

Katana Australian Equity Fund



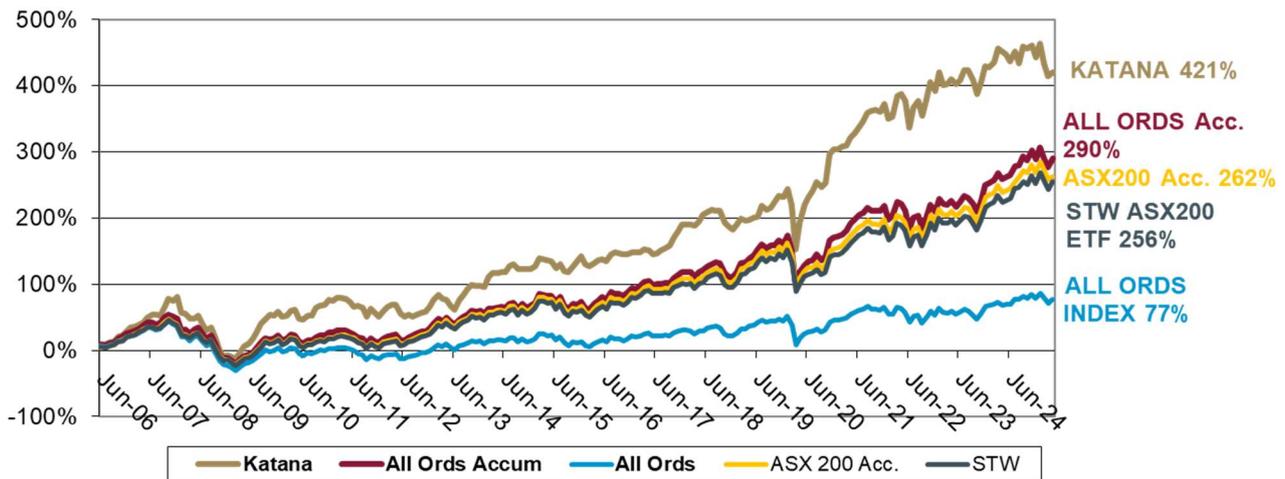
KATANA
ASSET MANAGEMENT LTD

Performance at 30 April 2025	1 Month	1 Year	3 Years	5 Years	(Inception) 19 Years
Katana Investment Portfolio (net of all fees)	1.21%	-5.61%	2.28%	12.19%	8.92%
ASX All Ordinaries Accumulation Index	3.60%	8.81%	6.69%	12.38%	7.30%

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 30/04/2025. Past performance is not an indicator of future performance

Key contributors:

- Boss Energy Limited** preferred uranium producer executing well on restart of mining
- Wesfarmers Limited** Site visit well received by investors with Bunnings and Kmart performing well.
- Megaport Ltd** high growth NAAS business gaining momentum with client wins

Key detractors:

- Mineral Resources Ltd** ongoing market concerns over the balance sheet was exasperated by a volatile market.
- Whitehaven Coal Ltd** Strong quarterly production and costs overshadowed by declining met coal price
- HMC Capital Ltd** data facing businesses were aggressively sold off as the US tech sector came under pressure.

Top 10 Holdings	Weight
CSL Ltd	5.24%
Wesfarmers Ltd	4.78%
ResMed Inc.	4.42%
Technology One Ltd	4.34%
Whitehaven Coal Ltd	3.60%
Macquarie Group Ltd	3.10%
Dexus	3.02%
Mineral Resources Ltd	2.97%
IPH Ltd	2.93%
Life360 Inc.	2.82%
Total Top 10 Holdings	37.22%
Total Cash	13.66%

Market Commentary

Only the disciplined ones are free in life. If you aren't disciplined, you are a slave to your moods. You are a slave to your passions. That's a fact."

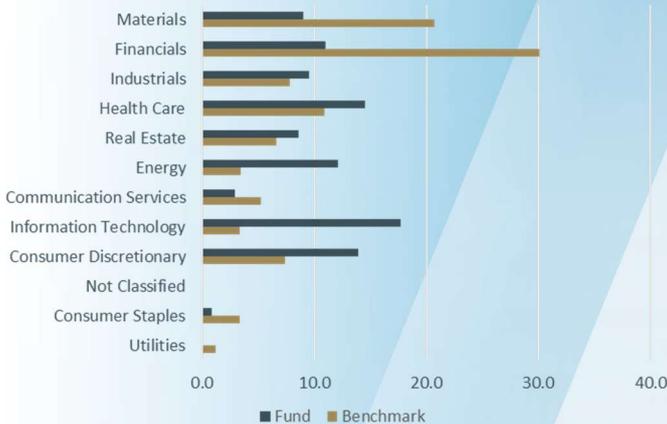
- Eluid Kipchoge

It was another month of wild swings, with the ASX initially declining by 6.6% before rallying 10.9% intra month to close up 3.6%. Despite falling 10% during the early stages of April, the bank index also rallied hard into month end to close up an extraordinary 5.6%. The case for banks becomes incrementally harder with every share price rise. Whilst we acknowledge that there may have been a structural shift in bank valuations (given the rise and rise of passive flows), the marginal domestic buyer looks to be exhausted. For banks to rise further from here, they need fresh buyers from offshore. Recently there has been some press around precisely this, with US fund managers looking to: a) generally diversify offshore and, b) specifically capitalise on the low \$A. If we see a wave of offshore buying, a disproportionate percentage will find its way into the banks and they could climb further. But for our team, the risk-return equation does not stack up.

On the flipside, resources continue to plumb the depths, and some analysis indicates commodity prices are at 50+ year lows to comparative benchmarks such as the Dow Jones. The missing piece is the same as it has been for the past 12 months: certainty around Chinese production and consumption.

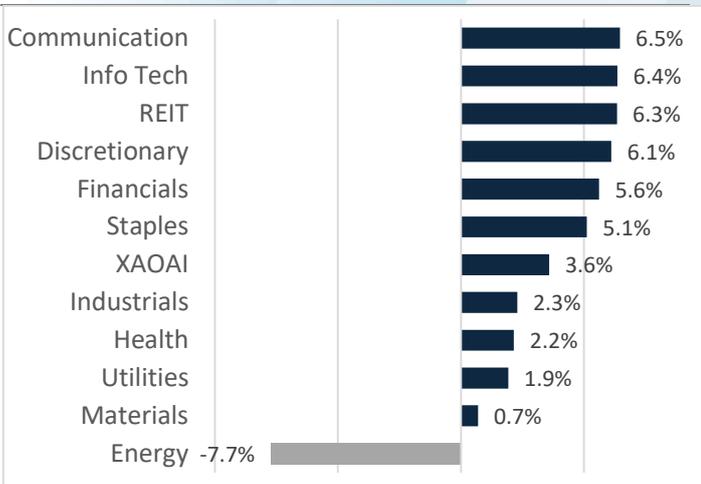
We have been weighted towards *Materials* given the enormously attractive valuations and leverage to commodity price recovery. To date this has detracted from the fund's performance. When the trade wars settle down, we anticipate a long overdue recovery in this sector. We believe that we are past 'peak stupidity', but how quickly a deal can be done will determine the timing of any such rally. Given our positioning, this is likely to lead to a period of strong performance for the fund.

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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