

K2 Asset Management Holdings Ltd

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2022 Financial Year End

K2 Asset Management Holdings Ltd has continued to grow its position in the Australian market and capture quality opportunities during the 2022 financial year. The focus remained on the three core pillars of the business, Funds Management, Responsible Entity & Trustee Services, and Exchange Traded Funds, diversifying K2's revenue streams while continually making investments into the repositioning of K2.

Funds Under Management and Advice (FUMA) continued to grow and the outlook for FUMA growth remains positive across the three core pillars of service offering. FUMA as at 29 August 2022 is AUD \$1.97 billion.

K2 has continued to participate and work towards the launch of a number of managed investment funds in both the listed and unlisted space, welcoming a diversified list of schemes to our platform. K2 ended the June 2022 financial year with AUD 1,889.2 million in FUMA, an increase of 39.4% from the previous financial year.

The table below provides total Funds Under Management and Administration (FUMA) as of 29 August 2022, 30 June 2022 and the relevant comparative periods:

	FUMA^ \$millions			
	30 June 2020	30 June 2021	30 June 2022	Current 29 August 2022
Funds Management*	106.5 AUD	92.2 AUD	76.4 AUD	77.6 AUD
Responsible Entity (RE) & Exchange Traded Funds (ETF) Services	0.0 AUD	1,262.8 AUD	1,812.8 AUD	1,890.4 AUD
Total	106.5 AUD	1,355.0 AUD	1,889.2 AUD	1,968.0 AUD

The above information is unaudited. ^Funds under Management and Administration (FUMA) incorporates FUM of K2 Funds and FUA of the Private Mandate and Funds Under Advice. The underlying service fee charges for FUM and FUA are at different rates. * Funds Management consists of the 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 (ASX: KSM), SMA's and private mandates.

K2 continues to ensure a strong balance sheet is maintained with total cash on deposit totalling \$10,755,666. Results for the 2022 financial year to note include, management fees totalling \$1,157,592, performance fees of \$315,052 and revenue from other sources of \$648,541. Total income was \$2,121,185, resulting in a before tax loss of \$1,619,711. Expenses continue to be closely monitored.

Franking credits available for distribution to shareholders upon a return to profitability total AUD \$5.65 million.

K2 continues to work closely with asset consultants and their distribution partners to broaden the distribution channels available for their Funds. In addition to Funds Management, the K2 RE services and ETF offering continues to offer sustainable and diversified growth for the business.

As K2 enters a new phase of expected growth; their commitment to shareholders, unitholders and clients remains unchanged.