

Katana Australian Equity Fund



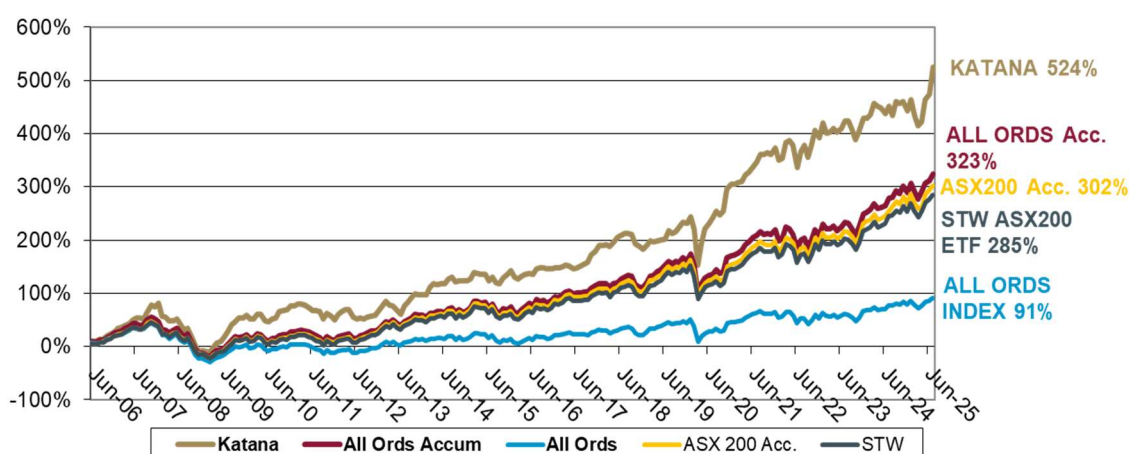
KATANA
ASSET MANAGEMENT LTD

Performance at 31 July 2025	1 Month	1 Year	3 Years	5 Years	(Inception) 19 Years
Katana Investment Portfolio (net of all fees)	8.67%	13.23%	10.24%	12.85%	9.81%
ASX All Ordinaries Accumulation Index	2.59%	11.87%	12.14%	12.36%	7.65%

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 31/07/2025. Past performance is not an indicator of future performance

Key contributors:

1. **Mineral Resources Ltd** solid quarterly result combined with a rebound in the lithium price
2. **Life360 Inc.** numerous brokers upgraded valuations and resultant price targets
3. **CSL Ltd** Preferred large cap healthcare exposure benefitting from rotation out of financials, combined with a rebound in plasma margins

Key detractors:

1. **Macquarie Group Ltd** soft market update and negative press over the remuneration of the management team
2. **Domino's Pizza Enterprises Ltd** rallied strongly in early July but then was sold down as the CEO departed after less than 12 months in the job. On 13/x current FY earnings, we see substantial upside from the announced cost-out program
3. **Genesis Minerals Ltd** fell on the back of a softening gold price; GMD remains one of the highest quality gold names and a staple in this sector

Top 10 Holdings	Weight
CSL Ltd	5.31%
Wesfarmers Ltd	4.91%
ResMed Inc.	4.80%
Mineral Resources Ltd	4.52%
Technology One Ltd	4.33%
Life360 Inc.	3.63%
Electro Optic Systems Holdings Ltd	3.63%
Macquarie Group Ltd	3.28%
GenusPlus Group Ltd	2.72%
Dexus	2.66%
Total Top 10 Holdings	39.79%
Total Cash	9.11%

Market Commentary

"The stock market is a device for transferring money from the impatient to the patient."

Warren Buffett

July really was an extraordinary month for the fund, returning **8.67% net of fees** versus the accumulation index at just 2.59%. This rounded out an extremely strong 3-month period, which enabled the fund to regain its out-performance (net of fees) over the accumulation index on both 1 and 5 year timeframes. Importantly, the out-performance was not through some radical pivot in strategy or investment philosophy, but rather a patient and diligent belief in the process that has underpinned the portfolio's construction for nearly 2 decades.

During July, long term holdings drove the exceptional performance. Long term holdings that just months earlier, had been neglected by the market.

Sentiment swings control short term movements, but in the longer term, prices move to reflect the underlying fundamentals. Investors who race to join the latest fad, invariably end up chasing their tail. It has taken longer than we would have hoped and expected, but the market has finally begun rerating a number of our larger holdings.

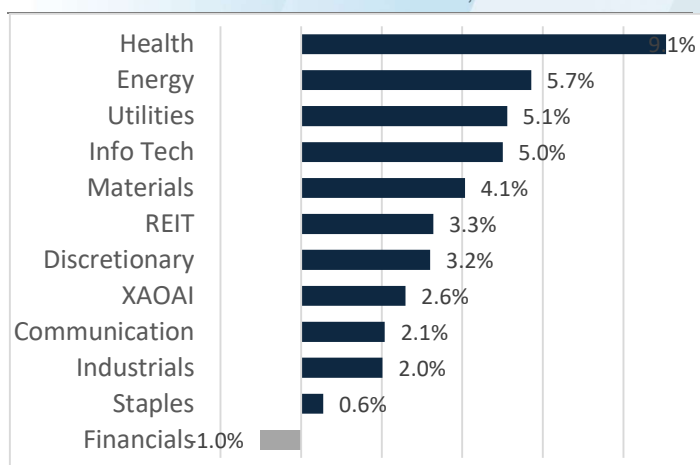
Looking forward, we continue to believe that this process has some way to run for a number of reasons. Firstly, whilst stocks such as Mineral Resources Ltd (MIN) have begun to rerate, there remains significant upside in such companies. Secondly, there are a host of holdings which are trading significantly below our assessed value that are yet to be recognised by the wider investment community. Our faith in the underlying process, suggests that this rerating is a question of when not if. Finally, we are not standing still. We have added a number of high conviction positions in the past 2 months, that have exceptional earnings growth. We are unable to say when, but at some point, we would expect the market to recognise this growth and rerate accordingly.

Sector Exposure vs All Ords



Key Facts

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



The information contained in this email is of a general nature only. It does not take into consideration your specific needs or circumstances. You should seek appropriate advice to determine personal suitability before investing. Past performance is no guarantee of future performance. Copyright © 2025 Katana Asset Management Ltd, All rights reserved. (AFSL 288412) For questions or to talk to a product specialist please contact (08) 9320 4733 or email bdm@katanaasset.com