

Katana Australian Equity Fund



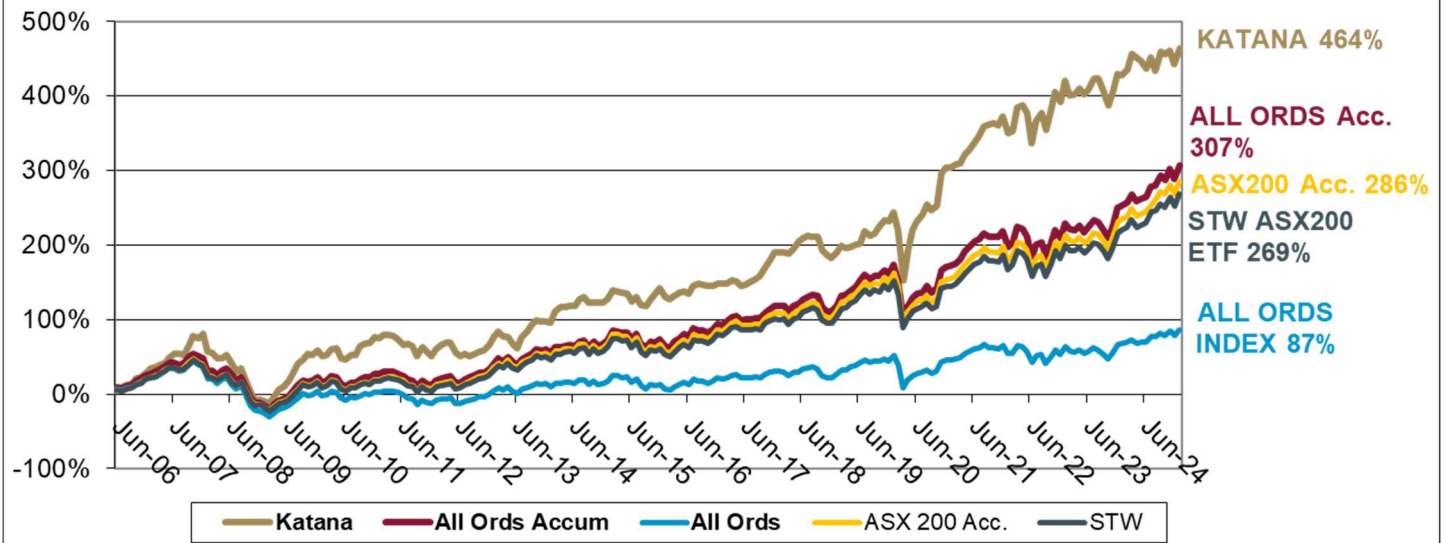
KATANA
ASSET MANAGEMENT LTD

Performance at 31 January 2025	1 Month	1 Year	3 Years	5 Years	(Inception) 19 Years
Katana Investment Portfolio (net of all fees)	3.99%	6.84%	7.79%	10.41%	9.49%
ASX All Ordinaries Accumulation Index	4.38%	15.10%	10.93%	8.25%	7.63%

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 (net of all fees) versus
All Ordinaries Accumulation Index**



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 31/01/2025. Past performance is not an indicator of future performance

Key contributors:

- Boss Energy Ltd** Preferred uranium exposure with assets in Australia and North America currently ramping up production
- Austal Ltd** Strong order book and preferred defence contractor
- Macquarie Group Ltd** benefited from the "Trump Trade" along with the recent sale of AirTrunk and its ongoing exposure to the AI and data centre sectors, which have boosted its share price

Key detractors:

- Coronado Global Resources** oversold on a weakening metallurgical coal price together with operational issues
- Jumbo Interactive Ltd** currently reducing position size given poor execution on international acquisitions and lower jackpot sequencing
- Iluka Resources Ltd** weakening prices for mineral sands (zircon and rutile) exacerbated by ambiguity around long term outlook for rare earths

Top 10 Holdings	Weight
Mineral Resources Ltd	4.30%
Wesfarmers Ltd	4.24%
CSL Ltd	4.14%
Macquarie Group Ltd	3.56%
Technology One Ltd	3.43%
ResMed Inc	2.96%
Whitehaven Coal Ltd	2.94%
Life360 Inc	2.49%
Wisetech Global Ltd	2.29%
IPH Ltd	2.28%
Total Top 10 Holdings	32.63%
Total Cash	14.39%

Market Commentary

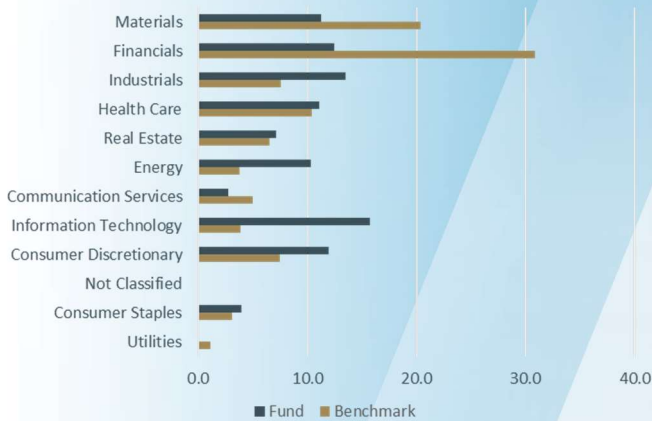
Despite some jitters during the month, *Consumer Discretionary* and *Financials* once again led the way. However, in the case of *Financials*, we are seeing the price momentum dissipate, with each attempt to push higher failing as the volume quickly retraces. Whilst there is no technical price damage as yet, CBA does look to be mapping out a top, with 4 successive attempts to push through the ~\$160 level failing.



It has been a very strong move to date from the banks and in particular CBA, so one needs caution in calling a top. However, the price signals do align with stretched valuations, skinny dividend yields, plateauing earnings and media spotlight which is making it increasingly risky for large industry funds to add to their weightings. As always, Mr Market will have his say in the short term, but in the medium term, there is limited upside from these levels.

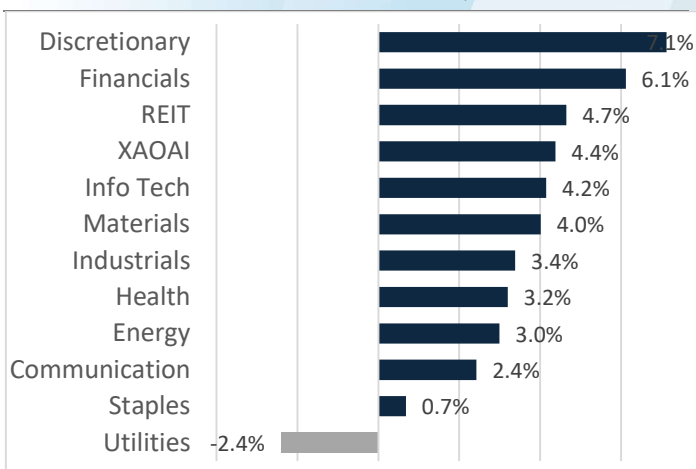
During the back half of February, the majority of ASX companies will release their half yearly earnings results. Ahead of this, the team removed a number of stocks that, whilst well regarded, may not report strongly this particular half. On the flipside, we are looking forward to the earnings season as a catalyst to refocus investors on some excellent companies that have been neglected over the past 12 months. The earnings results have the potential to change the focus and broaden the rally away from the handful of momentum stocks that have primarily driven the indices in recent times.

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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