



K2 Asset Management Holdings Ltd

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2021 Financial Year End

K2 returned to profitability in the 2021 financial year as their inhouse managed funds rebounded strongly from the lows of March 2020. With a focus on companies with strong balance sheets and diversified sources of income, investors were provided with a solid year of returns. K2 maintains its focus on “value” investing and was pleased to see the strong performance across their entire suite of products.

Results for the 2021 financial year again correlated to funds under management (FUM) and fund performance. K2 received management fees totalling \$1,429,547, performance fees of \$2,454,840 and revenue from other sources of \$584,219. Total income was \$4,468,606. resulting in an after tax profit of \$215,762.

The performance of the Funds and Funds Under Management and Administration (FUMA) as at 30 June 2021 are detailed in the table below:

K2 Funds	Financial year to date fund performance*	Since inception fund performance (p.a.)*	Since inception index performance (p.a.) #	FUMA^ \$million
K2 Australian Absolute Return Fund	+36.1%	+10.3%	+8.8%	18.8 AUD
K2 Select International Absolute Return Fund	+31.8%	+9.5%	+8.5%	16.2 AUD
K2 Asian Absolute Return Fund	+28.8%	+9.3%	+7.6%	10.6 AUD
K2 Global High Alpha Fund	+32.7%	+13.8%	+12.3%	23.9 AUD
K2 Australian Small Cap Fund (KSM)	+58.3%	+10.0%	+9.4%	13.1 AUD
Private Mandates				9.0 AUD
Funds Under Advice				1,263.5 AUD
Total				1,355.0 AUD

The above information is unaudited. *Financial year performance figures are based on a financial year ended 30 June and are net of all fees. # The K2 Australian Absolute Return Fund is compared to the S&P/ASX All Ordinaries Accumulation Index, the K2 Select International Absolute Return Fund is compared to the Morningstar Global Markets NR AUD (Prior to 1 December 2019, the K2 Select International Absolute Return Fund was compared to the MSCI AC World TR Net AUD), the K2 Asian Absolute Return Fund is compared to the Morningstar Asia Pacific ex-Japan NR AUD (Prior to 1 December 2019, the K2 Asian Absolute Return Fund was compared to the MSCI AC Asia Ex-Japan TR Net AUD), the K2 Global High Alpha Fund is compared to the Morningstar Global Markets NR AUD (Prior to 1 December 2019, the K2 Global High Alpha Fund was compared to the MSCI AC World TR Net AUD) and the K2 Australian Small Cap Fund is compared to the S&P/ASX Small Ordinaries Accumulation Index. ^Funds under Management and Administration (FUMA) incorporates FUM of K2 Australian Absolute Return Fund, K2 Select International Absolute Return Fund, K2 Asian Absolute Return Fund, K2 Global High Alpha Fund and K2 Australian Small Cap Fund (KSM) and FUA of the Private Mandate and Funds Under Advice. The underlying service fee charges for FUM and FUA are at different rates.

Building a sustainable revenue source has been the focus of the Board. Expanding the service offering to include Responsible Entity (RE) services has seen K2 partner with quality fund managers.

K2 have participated in the launch of a number of managed investment funds in both the listed and unlisted space. K2 ended the 2021 financial year with AUD 1,355.0 million in FUMA.

K2 has maintained a strong balance sheet with total assets amounting to \$14,976,910 which includes \$10,883,552 of cash on deposit.

K2 continues to work closely with asset consultants and their distribution partners to broaden the distribution channels available for their Funds. K2 believe retail investors will continue to be attracted to equities as the world remains in a low interest rate environment.

As K2 enters a new phase of expected growth their commitment to unitholders and clients remains unchanged, and they remain resolute on their investment philosophy. The focus will remain on platforms and financial planners to grow funds under management.