

# Katana Australian Equity Fund



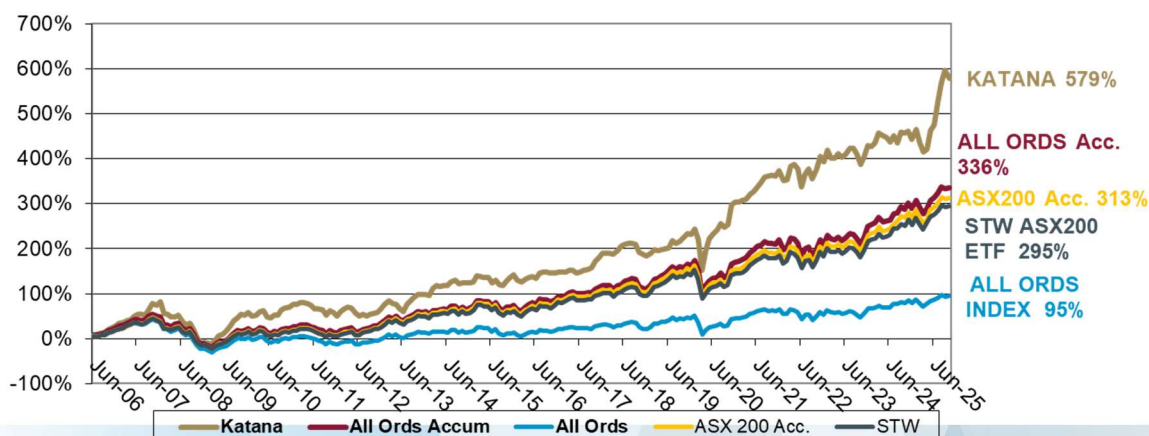
**KATANA**  
ASSET MANAGEMENT LTD

| Performance at<br>31 October 2025                | 1<br>Month | 1<br>Year | 3<br>Years | 5<br>Years | (Inception)<br>19<br>Years |
|--|------------|-----------|------------|------------|----------------------------|
| Katana Investment<br>Portfolio (net of all fees) | -2.55%     | 21.96%    | 12.40%     | 13.94%     | 10.14%                     |
| ASX All Ordinaries<br>Accumulation Index         | 0.49%      | 12.53%    | 13.22%     | 12.55%     | 7.71%                      |

## 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 31/10/2025. Past performance is not an indicator of future performance

## Key contributors:

- Mineral Resources Ltd** reported a very strong quarterly result and achieved three months of name plate capacity on their Onslow project and received \$200m from their JV partner.
- Domino's Pizza Enterprises Ltd** rallied from a heavily oversold position on speculation that private equity may be looking to takeover the company. Whilst this is never a reason for holding, the heavily depressed valuation does provide a catalyst for such a move.
- GenusPlus Group Ltd** is consistently winning contracts and is one of the purest exposures to the rewiring of the nation. Powerful long term thematic and strong operational execution.

## Key detractors:

- Electro Optic Systems Holdings Ltd** Preferred defence contractor on ASX with strong contracting cycle ahead in 2026
- Metro Mining Ltd** retraced its earlier gains after announcing that a higher percentage of sales for the Sept Quarter were sold into legacy contracts established in 2022 at much lower prices. The last of these contracts will be met by the end of the current quarter, meaning Metro will be 100% exposed to the spot price from January 2026.
- Wesfarmers Ltd** Office Works division reported slightly lower numbers and the retail sector in general pulled back on concerns that interest rates cuts have been pushed into next calendar year.

| Top 10 Holdings                    | Weight        |
|------------------------------------|---------------|
| Mineral Resources Ltd              | 4.25%         |
| Wesfarmers Ltd                     | 4.00%         |
| Electro Optic Systems Holdings Ltd | 3.89%         |
| Life360 Inc.                       | 3.75%         |
| ResMed Inc.                        | 3.72%         |
| GenusPlus Group Ltd                | 3.49%         |
| Technology One Ltd                 | 2.78%         |
| Macquarie Group Ltd                | 2.74%         |
| Dexus                              | 2.51%         |
| Megaport Ltd                       | 2.07%         |
| <b>Total Top 10 Holdings</b>       | <b>33.20%</b> |
| <b>Total Cash</b>                  | <b>22.79%</b> |

### Market Commentary

*"The real key to making money in stocks is not to get scared out of them."*

*Peter Lynch*

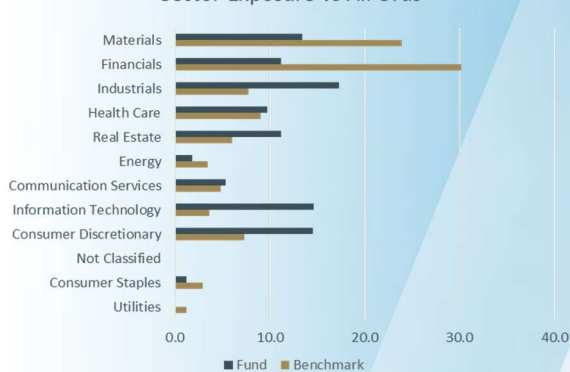
After an extraordinary rally which saw Electro Optic Systems Ltd (EOS) triple in value since June, the stock price retraced ~40% during October. This heightened level of volatility is not uncommon when investors grapple to value a new and fast moving thematic. Sizeable drawdowns are inevitable. The key is to remain focussed on the fundamental drivers of the business and block out the noise.

In the case of EOS, the market clearly ran ahead of itself in such a short time frame. The team used this misplaced exuberance to lock in some sizeable profits. To the point that the holding is now free carried in the fund, with the profits already realised exceeding the entire purchase cost of the position.

The cash balance has crept up beyond our preferred ceiling of 20%. This is largely the result of strong share price gains which have led to sizeable profit taking. There has also been some caution around adding new positions, largely on valuation grounds. With the market due a breather, we are not uncomfortable in maintaining an elevated level of cash during the coming months. However, we have also identified a good number of opportunities. During October, we began adding 3 new positions in Stockland (SGP), Capstone Copper Corp (CSC) and Cuscal Ltd (CCL). We will look to build on these holdings during any market weakness and potentially add a further 3 stocks that look promising but require further research and understanding.

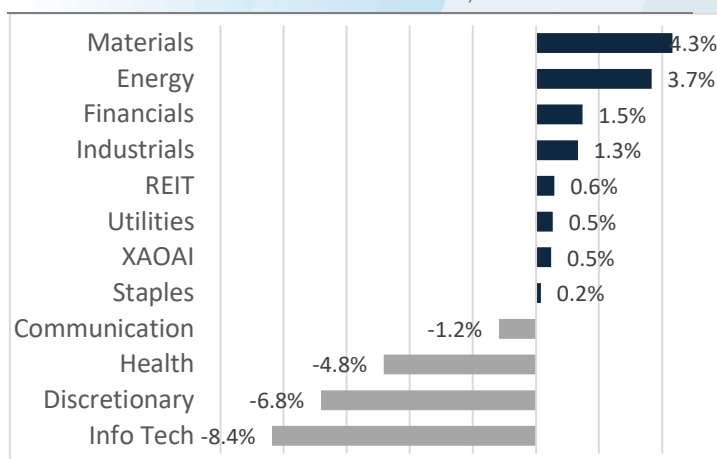
The fund significantly reduced its gold holdings during the back half of October, where the price action exhibited classic (short term) blow off characteristics. Medium term, the 2 major drivers of the gold price remain intact: de-dollarisation and US\$ devaluation. We are imminently looking to rebuild our holdings in a range of previously held gold producers.

Sector Exposure vs All Ords



### Key Facts

|                            |   |
|----------------------------|---|
| <b>APIR Code</b>           | KTA0002AU                                 |
| <b>Minimum Application</b> | \$25,000                                  |
| <b>Asset Allocation</b>    | Australian equities<br>65-95%; Cash 5-35% |



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