

Katana Australian Equity Fund



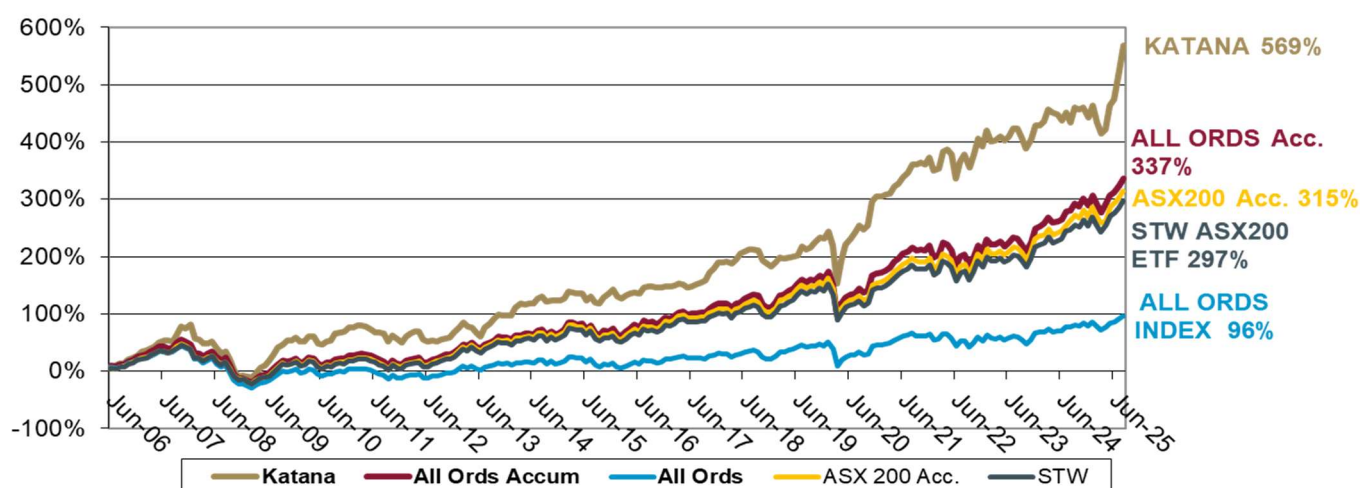
KATANA
ASSET MANAGEMENT LTD

Performance at 31 August 2025	1 Month	1 Year	3 Years	5 Years	(Inception) 19 Years
Katana Investment Portfolio (net of all fees)	7.10%	25.10%	11.86%	13.51%	10.15%
ASX All Ordinaries Accumulation Index	3.15%	14.93%	12.83%	12.24%	7.78%

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 31/08/2025. Past performance is not an indicator of future performance

Key contributors:

- Electro Optic Systems Holdings Ltd** preferred defence contractor on ASX at start of large contracting cycle; we cover this in more depth in the main commentary
- Mineral Resources Ltd** Confidence growing around the Onslow iron ore project (OIP) and the lithium price has rerated by over 30%. OIP is a generational game changer for MIN which will drive earnings for the next 2 decades
- Life360 Inc** Company reported an excellent FY25 result which beat market expectations; growth at this level is rare and receiving significant attention

Key detractors:

- CSL Ltd** Terrible full year result. Taking a stop loss and progressively exiting the position
- Domino's Pizza Enterprises Ltd** Share price fell 22% on reporting day, primarily due to FY26 update, which showed a small decline in like for like sales. We trimmed half of our holding heading into the result, but at 11.3x current year earnings, we are slowly rebuilding
- IPH Ltd** stock rallied strongly into the FY25 results. The disappointing update saw a similar fall on reporting day and a challenging outlook. Trading on a current year PER of 9x and a yield of 8.6%, we see deep value with a number of profit drivers ahead in FY26

Top 10 Holdings	Weight
Electro Optic Systems Holdings Ltd	5.87%
Mineral Resources Ltd	5.30%
Wesfarmers Ltd	4.71%
ResMed Inc.	4.26%
Life360 Inc.	3.77%
Technology One Ltd	3.24%
Macquarie Group Ltd	3.04%
GenusPlus Group Ltd	2.84%
Dexus	2.53%
Block Inc.	2.32%
Total Top 10 Holdings	37.88%
Total Cash	21.25%

Market Commentary

"Water the flowers and pull out the weeds."

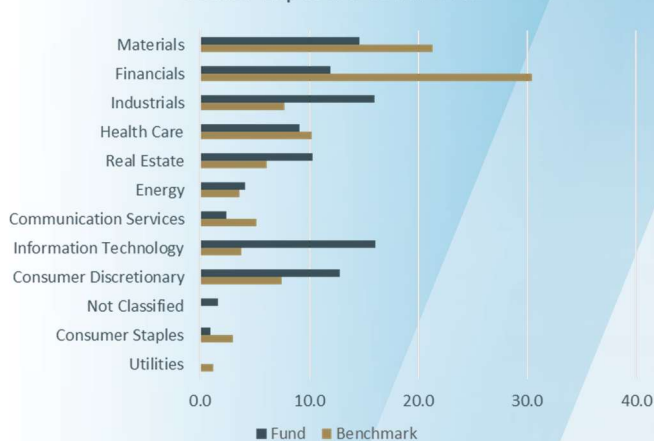
Peter Lynch

August was another particularly strong month for the fund, returning **7.10%** and exceeding the accumulation index by **3.15%** net of all fees. The past 2 years have required an unprecedented level of patience with key stock holdings. It is satisfying to see a number of these companies (finally) recognised by the wider investment community.

Front and centre in August was the strong performance from Electro Optic Systems Ltd (EOS). EOS is an unusual holding for the fund as it does not meet a number of our key criteria pertaining to current and future earnings visibility. Accordingly, Portfolio Manager Giuliano Sala Tenna put in a significant volume of work to make the case for the stock. This included a lengthy site visit to the EOS R&D facilities in Canberra. His patience and hard work highlighted EOS's unique position in drone warfare technology. It also highlighted the unique time in history, as armies around the world cross the automated warfare Rubicon. Looking forward, Giuliano sees significant upside from the current level. The speed with which the stock price has rerated also means that drawdowns are likely to be rapid and aggressive. However, EOS's unique offering at a unique time in history, indicates that the company has a very strong trajectory ahead.

Looking ahead to the month of September, it is worth noting that we have rebuilt our cash position to the top end of our desired range. This has primarily been driven from a bottom-up perspective – i.e. the fund has trimmed holdings across a spectrum of companies that have rerated strongly in a relatively short timeframe. September is traditionally the weakest month of the year. We also believe that there needs to be a level of consolidation in both the indexes and specific stocks. Accordingly, the fund will be patient in redeploying the capital.

Sector Exposure vs All Ords



Key Facts

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

