

**K2 Asset Management**

Level 32, 101 Collins Street Melbourne Victoria 3000 Australia

Telephone 61 3 9691 6111 Facsimile 61 3 9691 6170

Website k2am.com



## K2 Asset Management Holdings Media Release 11 February 2015 December 2014 financial results

*K2 continues to deliver superior returns while protecting clients' invested capital.*

K2 Asset Management Holdings Ltd (KAM) today announced a half-year after tax profit of \$8.3 million and a half-year dividend of 4.0 cents per share fully franked.

All of the K2 funds paid varying levels of performance fees reflecting continued strong performance across the product suite. Total performance fees payable were \$9.7 million for the half financial year and management fees totalled \$6.2 million. FUM at 31 December 2014 was \$805 million.

K2's high dividend payout rate continued to be achievable due to solid performance fees being crystallised and K2 continuing to display a strong balance sheet (with excess cash reserves and no borrowings).

Per annum since inception returns (net of all fees) are as follows:

K2 Funds	Per annum since inception fund performance *	Per annum since inception index performance #
K2 Australian Absolute Return Fund	+12.4%	+8.5%
K2 Asian Absolute Return Fund	+11.3%	+5.8%
K2 Select International Absolute Return Fund	+11.6%	+5.6%
K2 Global High Alpha Fund	+24.1%	+11.9%
K2 Australian Small Cap Fund	+18.1%	-1.3%

The above information is unaudited. \* Since inception returns are calculated for the following inception dates to 31 December 2014: The K2 Australian Absolute Return Fund 1 October 1999, the K2 Asian Absolute Return Fund 1 September 1999, the K2 Select International Absolute Return Fund 1 January 2005, the K2 Global High Alpha Fund 1 December 2009 and the K2 Australian Small Cap Fund 1 December 2013. # The K2 Australian Absolute Return Fund is compared to the All Ordinaries Accumulation Index, the K2 Asian Absolute Return Fund is compared to the MSCI AC Asia Pacific ex Japan TR Net Index (AUD), the K2 Select International Absolute Return Fund and the K2 Global High Alpha Fund are compared to the MSCI AC World TR Net Index (AUD) and the K2 Australian Small Cap Fund is compared to the S&P/ASX Small Ordinaries Accumulation Index.

*Continued from overleaf*

The performance of the K2 funds and FUM as at 31 December 2014 are detailed in the table below:

K2 Funds	Financial year to date fund performance **	FUM \$million
K2 Australian Absolute Return Fund	+2.8%	395.8 AUD
K2 Asian Absolute Return Fund	+17.1%	102.1 AUD
K2 Select International Absolute Return Fund	+15.0%	223.7 AUD
K2 Global High Alpha Fund	+13.9%	45.9 AUD
K2 Australian Small Cap Fund	+4.6%	17.7 AUD
Other		19.8 AUD
<b>Total</b>		<b>805.0 AUD</b>

The above information is unaudited. \*\* Year to date figures are based on the 6 months to 31 December 2014.

K2 starts the second half of the financial year on a solid base with January returns already placing the funds above their respective performance hurdles and FUM over \$840 million.