



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

26 June 2018

K2 Asset Management Holdings Ltd (KAM): Fee changes for two K2 funds

K2 Asset Management Ltd (**K2**) is pleased to announce a reduction in both investment management and performance fees for the K2 Asian Fund along with a change in the way expenses are recovered from both the K2 Asian Fund and K2 Select International Fund.

The fee changes will take effect from 2 July 2018, being the issue date of the revised product disclosure statement (**PDS**). The fee changes complete a comprehensive review of K2's distribution and pricing strategies designed to deliver ongoing benefits to current and new investors.

Summary of fee changes*

K2 Asian Fund	Current	From 2 July 2018
Management Fee	1.54%	1.36%
RE Fee ¹	0.06%	0.00%
Expense Recovery ²	0.35%	0.24%
Total MER	1.95%	1.60%
Performance Fee	20.5%	15.38%

K2 Select International Fund	Current	From 2 July 2018
Management Fee	1.36%	1.36%
RE Fee ¹	0.06%	0.0%
Expense Recovery ²	0.18%	0.24%
Total MER	1.60%	1.60%
Performance Fee	15.38%	15.38%

* Fees are inclusive of GST and RITC. Please refer to the relevant PDS for information regarding the calculation of investment management fees and performance fees.

1. The current responsible entity fee of 0.06% pa (including GST and RITC) for both the K2 Asian Fund and K2 Select International Fund will be reduced to zero and K2 will no longer receive a fee for that service from those funds.



2. The current estimated expense recoveries of 0.35% pa (including GST and RITC) for the K2 Asian Fund and 0.18% pa (including GST and RITC) for the K2 Select International Fund will now be capped at 0.24% pa (including GST and RITC) for both funds, with any expenses above this new threshold being absorbed by K2.

As the above fee changes will not take effect until 2 July 2018, there will be no impact on revenue or profits for the 2018 financial year. The 2019 financial year profits may be impacted as a result of the management and performance fee changes along with additional expenses being incurred. Management fee revenue will continue to be aligned with funds under management, and performance fee revenue with the performance returns of the funds.

For more information on these fee changes, please contact a member of our distribution team:

Nicholas Allen
Head of Distribution
03 9691 6119
nallen@k2am.com.au

Sophie Gibbons
Head of Distribution
03 9691 6117
sgibbons@k2am.com.au

A handwritten signature in black ink, appearing to read 'Campbell Neal', with a stylized flourish at the end.

Campbell Neal
Chairman and Managing Director