

K2 Australian Fund

30 November 2025



The K2 Australian Fund is an Absolute Return equities fund. The fund is index-unaware, aiming to produce positive absolute returns over the long term with a capital preservation mindset. The Fund's mandate allows it to actively manage its net market exposure – utilising both cash and shorts to help protect clients' capital.

	1 Month	Unit Price	Inception (%pa)
Performance (Net of Fees)	-0.52%	159.59	9.36%

Refer below detailed performance data matrix

Top 5 Stock Holdings	Current	Monthly Move
Macquarie Group Ltd	11.3%	-1.1%
Summerset Group Holdings Ltd	8.0%	+0.7%
BHP Group Ltd	7.2%	-0.3%
Resmed Inc-Cdi	6.3%	+0.0%
Northern Star Resources Ltd	6.2%	+0.6%

Market Capitalisation Coverage	Current	Monthly Move
Large Caps>=AUD\$7.5b	45.7%	-3.5%
Mid Caps>=AUD\$2b<AUD\$7.5b	30.7%	+2.7%
Small Caps<AUD\$2b	17.2%	-2.7%

Month End Exposures	Current	Monthly Move
Consumer	4.6%	-3.5%
Energy	2.1%	+0.0%
Financials/Real Estate	39.4%	-3.3%
Health Care	14.4%	-1.1%
Industrials	7.4%	-0.2%
Materials	25.7%	+4.7%
Number of Positions	25	-3
Gross Equity Exposure	93.6%	-4.4%
Cash Weighting	6.4%	+4.4%
Net Equity Exposure	93.6%	-4.4%

Fund Characteristics	
Portfolio Managers	Campbell Neal, David Poppenbeek and Bill Laister
Strategy	Australian and New Zealand Equities
Objectives	To deliver consistent returns over the investment cycle with a focus on capital protection during periods of market declines
Return Target	+10% pa over the long term
Number of Stocks	25 to 50
Cash	Up to 100% of portfolio
Distributions	Annually
Management Fee	1.31%
Buy/Sell	Daily Application/Redemption
Performance Fee	15.38% pa of the amount by which the NAV per unit exceeds the High Water Mark once the fund achieves its hurdle
Investment Horizon	5 Years
Style Bias	Growth At a Reasonable Price
Market Capitalisation Bias	>\$7.5 billion

Commentary

The K2 Australian Fund returned -0.52% for the month of November 2025.

The Reserve Bank of Australia (RBA) kept the cash rate unchanged at 3.60% in November, maintaining a restrictive stance amid persistent inflation pressures. Forward guidance remains data-dependent, with no immediate plans for rate cuts. Inflation forecasts were revised higher, with trimmed mean inflation expected to reach ~3.2% by end-2025, before easing toward the 2-3% target band over the next two years. GDP growth for 2025 is projected at 2.0%, and unemployment is expected to peak at 4.4%. Headline CPI for the September quarter (released in November) rose 1.3% QoQ, bringing annual inflation to 3.2%, above the RBA's target range. Underlying (trimmed mean) inflation also accelerated to 3.0% YoY, marking the first significant uptick since late 2022. Key drivers included electricity prices (+23.6% YoY), housing costs, and transport. Australian GDP grew 0.4% in Q3 2025, seasonally adjusted, and 2.1% through the year. Household saving ratio increased to 6.4%, while terms of trade rose slightly (+0.3%). Unemployment edged up to 4.5% in September, then eased to 4.3% in October, indicating a still relatively tight labour market. Wage growth held steady at 3.4% YoY, supporting real income gains.

During the month, New Zealand's economy showed signs of cautious recovery amid global uncertainty. The Reserve Bank of New Zealand cut the Official Cash Rate by 25 basis points to 2.25%, aiming to support growth as inflation moderated. Annual CPI inflation stood at 3% in the September quarter, the top of the RBNZ's target band, but is expected to ease toward 2% by mid-2026 as tradables inflation declines. Labour market conditions softened slightly, with unemployment rising to 5.3%, while part-time employment fell. Household living costs increased 2.4% year-on-year, below headline inflation, and mortgage rates eased to 5.36%, providing some relief to borrowers.

Strong Performance came from National Storage (NSR) who announced they had received an unsolicited, non-binding, indicative proposal from a consortium led by Brookfield Property Group and GIC Investments. The offer was \$2.86 per stapled security in cash, representing a significant premium to its prior trading price of around \$2.26. The stock added 71 bps to overall performance. HMC capital (HMC) had fallen more than 50% earlier in year due to earnings downgrades and leadership uncertainty. By November, the stock was trading at a steep discount to its net tangible assets (NTA), attracting long-term investors who saw upside potential. The stock added 35 bps. Summerset Group Holdings (SUM) continues to perform strongly driven by ongoing themes such as aging population, strong demand for retirement living options which continue to drive healthy development margins. The stock added 33 bps.

Poor performance was attributed mainly to Macquarie Bank (MQG), which reported a first-half net profit of A\$1.66 billion, marking a 3% increase year-on-year but falling 12% short of the consensus forecast of A\$1.86 billion. The shortfall was driven by a 15% decline in profit from its Commodities and Global Markets division, which typically benefits from volatility. A subdued global commodities environment significantly reduced trading income, hurting one of its largest profit contributors. The stock detracted 108 bps.

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K2 Australian Fund Net Monthly Returns in AUD

Year	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Fin YTD	Fin YTD Index (1)	Average Cash	Average Short
1999/00				1.90	2.00	9.51	-3.92	-2.58	5.57	-3.95	-1.93	2.44	8.53	15.98	51.97%	-12.83%
2000/01	13.14	6.79	-3.07	0.14	4.50	0.91	4.53	-2.88	-11.90	13.03	5.25	0.47	32.19	8.85	27.72%	-16.68%
2001/02	-7.85	-4.82	-5.35	8.66	11.51	1.84	3.93	3.54	-0.16	-0.36	2.66	-2.71	9.54	-4.50	32.13%	-14.57%
2002/03	-6.33	3.62	-0.93	1.69	1.62	4.28	1.80	1.23	-0.17	2.20	0.66	1.45	11.23	-1.08	51.58%	-14.43%
2003/04	3.72	6.97	1.59	2.45	-1.19	2.93	0.44	1.39	0.54	-0.07	0.32	2.16	23.16	22.37	36.03%	-3.74%
2004/05	3.07	1.39	4.18	4.46	3.68	1.38	3.83	0.32	-2.04	-3.41	0.79	3.22	22.57	24.75	26.86%	-5.18%
2005/06	1.34	0.74	3.91	-3.22	3.74	1.40	1.72	0.52	3.51	1.91	-0.43	2.03	18.33	24.20	27.57%	-3.95%
2006/07	-0.88	2.28	1.53	5.78	0.42	2.98	1.03	0.51	3.03	2.67	3.46	0.16	25.35	30.28	32.21%	-4.92%
2007/08	-0.61	-1.48	2.56	0.91	-1.90	-0.29	-9.27	-0.39	-1.46	1.58	0.91	-2.27	-11.56	-12.12	51.05%	-8.23%
2008/09	0.26	2.84	-5.78	-5.61	-3.76	3.37	-1.65	-1.16	5.75	4.72	0.91	2.86	1.94	-22.15	46.55%	-3.37%
2009/10	7.17	7.41	5.13	-0.98	1.75	3.51	-4.00	-0.23	3.46	-0.58	-5.67	-0.85	16.30	13.78	10.30%	-2.62%
2010/11	2.10	-1.10	4.72	3.27	0.07	3.41	-0.49	1.92	0.00	-1.59	-1.73	-0.77	9.99	12.17	14.13%	-3.98%
2011/12	-3.41	-0.59	-4.76	3.69	-2.82	-2.13	3.08	1.91	1.94	-0.20	-5.47	-0.37	-9.22	-7.04	23.28%	-3.47%
2012/13	3.27	2.95	1.21	3.61	0.07	3.07	4.47	4.47	0.32	4.54	-2.84	-1.39	26.09	20.67	7.24%	-0.19%
2013/14	3.27	1.31	4.56	2.53	-0.31	0.08	-2.33	2.23	1.70	-0.13	-0.01	-0.87	12.49	17.64	11.71%	-0.02%
2014/15	2.83	1.60	-2.02	1.99	-0.83	-0.72	3.46	6.25	0.40	-0.35	1.17	-2.97	10.98	5.67	18.55%	-0.34%
2015/16	1.61	-4.14	-2.72	3.42	-0.62	-1.70	-3.79	-1.43	4.39	3.08	2.25	-3.08	-3.16	2.01	19.81%	-0.29%
2016/17	5.14	1.29	1.25	-1.40	-0.03	2.94	0.23	-1.56	1.00	-0.07	0.07	-0.02	8.99	13.12	16.66%	-1.52%
2017/18	1.00	0.26	0.50	2.87	1.80	3.25	0.79	0.73	-2.72	1.74	0.68	1.58	13.08	13.73	21.63%	-3.71%
2018/19	0.39	-1.40	0.11	-7.18	-2.45	-1.17	0.06	2.43	0.17	1.41	0.34	-0.29	-7.63	11.04	39.30%	-3.30%
2019/20	2.23	-4.63	3.59	-0.99	3.96	2.13	2.74	-9.38	-26.24	10.83	5.72	2.17	-12.70	-7.21	13.80%	-1.68%
2020/21	3.13	5.12	-3.93	1.68	13.34	2.36	-1.03	3.98	1.03	4.35	1.05	1.01	36.05	30.24	2.37%	-0.18%
2021/22	0.49	2.58	-1.35	-0.48	-1.43	2.58	-5.82	2.00	3.79	-1.70	-3.68	-10.94	-13.98	-7.44	1.19%	-0.20%
2022/23	4.88	0.89	-6.77	2.47	5.05	-3.51	6.95	-2.66	-1.46	1.38	-1.94	-0.37	4.10	14.75	4.22%	-0.69%
2023/24	3.82	2.11	-1.35	-3.94	4.63	7.84	0.66	-0.41	2.15	-3.47	0.05	0.19	12.31	12.51	-1.60%	-0.31%
2024/25	4.08	0.08	4.27	0.21	2.20	-2.73	4.20	-3.99	-6.68	18.74	1.96	3.36	26.41	13.23	2.87%	-0.77%
2025/26	-3.71	3.95	-0.51	-2.23	-0.52								-3.15	3.11	3.80%	0.00%
Incept.													939.74	781.28		
Incept.													9.36%pa	8.67%pa	21.96%	-4.12%

(1) S&P/ASX All Ordinaries Accumulation Index

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