

Katana Australian Equity Fund



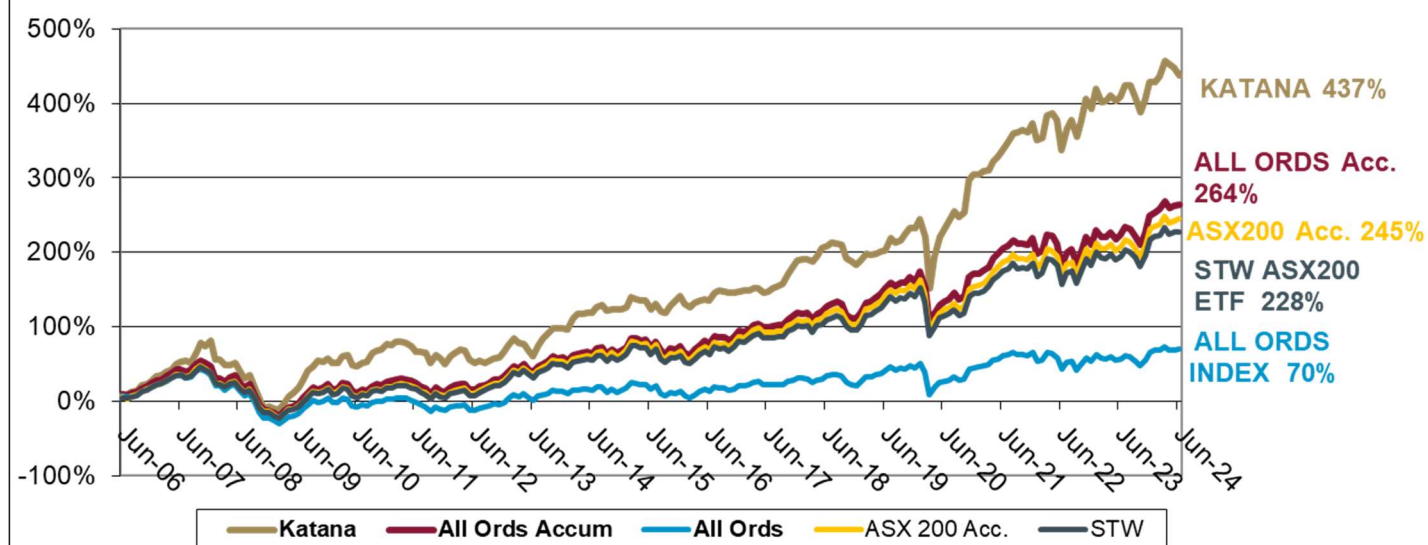
KATANA
ASSET MANAGEMENT LTD

Performance at 30 June 2024	1 Month	1 Year	3 Years	5 Years	(Inception) 18 Years
Katana Investment Portfolio	-1.87%	5.57%	7.02%	12.19%	9.51%
ASX All Ordinaries Accumulation Index	0.70%	12.51%	6.12%	7.63%	7.24%
Outperformance (pa)	-2.57%	-6.94%	0.90%	4.56%	2.27%

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 30/06/2024. Past performance is not an indicator of future performance

Key contributors:

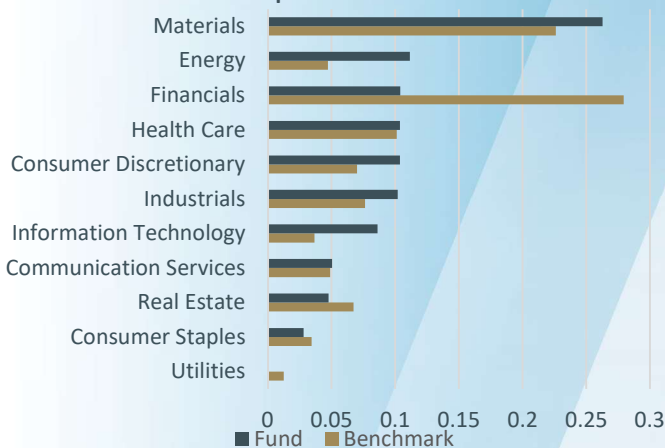
1. **Electro Optic Systems** rose with increasing global tensions which improves their growth outlook
2. **Macquarie Group** was stronger with banking peers which was the top performing sector for the month
3. **Aristocrat Leisure** held an investor day which highlighted growth targets above expectations

Key detractors:

1. **Mineral Resources** moved lower as concerns rose around a potential global lithium over supply
2. **Boss Energy** continued last month's move following sizeable inside selling by the CEO and Chair
3. **Whitehaven Coal** received a few broker downgrades as Met coal prices weakened

Top 10 Holdings	Weight
Mineral Resources Ltd	6.22%
Whitehaven Coal Ltd	3.62%
Wesfarmers Ltd	3.56%
CSL Ltd	2.87%
Macquarie Group Ltd	2.48%
Technology One Ltd	2.26%
Woolworths Group Ltd	2.05%
Perpetual Ltd	2.00%
Coronado Global Resources Inc	1.94%
De Grey Mining Ltd	1.94%
Total Top 10 Holdings	28.94%
Total Cash	16.21%

Sector Exposure vs All Ords



Market Commentary

"In the short run, the market is a voting machine, but in the long run, it is a weighing machine"

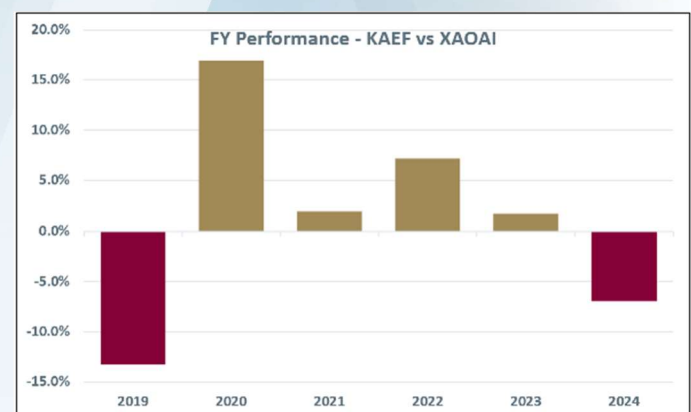
Benjamin Graham

The above quote is even more pertinent during June, which proved to be challenging for the fund with its top 2 holdings declining by 24% and 5% respectively. But to emphasise the reality of short-term fluctuations or 'voting', during the first week of July, these same 2 stocks rebounded by nearly 9% and over 16% respectively.

This is also pertinent as we review the past financial year. This was a difficult period for the fund, where it underperformed its benchmark for the first time in 5 years. This was predominantly due to 2 factors:

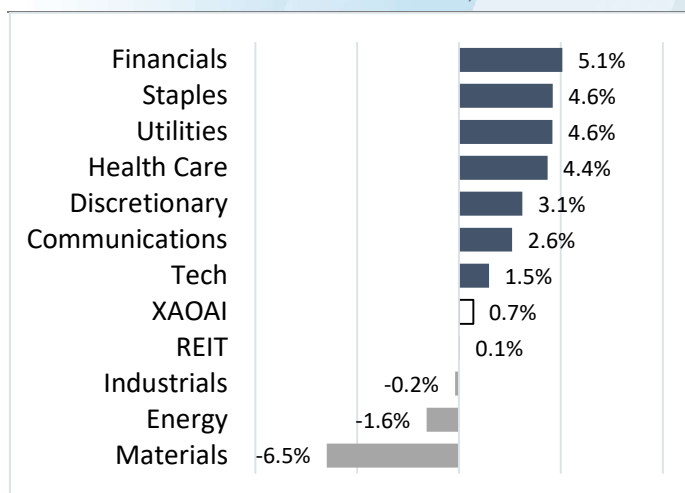
1. A reluctance to embrace consumer discretionary stocks in the face of the fastest rise in interest rates on record, and
 2. Overstaying our welcome on the lithium trade.
- In the first instance, we believe that the call remains valid, and we are starting to see that play out now, albeit later than anticipated. In the case of lithium stocks, the facts have changed. Supply has simply responded much faster than forecast. Accordingly, we have notably reduced our exposure therein.

Whilst past performance is no guarantee of future performance, and investors do indeed need to be cautious when extrapolating past results, unit holders should draw comfort from the fact that the last time the fund underperformed the index in 2019, it out-performed for the following 4 years.



Key Facts

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



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