MANAGED FUND

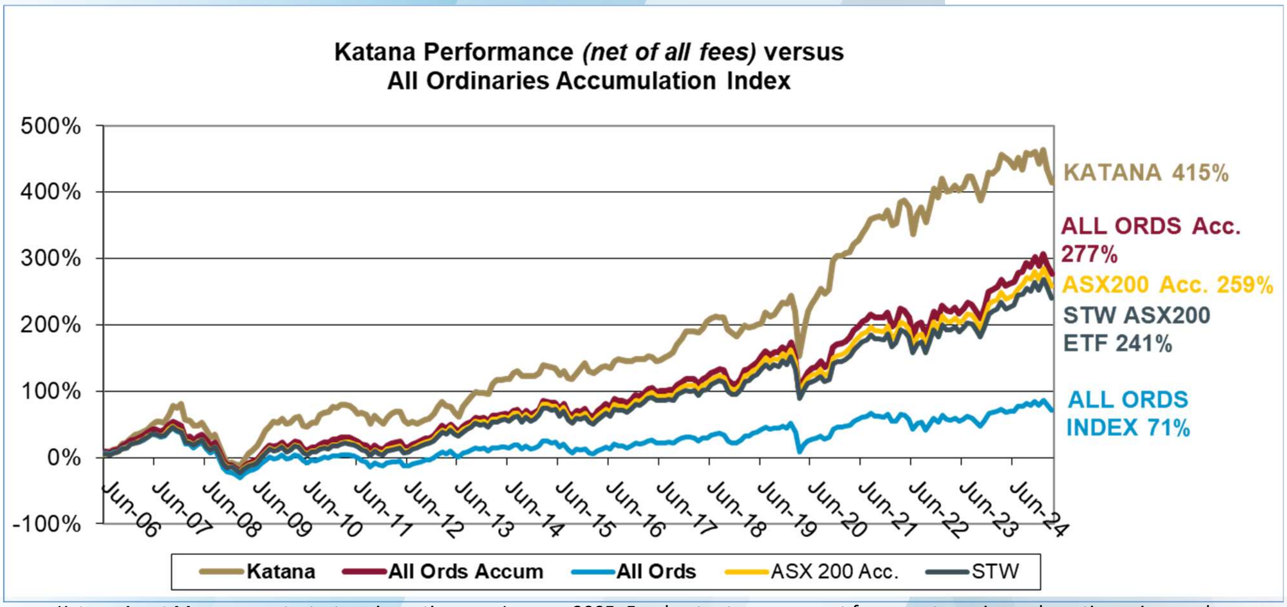
Katana Australian Equity Fund

KATANA ASSET MANAGEMENT LTD

Performance at 31 March 2025	1 Month	1 Year	3 Years	5 Years	(Inception) 19 Years
Katana Investment Portfolio (net of all fees)	-3.66%	-7.54%	2.07%	15.34%	8.89%
ASX All Ordinaries Accumulation Index	-3.54%	2.20%	5.15%	13.64%	7.13%

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.



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 31/03/2025. Past performance is not an indicator of future performance

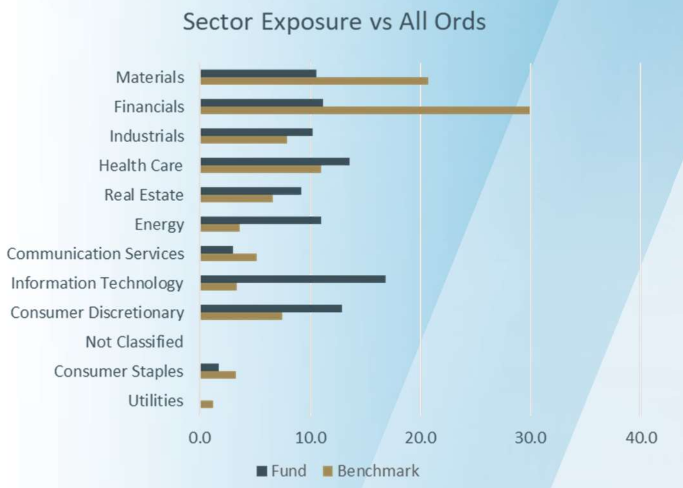
Key contributors:

1. **Electro Optic Systems Holdings Limited** preferred defence contractor on ASX. No debt, strong IP, start of 2 year contract cycle
2. **West African Resources Limited** Strong gold price driving equities, but stock remains heavily undervalued on current gold price
3. **Genesis Minerals Ltd** potential for growth with the expectation for higher gold production from Laverton operations and gold is at a record high

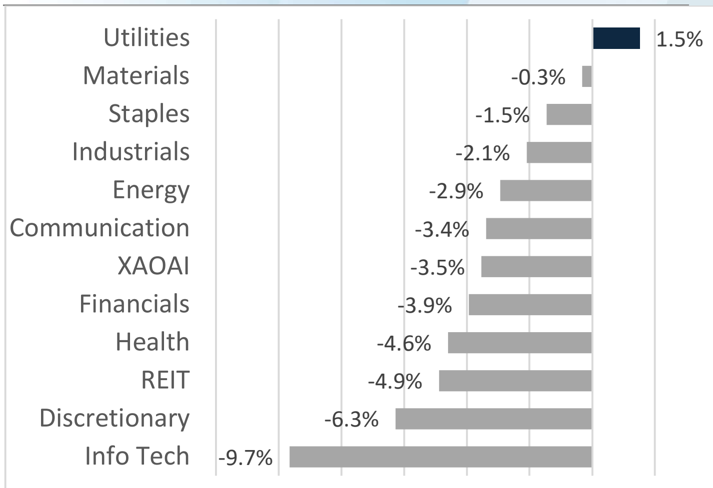
Key detractors:

1. **Macquarie Group Ltd** global investment banks have been sold off with concerns with global trade as the US president expands his tariff rhetoric.
2. **HMC Capital Ltd** the DigiCo IPO performed poorly, dampening market confidence in HMC's ability to raise funds, while the data center/AI sector has seen significant selloffs.
3. **Life 360 Inc** global tech companies have been sold off which includes Life 360. It has been the worst start to a year for over a decade.

Top 10 Holdings	Weight
CSL Ltd	4.73%
Wesfarmers Ltd	4.33%
Technology One Ltd	3.96%
ResMed Inc.	3.87%
Whitehaven Coal Ltd	3.38%
Mineral Resources Ltd	3.22%
Macquarie Group Ltd	3.11%
IPH Ltd	2.66%
Life360 Inc.	2.51%
Dexus	2.24%
Total Top 10 Holdings	34.01%
Total Cash	16.18%



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



Market Commentary

"The best laid plans of mice and men…"
Robert Burns, 1785

The market was certainly thrown a curve ball during March with the rapidly approaching introduction of unprecedented US tariffs. And unprecedented is indeed the correct term. For more than 6 decades, the world has been on the path of globalisation. Free trade, borderless markets, greater collaboration and connectivity have been the order of the day for as long as most investors can remember. But in the space of months, 50+ years of accepted thinking have been thrown out. We are in a new paradigm and companies need to adapt rapidly. As do investors and fund managers.

The first and most obvious adaption is to identify companies that are directly exposed to the US consumer but manufacture off-shore. There is a relatively modest number of ASX listed stocks, and these are easily identified.

However, the 2nd and 3rd derivative impacts are less obvious and may take time to play out. Clearly, the greatest risk domestically is the impact of the US tariffs on Chinese imports of Australian commodities. On this front, we now await the stated response from the Chinese central authorities as to what stimulus they intend to inject.

But the tariffs also create 2 further noteworthy problems. The first of these is that the tariffs will create a large initial and then more modest ongoing increase in input costs. This undoubtedly will increase inflation or worse – lead to stagflation. Secondly, companies and markets dislike uncertainty above all else. The tariffs have created enormous uncertainty for everyone from small business owners to large fund managers.

KAEF remains highly diversified (55 individual stock positions), has no debt or derivatives and no foreign or unlisted investments. With >16% cash, the fund is well positioned to capitalise on any future volatility.