



The Manager, Announcements
ASX Market Announcements
4th Floor, 20 Bridge Street
SYDNEY NSW 2000
By E-lodgement

15 May 2023

Dear Manager,

K2 Asset Management Holdings Ltd (KAM): Proposed Responsible Entity appointment

K2 Asset Management Ltd (**K2**) is pleased to announce that after an extensive due diligence process it has been selected by E&P Investments Limited (**E&PIL**) to take on the Responsible Entity (RE) role of the below Funds:

1. US Masters Residential Property Fund
 2. CD Private Equity Fund I
 3. CD Private Equity Fund II
 4. CD Private Equity Fund III
 5. CD Private Equity Fund IV
 6. Venture Capital Opportunities Fund
- (hereafter collectively referred to as the **Funds**)

Unitholder votes are expected to take place on 19 and 27 June 2023, and upon the votes passing, E&PIL will be replaced by K2 as the RE. K2 has also been selected by E&PIL to take on the Trustee role of the CD III Australian Wholesale Fund.

The above would result in a substantial increase in funds under management and advice (**FUMA**) by circa AUD \$1.68 billion. Should the vote be successful, this will have a significant impact on K2's revenue for the 2024 financial year. The revenue includes RE fees and administration fees. This growth cements the extensive investment in the RE/Trustee pillar of the business. Post the outcome of the unitholder votes, K2 will be able to give updated guidance.

As part of the proposal, the K2 board has commenced the search for an independent non-executive director to join the board. This commitment aims to enhance independence and continue the pursuit of best practice. The results of this search will be announced upon the completion of the appropriate due diligence process that



is currently being undertaken. This will complement our existing independent compliance committee and also the trustee advisory committee.

Since K2's inception in 1999 we have gained extensive experience in the launch and management of managed investment schemes. Launching products that are investor focused and relevant to the market is an internal driver for the business. K2 has extensive knowledge of VC, PE and direct property funds in the broad K2 eco system which will be utilised to its fullest capacity to support the proposed transitioning funds.

The Board's focus continues to be ensuring that the pivot in business strategy that commenced in 2020 provided shareholders with sustainable revenue and continued growth via a three-pillar model.

The three core pillars being:

1. Responsible Entity (RE) & Trustee Services;
2. Funds Management; and
3. Exchange Traded Funds (ETFs).

K2 continue to maintain a strong corporate balance sheet with cash on deposit amounting to AUD \$9.8 million as at 31 December 2022. This is well above K2's licensing requirements and high relative to our peers.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Hollie Wight', written over a light blue dotted grid background.

Hollie Wight
Executive Director