

Katana Australian Equity Fund



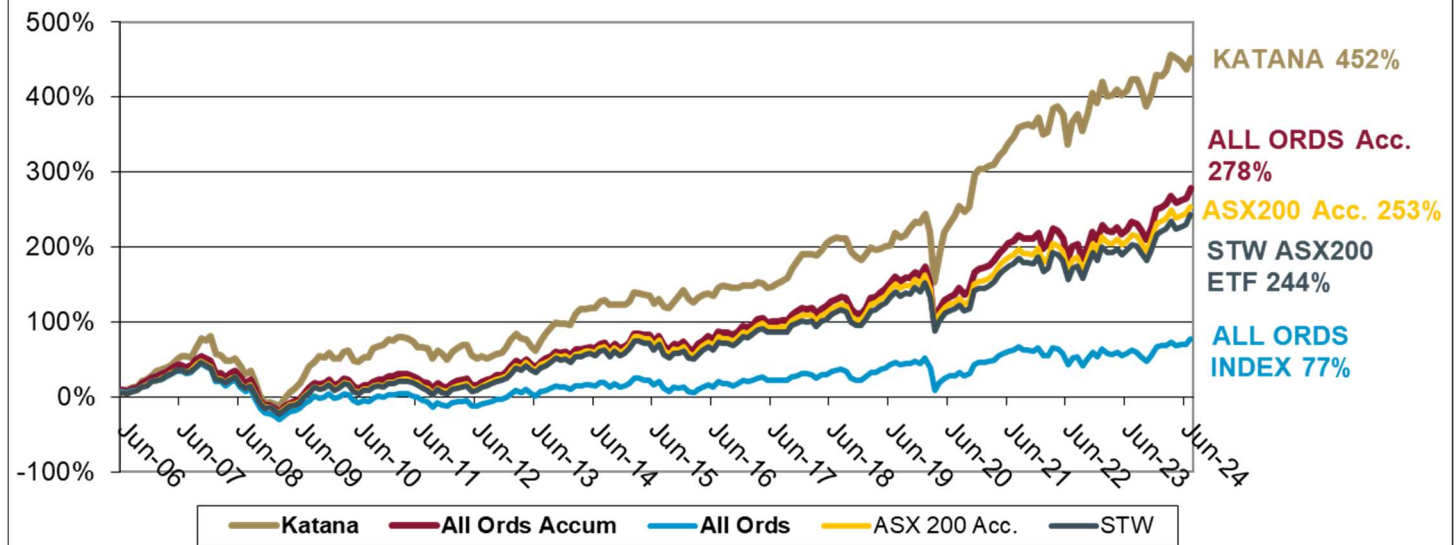
KATANA
ASSET MANAGEMENT LTD

Performance at 31 July 2024	1 Month	1 Year	3 Years	5 Years	(Inception) 18 Years
Katana Investment Portfolio	2.68%	5.40%	7.22%	11.61%	9.62%
ASX All Ordinaries Accumulation Index	3.84%	13.44%	7.08%	7.81%	7.42%
Outperformance (pa)	-1.16%	-8.04%	0.14%	3.80%	2.20%

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 31/07/2024. Past performance is not an indicator of future performance

Key contributors:

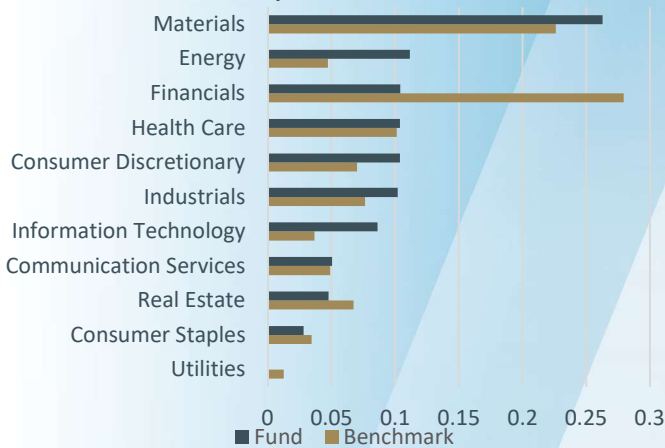
- Wesfarmers** traded higher with the broader discretionary sector which was the top performing sector for the month
- Coronado Global Resources** released their June quarterly which showed production improvement and significant cost reduction
- Technology One** received multiple broker upgrades after hosting an investor day

Key detractors:

- South32** issued their June quarterly which included asset impairments and FY25 production downgrades
- Boss Energy** retraced with Uranium peers despite providing a positive update on their Honeymoon project
- West African Resources** consolidated following a strong move since the start of the CY

Top 10 Holdings	Weight
Mineral Resources Ltd	6.36%
Wesfarmers Ltd	4.09%
Whitehaven Coal Ltd	3.71%
CSL Ltd	3.05%
Macquarie Group Ltd	2.59%
Technology One Ltd	2.54%
West African Resources Ltd	2.27%
Woolworths Group Ltd	2.13%
Karoon Energy Ltd	1.95%
De Grey Mining Ltd	1.91%
Total Top 10 Holdings	30.60%
Total Cash	12.77%

Sector Exposure vs All Ords



Market Commentary

Consumer Discretionary stocks once again led the charge during July, rising by over 9% on one measure. This continues to perplex our team, given the heightened interest rates and tight household budgets. Clearly the strong labour market (and associated wage inflation), robust housing prices and catch-up immigration flows, have emboldened the consumer considerably more than our analysis forecast.

Anecdotally, we continue to hear of households tightening their budgets. Yes, retail sales remain robust, and consumer discretionary stock prices an order of magnitude higher again. But we may finally be seeing some real signs of consumer distress. If unemployment ticks up and house prices retrace, we could finally see a notable derating in this sector. But we are acutely aware that this has taken considerably longer to play out than we had forecast.

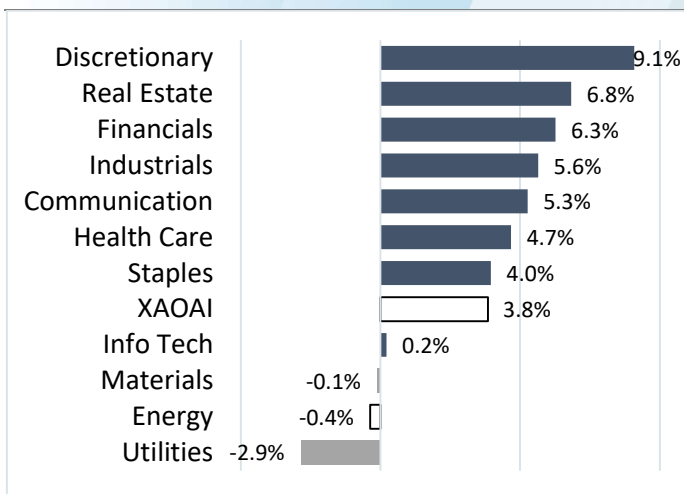
On the buy side, we continue to see opportunities in the gold and metallurgical coal sectors. After the recent sell-off, the energy sector is also throwing up some familiar names. In total, 4 of our top 10 holdings now play to these themes.

The portfolio continues to remain highly diversified, with over 60 individual stock positions. The average stock size is less than 1.5% of the portfolio. The cash weighting remains solid, providing firepower to capitalise on any market volatility. There is no debt, derivatives or time-dated instruments. There are no off-shore or unlisted holdings. In excess of 90% of the portfolio is invested in ASX300 companies. Every investment has been through a rigorous process refined over 18 years. And of course, approximately 20% of the capital is our very own money.

All of these attributes should provide a degree of comfort to unitholders, despite any short-term market gyrations.

Key Facts

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



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