



K2 Asset Management Holdings Ltd Media Release dated 19 February 2020 December 2019 half-year results and update

K2 Asset Management Holdings Ltd (KAM) today announced an after tax loss of \$307,453 for the half-year ended December 2019 in respect of KAM and its controlled entities.

All K2 Funds provided unitholders with strong absolute returns. The Funds' performance added \$601,602 in revenues via performance fees, with management fees for the period totalling \$1.2 million. Other revenue provided \$124,277 taking total revenue to \$1.9 million. Each Fund's performance and FUM as at 31 December 2019 were as follows:

| K2 Funds | Financial year to date fund performance* | Since inception fund performance (p.a.)* | Since inception index performance (p.a.) # | FUM \$million |
|--|--|--|--|------------------|
| K2 Australian Absolute Return Fund | +6.2% | +10.5% | +8.7% | 32.9 AUD |
| K2 Select International Absolute Return Fund | +6.2% | +9.7% | +8.0% | 21.7 AUD |
| K2 Asian Absolute Return Fund | +4.4% | +9.2% | +6.3% | 13.1 AUD |
| K2 Global High Alpha Fund | +7.8% | +14.8% | +12.0% | 45.8 AUD |
| K2 Australian Small Cap Fund (KSM) | +9.0% | +8.3% | +8.4% | 16.0 AUD |
| Total | | | | 129.5 AUD |

The above information is unaudited. * Year to date figures are based on the 6 months ended 31 December 2019 and are net of all fees. # The K2 Australian Absolute Return Fund is compared to the ASX All Ordinaries Accumulation Index, the K2 Asian Absolute Return Fund is compared to the Morningstar Asia ex-Japan NR Index (AUD), the K2 Select International Absolute Return Fund and the K2 Global High Alpha Fund are compared to the Morningstar Global Markets NR Index (AUD) and the K2 Australian Small Cap Fund is compared to the S&P/ASX Small Ordinaries Accumulation Index.

K2 continued to reduced expenses during the period aiming to bring expenditure in line with anticipated earnings. K2's balance sheet remains strong with excess cash reserves and no borrowings.

Growing FUM and establishing distribution channels remains a focus for the K2 Board and senior management. K2 continues to work closely with Principals Funds Management along with a number of key asset consultants to access both wholesale and retail market segments.

We remain confident in our team of highly skilled employees who remain the foundation of the business and those that will continue to drive the company forward seeking opportunity for growth.