accumulation Index	1.07%	7.28%	9.16%	10.03%	7.23%
Outperformance (pa)	-1.23%	-5.70%	0.17%	2.73%	2.41%

Alignment and Respect

Our team is passionate about what we do because our futures ride alongside those of our investors. Currently, staff interests comprise in excess of 20% of the total funds under management across both investment trusts.

**Katana Performance versus All Ordinaries Accumulation Indexes
(cumulative)**



Source: Katana Asset Management, strategy inception was January 2005. Fund net returns are post fees, pre tax using redemption prices and assume reinvestment of distributions. Dated 31/01/2024. Past performance is not an indicator of future performance

Key contributors:

- Megaport** released a positive Dec quarterly which beat analyst expectations following increased investment in their sales team
- Elders** rose as cattle prices continue to rebound following better than expected summer rain on the East coast
- ResMed** showed improving margins in their Dec quarterly which beat expectations

Key detractors:

- Mineral Resources** traded lower with the broader lithium sector as spodumene prices fell below US\$900/t
- Domino's Pizza** issued a profit warning for 1H24 with weaker than expected sales in Europe and Asia
- APM Human Services** released an update which revealed a significant decline in earnings and challenging operating environment

Top 10 Holdings	Weight
Mineral Resources Ltd	5.39%
CSL Ltd	4.79%
ResMed Inc	3.34%
Wesfarmers Ltd	2.96%
Macquarie Group Ltd	2.42%
Perpetual Ltd	2.23%
Elders Ltd	1.88%
Karoon Energy Ltd	1.76%
Ramsay Health Care Ltd	1.63%
Santos Ltd	1.60%
Total Top 10 Holdings	28.00%
Total Cash	24.93%

Market Commentary

"The stock market is filled with individuals who know the price of everything, but the value of nothing." Phillip Fisher

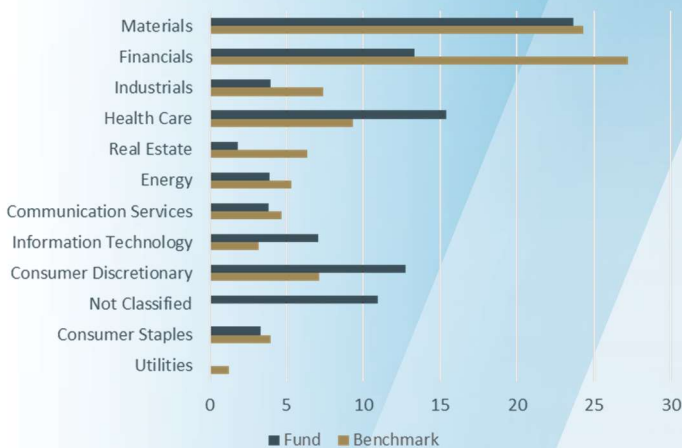
Short term market fluctuations are notoriously difficult to time, specially at the stock level. At Katana, we employ a technical analysis overlay that has been refined over 20+ years to assist in fine tuning entry and exit points. But even with such tools, markets have a habit of confounding the 'experts' in the short term.

The good news is that it is notably easier to quantify what share prices will do over the medium term, as they are indelibly linked to a company's underlying or intrinsic value. And this is something that we can quantify with a much higher degree of reliability. As it is often quipped, markets are voting machines in the short term but weighing machines over time.

Case in point is the fund's largest holding which proved to be the largest detractor during January. Mineral Resources Limited (MIN) has been one of the great long-term compounders on the ASX. From an IPO price of 90c in 2006, the company has compounded its growth for nearly 2 decades, to reach a high of nearly \$97 in Jan 2023. Since that time, it has declined on the back of one dimensional concerns over the lithium price. But as any investor in Katana would be aware, MIN has 4 divisions, and the other 3 continue to push new records in the areas of mining services, iron ore and energy. We have the utmost confidence that the management, culture, business models, scale and IP will see MIN power to a new record share price at some juncture.

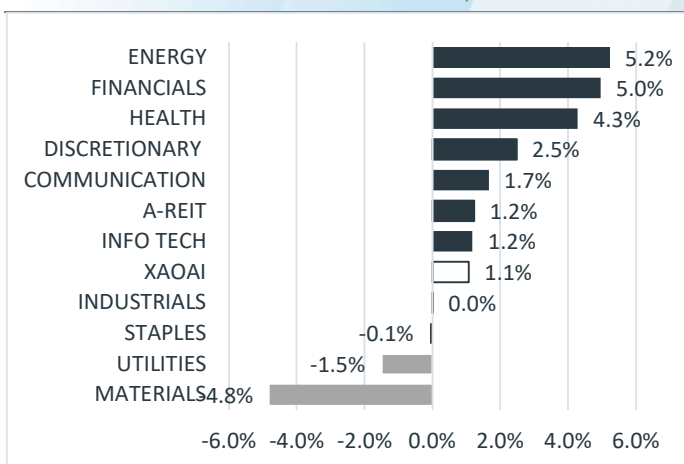
The (3) portfolio managers also remain confident in the outlook for the fund's investments. The clear sense is that there is a record number of companies in the portfolio that are on the verge of corporate activity. We believe that the fund is on the cusp of its next wave. But as often is the case, patience precedes performance.

Sector Exposure vs All Ords



Key Facts

APIR Code	KTA0002AU
Minimum Application	\$25,000
Asset Allocation	Australian equities 65-95%; Cash 5-35%



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