

Katana Australian Equity Fund

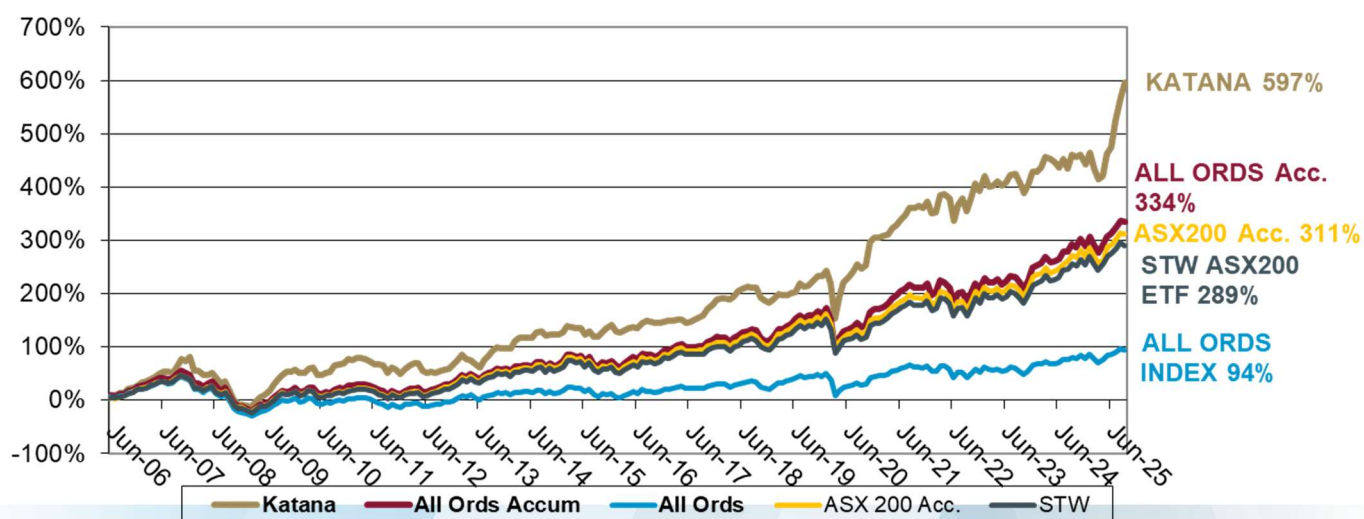


Performance at 30 September 2025	1 Month	1 Year	3 Years	5 Years	(Inception) 19 Years
Katana Investment Portfolio (net of all fees)	4.23%	24.57%	15.31%	14.96%	10.33%
ASX All Ordinaries Accumulation Index	-0.54%	10.50%	15.14%	12.90%	7.72%

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 30/09/2025. Past performance is not an indicator of future performance

Key contributors:

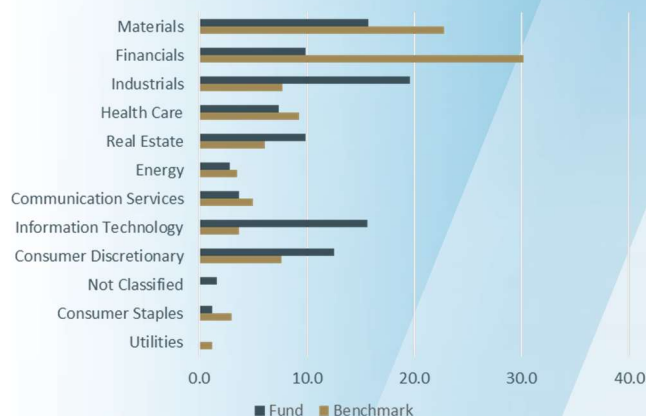
- Electro Optic Systems Holdings Ltd** Preferred defence contractor on ASX at start of a long contracting cycle.
- Forrestania Resources Ltd** new management; expanding the gold tenement footprint in a strong gold market.
- Life360 Inc** business now self-funding with multiple revenue sources including the new advertising leg.

Key detractors:

- IPH Ltd** IPH underwent continued momentum selling during September with the short position increasing 3 fold to 6%. IPH is trading on a consensus PER of 7.4x and a yield of 10.6% which is extraordinarily cheap for a company of this calibre.
- Car Group Ltd** sold off with softer car sales data in the USA. Outlook still robust.
- Technology One Ltd** High-quality long-term compounder with new growth markets.

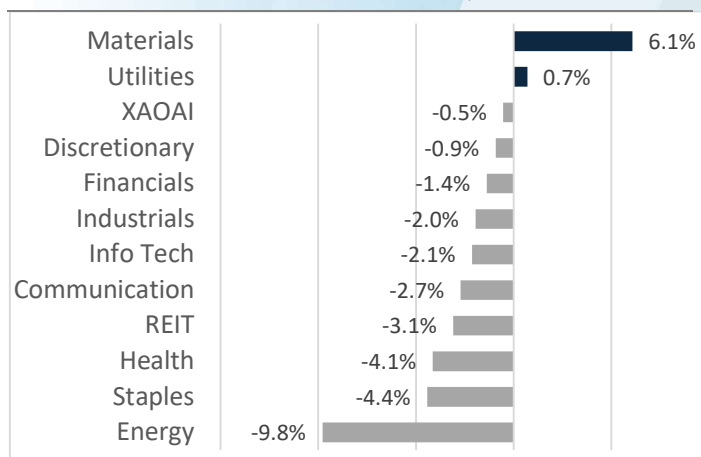
Top 10 Holdings	Weight
Electro Optic Systems Holdings Ltd	9.30%
Mineral Resources Ltd	5.62%
Wesfarmers Ltd	4.55%
Life360 Inc.	4.15%
ResMed Inc.	4.00%
Technology One Ltd	3.00%
Macquarie Group Ltd	2.85%
GenusPlus Group Ltd	2.36%
Dexus	2.33%
Block Inc.	2.10%
Total Top 10 Holdings	40.26%
Total Cash	17.80%

Sector Exposure vs All Ords



Key Facts

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



Market Commentary

*"Time is the best teacher, unfortunately
it kills all of its students."
Robin Williams*

September was another outstanding month for the fund, increasing by **+4.23%** net of all fees versus a decline of -0.54% for the broader accumulation index. This places the fund ahead of the broader index (net of all fees) over every timeframe since inception.

Electro Optic Systems Ltd (EOS) was once again the standout performer. EOS is only the 4th stock in Katana's 19 year history that has exceeded a weighting of 5% of the value of the portfolio. It has taken many years of experience – grounded in a deep confidence in the investment process - to remain weighted during such a dramatic share price rise.

As we wrote in the September update *"the speed with which the stock price has rerated also means that drawdowns are likely to be rapid and aggressive."* Whilst we didn't experience that during September, many years in the markets assure us that this is only a question of time. Again, we draw confidence in our process and in particular technical overlay, to provide timely signals to shape our response.

Much has been written about current stock valuations, and there are clearly sections of the market that are overvalued and will retrace in time. However, we are seeing an increasing number of stocks that have been ignored by the market despite strong fundamentals. Included in this list is CSL Ltd (CSL), Domino Pizza Enterprises (DMP), IPH Ltd (IPH), IDP Education (IEL), HMC Capital Ltd (HMC), Reece Ltd (REH) and in the smaller end, Metro Mining Ltd (MMI). The trend in most of these stocks remain down, so time is on our side. However, we would expect one or more of these companies feature in our top holdings in the coming months.

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