

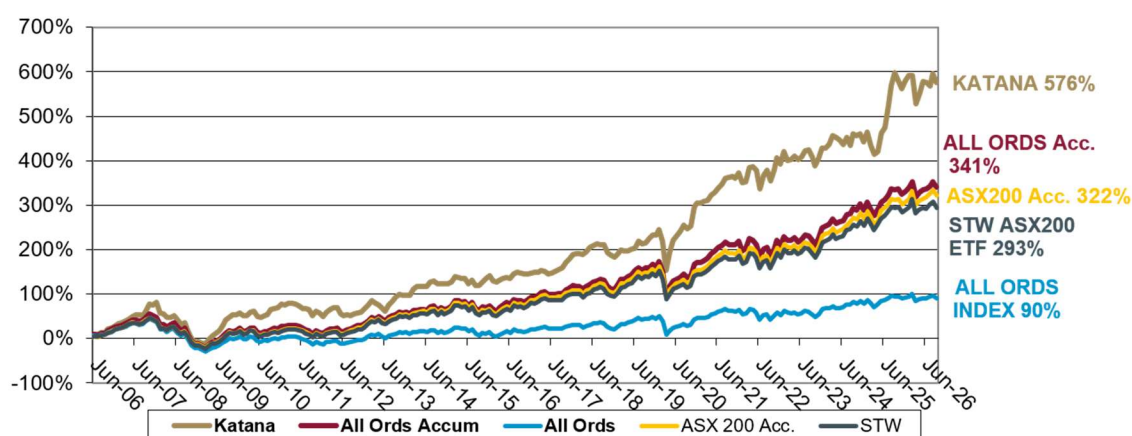
Katana Australian Equity Fund



KATANA
ASSET MANAGEMENT LTD

Performance at 30 September 2026	1 Month	1 Year	3 Years	5 Years	(Inception) 20 Years
Katana Investment Portfolio (net of all fees)	-2.89%	-2.96%	9.98%	7.94%	9.65%
ASX All Ordinaries Accumulation Index	-2.51%	1.43%	11.04%	7.20%	7.41%

**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 30/09/2026. Past performance is not an indicator of future performance

Key contributors:

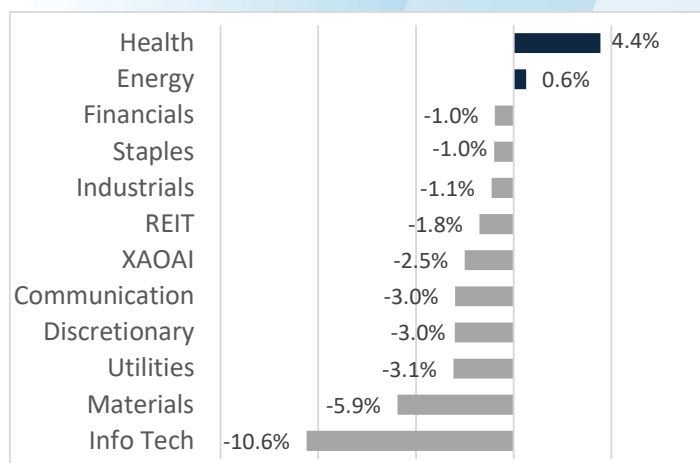
- GenusPlus Group** extended its order-book momentum in September, securing \$160m Victorian battery storage and \$135m WA wind farm transmission contracts, building on its record FY26 result and reinforcing the energy-transition growth story.
- Cuscal Limited** extended its re-rating through September, building on 20 August FY26 results (NPAT +49% to \$42.7m, dividend 11.5cps) and management's mid-20s% FY27 growth guidance from the Indue/Paymark acquisitions.
- Bapcor Limited** BAP's rally extended into September after its FY26 result beat guidance (EBITDA \$152.5m, net debt cut to \$135m); An RSI of 83 is flagged as the ASX's most overbought stock so expect a period of consolidation.

Key detractors:

- Mineral Resources Limited** fell as lithium prices corrected ~12% from May's peak through September. MinRes's own Bald Hill restart added to the spodumene surplus, reviving oversupply and balance-sheet concerns despite still-elevated year-on-year pricing. Strong hold.
- Wisetech Global Limited** Global SaaS leader with strong growth runway, but governance issues and client churn have weighed on the stock. Trading <1x PEG; closely monitor to stop-loss or add.
- Capstone Copper Corp.** Preferred pure play copper company on ASX. Strong organic growth profile with cashflow to support developments. Potential acquisition target. Simplifying assets to focus on core growth larger mines. Likely to add if weakness persists.

Top 10 Holdings	Weight
GenusPlus Group Ltd	6.12%
Wesfarmers Ltd	3.44%
Stockland	2.80%
Macquarie Group Ltd	2.62%
BHP Group Ltd	2.52%
Capstone Copper Corp	2.37%
Cuscal Ltd	2.03%
HealthCo Healthcare and Wellness REIT	1.97%
ResMed Inc	1.89%
SGH Ltd	1.86%
Total Top 10 Holdings	27.62%
Total Cash	31.37%

Sector Exposure vs All Ords



Key Facts

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

"Interest rates are to asset prices what gravity is to matter."

Warren Buffet

The September quarter appeared innocuous in many respects, with the All Ordinaries Accumulation index closing up 1% from July 1 to September 30.

However beneath the relative calm, the bond markets were anything but.

The US 10-year bond is generally regarded as the single most important benchmark globally. As the foundation for the risk free rate, its yield impacts everything from equity valuations and discount rates to mortgage and corporate borrowing costs. During the quarter, the US 10-year bond yield jumped an astonishing 86 basis points to close at 5.22%. To put this in perspective, it is the highest yield in 24 years. But even more astonishing than the move itself, was the equity market's response. The market was, in a word 'calm'.

The Fund entered the month with 30% cash and the expectation that the rising bond yields would create some opportunities to deploy capital. As seasoned investors know well, such volatility is the father of opportunity for calm heads. Volatility can create bargains that setup the Fund for the next period of outperformance.

Yet in the face of this rapid rise in bond yields, the equity markets were notably resilient. Why? There are a host of potential reasons ranging from AI growth to a potential end to the war in the Middle East (yielding lower oil prices) to the view that the rise had been priced in. All of these factors no doubt have played a part. However the exceptional growth in US earnings appears to us to be the major driver. With analyst expectations that earnings will grow by 30% year on year, the market may be viewing the higher yields as 'growth-positive' – i.e. as a *product* of strong earnings growth.

With 31% cash, KAEF is in a very fortunate position to pivot in either direction. Whether the equity markets reassert their uptrend or conversely experience a period of volatility, the Fund is well positioned with ample capital to deploy.

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