

K2 Asset Management

Level 44, 101 Collins Street Melbourne Victoria 3000 Australia

Telephone 61 3 9691 6111 Facsimile 61 3 9691 6170

Website k2am.com



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

17 April 2026

Dear Manager

K2 Asset Management Holdings Ltd (KAM): Strategic Review Outcome – Closure of K2 Australian Small Cap Hedge Fund Complex ETF (ASX: KSM)

K2 Asset Management Holdings Ltd (**K2**) today announces that, following a comprehensive internal strategic review, it has resolved to close the K2 Australian Small Cap Fund (**the Fund** or **KSM**).

The review formed part of K2's ongoing commitment to disciplined capital allocation, product performance oversight, and long-term value creation for shareholders. As part of this process, K2 conducted a detailed assessment of the Fund's financial contribution, scalability, growth trajectory, and forward-looking profitability.

Following this assessment, it was determined that the Fund is unlikely to achieve the sustainable profitability required to meet K2's return thresholds over the medium term and that the closure of the Fund is the best course of action.

The closure of the Fund will allow K2 to:

- Reallocate capital and resources toward higher-growth and higher-return opportunities;
- Improve overall operating efficiency;
- Streamline the product suite with a focus on Fund-of-Fund products and CIO advisory; and
- Enhance long-term profitability and shareholder value.

K2 expects the decision to have a positive impact on overall business performance over time, through reduced costs and improved capital deployment.

Next Steps

Subject to any required regulatory approvals, the Fund will be wound down in an orderly manner. Investors will be contacted directly with detailed information regarding timelines, redemption processes, and key dates. K2 is committed to ensuring a smooth transition and maintaining clear communication throughout the closure process.

A separate Notice of Closure containing key dates and investor options accompanies this announcement.



K2 remains focused on executing its core strategy and delivering sustainable returns to clients and shareholders.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Hollie Wight', with a small dot at the end.

Hollie Wight
CEO
K2 Asset Management Ltd