

Katana Australian Equity Fund



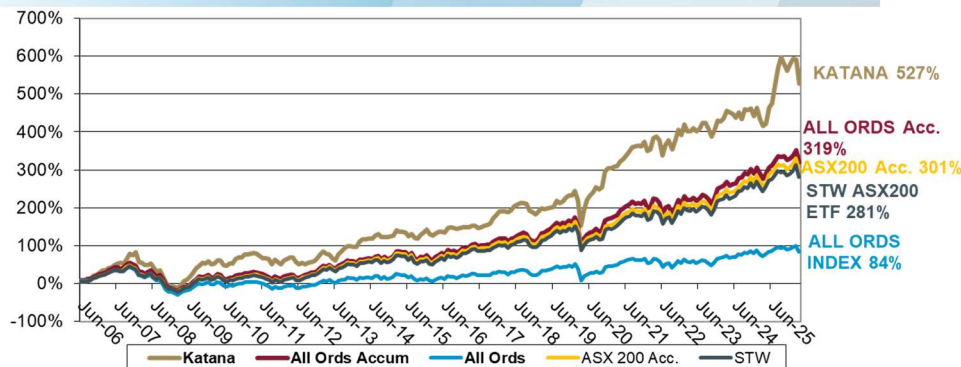
KATANA
ASSET MANAGEMENT LTD

Performance at 31 March 2026	1 Month	1 Year	3 Years	5 Years	(Inception) 20 Years
Katana Investment Portfolio (net of all fees)	-9.28%	21.83%	7.69%	8.86%	9.49%
ASX All Ordinaries Accumulation Index	-7.30%	11.29%	9.36%	8.36%	7.34%

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 31/03/2026. Past performance is not an indicator of future performance

Key contributors:

- Whitehaven Coal Ltd** was a rare beneficiary of the sudden eruption of the war in Iran. Approximately half of WHC's production is thermal coal. As the flow of oil and gas was restricted through the Strait of Hormuz, power generators turned to thermal coal to supplement energy generation.
- Magellan Financial Group Ltd** announced the acquisition of the remaining two-thirds of Barrenjoey Capital Partners for an implied valuation of \$1.6bn. Investors are positive on the merger of these 2 entities, which provides the foundations for a genuine contender in the investment bank space.
- Technology One Ltd** High-quality long-term growth stock. Provided upgrade to earnings forecasts in February. Appear to be embracing AI successfully to expand product offering and protect margins.

Key detractors:

- Forrestania Resources Ltd** The gold sector was aggressively sold off. The thesis to hold gold assets as a form of safeguarding wealth, as currencies are debased due to excessive government borrowings has only improved.
- Capstone Copper Corp** Preferred copper exposure on ASX. Best organic growth profile for ASX listed copper name. Disappointing operational update in Q1 however we remain attracted to the long-term market deficit for copper and Capstone's long term growth profile.
- Genesis Minerals Ltd** The gold sector was aggressively sold off. We believe that the thesis for gold (as above) remains in tact. GMD boasts excellent management and a strong organic and inorganic growth profile. The fund recently added to the GMD position to take advantage of the drawdown.

Top 10 Holdings	Weight
GenusPlus Group Ltd	4.04%
BHP Group Ltd	3.47%
Wesfarmers Ltd	3.47%
Mineral Resources Ltd	3.36%
ResMed Inc.	3.02%
Technology One Ltd	2.69%
Macquarie Group Ltd	2.53%
Forrestania Resources Ltd	2.47%
Genesis Minerals Ltd	2.14%
SGH Ltd	2.13%
Total Top 10 Holdings	29.32%
Total Cash	12.40%

Market Commentary

“The time to buy is when there's blood in the streets, even if the blood is your own.”

Baron Rothschild

The sudden eruption of war in Iran during March is a horrible development and our deep and genuine empathy is to all afflicted, especially the many innocent victims. The quote above is in no way an attempt to trivialise the tragic impact this war is having on many civilians, especially in Iran and Lebanon. But as investors, we need to respond to the cards that we are dealt.

After a strong period, the unimaginable scale of the conflict has had a sudden and pronounced impact on markets. The All Ordinaries Accumulation index fell 7.30% during the month and the fund fared a little worse.

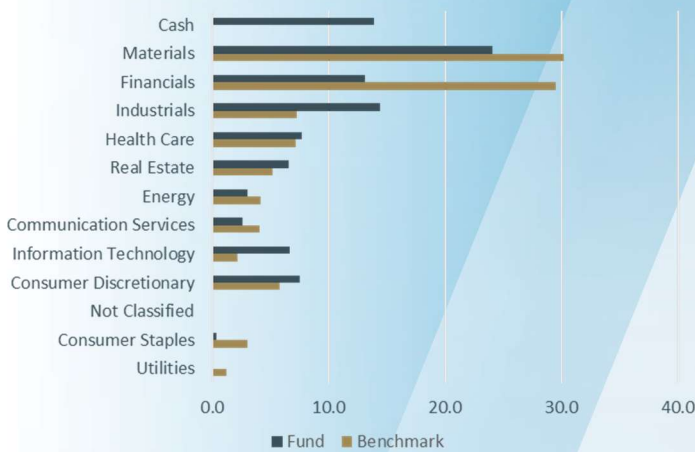
To put this in perspective, March was amongst the twenty largest declines in the index in the past 50 years. For the fund, it is the 6th worst month in over 2 decades in operation. Examining historical data is important as it provides the context in which to understand that this was a rare month. A month that is at the extreme left side of the distribution curve. And a month from which the market will inevitably rebound.

This last point is particularly salient. In the first week of April alone, the fund recovered approximately 50% of the drawdown. This can of course reverse in the coming weeks, but inevitably this crisis will pass, and inevitably markets will recover.

Accordingly, the Manager has been deploying capital. The fund entered the conflict with over 20% in cash. At the close of the month, this had reduced to ~12%. The cash was deployed across the portfolio, but with a bias towards the oversold gold and technology sectors.

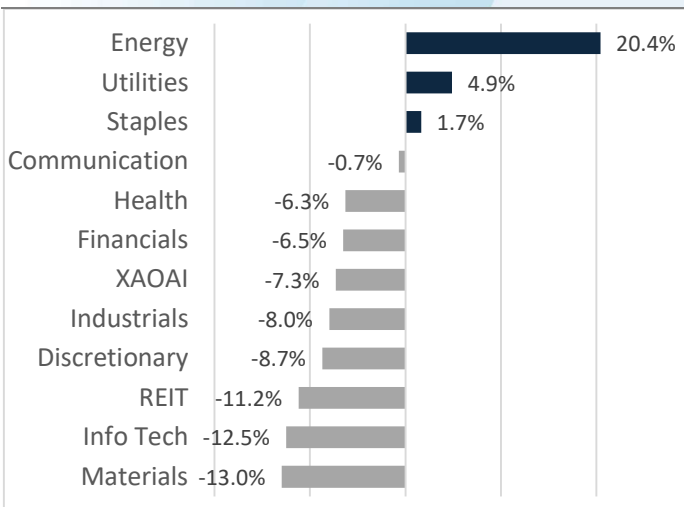
Whilst this may prove to be premature in the short term, we are confident that over the medium term the prices that we have paid will generate a healthy profit for unit holders. Volatility is always disconcerting. However it is when opportunity is borne. If we can raise our gaze and look beyond the near term noise, we will be rewarded in the fullness of time.

Sector Exposure vs All Ords



Key Facts

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



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