MANAGED FUND

# Katana Australian Equity Fund

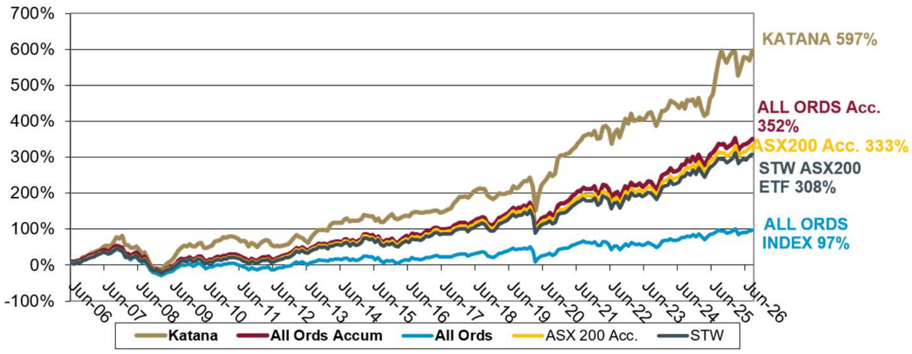
KATANA ASSET MANAGEMENT LTD

| Performance at 31 August 2026 | 1 Month | 1 Year | 3 Years | 5 Years | (Inception) 20 Years |
|---|---|---|---|---|---|
| Katana Investment Portfolio (net of all fees) | 4.32% | 4.15% | 9.95% | 8.66% | 9.85% |
| ASX All Ordinaries Accumulation Index | 1.90% | 3.49% | 10.92% | 7.40% | 7.57% |

**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 31/08/2026. Past performance is not an indicator of future performance

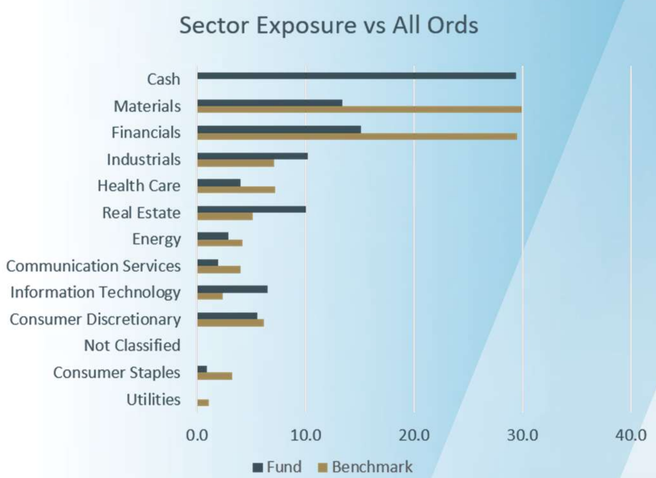
## Key contributors:

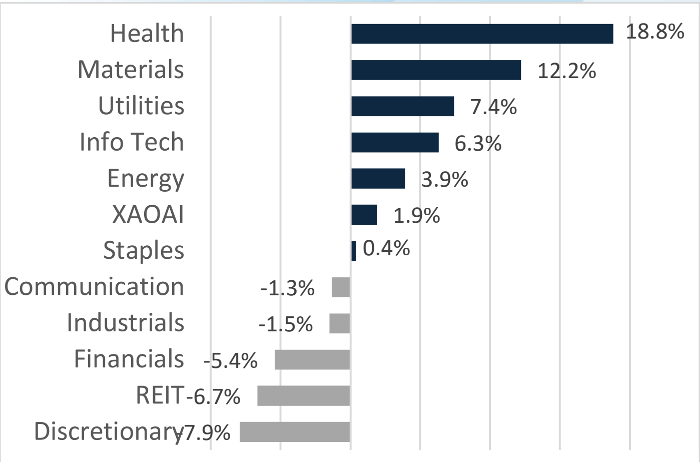
1. **Bapcor Limited** reported a stable full-year result, with underlying EBITDA slightly exceeding its latest guidance. Encouragingly, *Trade* and *Networks* returned to sales growth late in FY26, with this positive momentum continuing into the early weeks of FY27.
2. **Capstone Copper Corp.** Preferred pure play copper exposure on ASX. Strong organic growth profile which is largely self-funded in reasonable jurisdictions. Trades at a discount to ASX listed peer group and potential corporate appeal for one of the majors.
3. **Capricorn Metals Ltd** High-quality management team with a long-term track record of under-promising and over-delivering. Assets held in WA, hence low sovereign risk and good visibility. Strong organic growth profile which is self-funded.

## Key detractors:

1. **Life360 Inc** fell sharply after its 11 August Q2 result: record revenue (+38%) and 100m users were overshadowed by a one-off tariff refund masking weaker underlying earnings, rising opex and cautious guidance.
2. **Wesfarmers Limited** slipped after its 27 August FY26 result: profit rose 8.3% to $2.87bn and dividend lifted 7.8%, but rising net debt, weak *Officeworks* and Industrial earnings, and a cautious FY27 outlook weighed on price.
3. **GenusPlus Group Ltd** eased slightly despite a record 25 August FY26 result, with revenue up 70% to $1.28bn and EBITDA topping $100m for the first time. Looks to be healthy profit-taking after the stock's exceptional 12-month rally. We remain bullish in the short and medium term.

| Top 10 Holdings | Weight |
|---|---|
| GenusPlus Group Ltd | 6.17% |
| Wesfarmers Ltd | 3.41% |
| Stockland | 2.71% |
| BHP Group Ltd | 2.62% |
| Capstone Copper Corp | 2.57% |
| Macquarie Group Ltd | 2.55% |
| HealthCo Healthcare and Wellness REIT | 1.97% |
| SGH Ltd | 1.88% |
| Car Group Ltd | 1.88% |
| Cuscal Ltd | 1.87% |
| Total Top 10 Holdings | 27.63% |
| Total Cash | 29.84% |




## Key Facts

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

*"The illiterate of the 21st century will not be those who cannot read and write, but those who cannot learn, unlearn, and relearn."*
*Alvin Toffler (1928 – 2016)*

We wrote in last month's update that '*Generally, months where the Fund underperforms provide an opportunity for long-term investors to top up (past performance is no guarantee of future performance).*' This was certainly the case once again, with the Fund bouncing back strongly in August. Despite another volatile reporting period, the Fund returned **+4.32%** (net of fees) vs the Accumulation Index +1.90%. Alpha was once again generated by a combination of thematical alignment as well as non-aligned, bottom-up stock selection.

The back half of the reporting season invariably provides the greatest opportunities each financial year. The Fund took it's most aggressive positioning leading into August, with a record number of holdings either sold completely or reduced. This raised the cash balance to ~30%, which is notably above our preferred level of 10-20%. However, this insulated the Fund from a host of stock price overreactions that inevitably arise during August. It has also ideally positioned the Fund to capitalise on these dislocations. On this note we expect to deploy capital in the coming weeks. We would expect to see the cash balance return to the upper 20% range by month-end or thereabouts.

Returning to the quote of the month, it is clear that AI is impacting virtually every business model at a speed not previously seen. Even within our own firm, our daily 'routine' has been radically transformed. Our challenge really is to forget past ways of operating and rapidly embrace new tools and thinking. Fortuitously, two of the four members of the investment team have backgrounds in IT.
We are uncertain as to exactly where AI leads, but we are certain that we must continue to evolve. Combining AI with experienced insight is working to our advantage at present, and we expect to push further down the curve in the coming months.