

Katana Australian Equity Fund



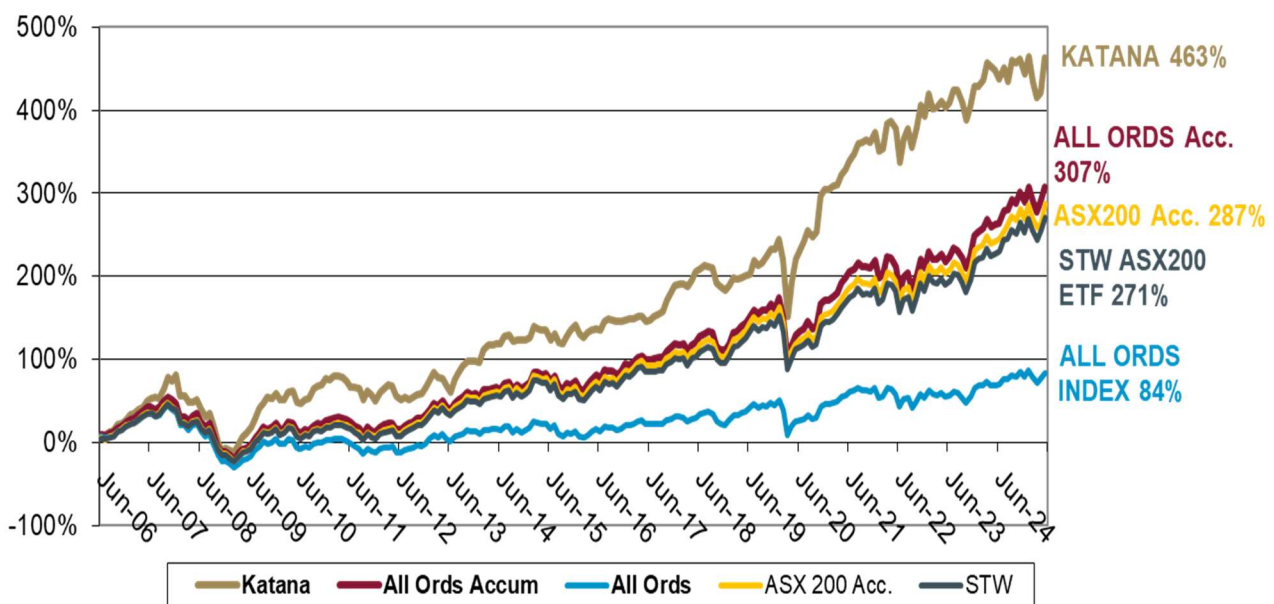
KATANA
ASSET MANAGEMENT LTD

Performance at 31 May 2025	1 Month	1 Year	3 Years	5 Years	(Inception) 19 Years
Katana Investment Portfolio (net of all fees)	8.00%	2.84%	5.61%	11.90%	9.31%
ASX All Ordinaries Accumulation Index	4.20%	12.40%	9.32%	12.20%	7.49%

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 31/05/2025. Past performance is not an indicator of future performance

Key contributors:

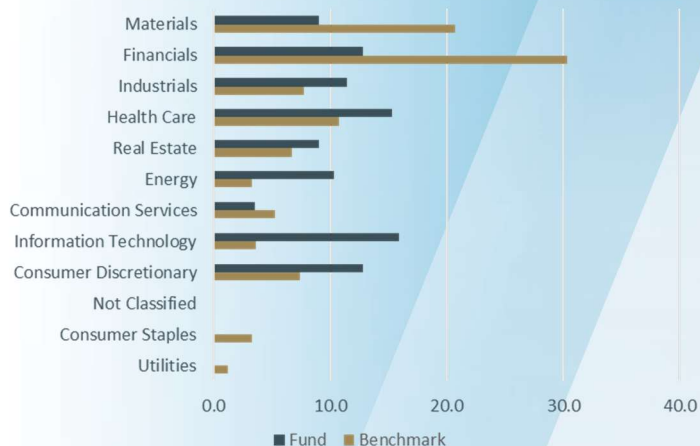
1. **TechnologyOne Ltd** high quality tech compounder
2. **Life360 Inc** 1Q25 results beat expectations: revenue up 32% to US\$103.6m, adj. EBITDA US\$15.9m (vs US\$8.0m), and AMR surged 38% to US\$393.0m (vs US\$377m).
3. **Electro Optic Systems Holdings Ltd** Preferred exposure on ASX for defence contractor. Start of strong contracting cycle

Key detractors:

1. **Dexus** Preferred exposure for office towers in Australia, potential acquisition target
2. **Austin Engineering Ltd** uncertainty around CEO transition despite strong underlying growth
3. **Coronado Global Resources Inc** price collapsed due to increasing debt load on 2 expansions at a time when met coal price has weakened

Top 10 Holdings	Weight
CSL Ltd	4.81%
Wesfarmers Ltd	4.72%
Technology One Ltd	4.30%
ResMed Inc.	4.26%
Mineral Resources Ltd	3.49%
Whitehaven Coal Ltd	3.25%
Macquarie Group Ltd	3.21%
Life360 Inc.	2.99%
Light + Wonder Inc	2.77%
IPH Ltd	2.75%
Total Top 10 Holdings	36.55%
Total Cash	18.25%

Sector Exposure vs All Ords



Market Commentary

"Stay the course. When thwarted try again; harder; smarter. Persevere relentlessly."

- John Wooden

Further to the mid-month update, KAEF finished May strongly to record an 8.00% return, nearly double the accumulation index (net of fees).

This strong return was well overdue and ranked as the 11th best month in KAEF's 19 year history.

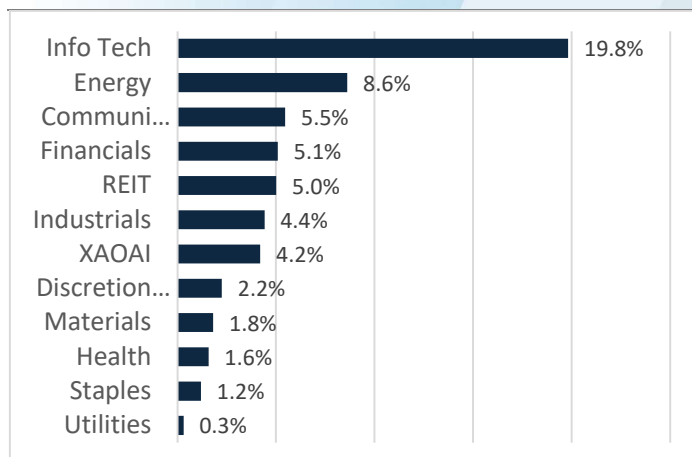
KAEF Absolute Return		
#	Date	Return
1	Apr-20	16.24%
2	Nov-20	12.17%
3	Mar-09	10.10%
4	May-20	9.39%
5	Apr-09	9.31%
6	Jul-13	9.28%
7	Jul-09	9.15%
8	Aug-09	8.86%
9	Oct-07	8.14%
10	Sep-07	8.06%

Whilst the portfolio is constantly being tweaked, the bulk of the performance was due to solid, long-term holdings that were acquired at good valuations. It has been a challenging period, waiting for the market to recognise the quality and value of some of these companies. But the tide appears to be turning, and we are hopeful of further improvement across a number of key holdings that are yet to rerate.

May was all about *Technology*, with this sector rising by 19.8%. Much of this was driven by a recovery in US tech stocks, especially the famed '*Magnificent 7*.' We may continue to see incremental gains in this sector, however we believe that this has largely run its course. Accordingly, the fund trimmed its holdings in Technology One (TNE), Life360 Inc (360), Block Inc (XYZ) and others. The proceeds have been used to rebuild cash reserves. In addition, the fund topped up its holding in CSL and Electro Optic systems (EOS) which announced a large contract win and is on the verge of an upgrade cycle.

Key Facts

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



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