

# K2 Opportunities Fund

## 30 April 2026



The K2 Opportunities 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)	2.89%	146.11	8.85%

Top 5 Stock Holdings	Current	Monthly Move
BHP Group Limited	12.5%	+0.4%
Macquarie Group Limited	8.2%	+1.0%
JB Hi-Fi Limited	4.5%	+0.1%
Alphabet Inc. - Class A Common Stock	3.9%	+2.2%
Amazon.Com, Inc. - Common Stock	3.8%	+2.0%

Market Capitalisation Coverage	Current	Monthly Move
Large Caps>=AUD\$7.5b	55.5%	+7.5%
Mid Caps>=AUD\$2b<AUD\$7.5b	17.3%	+2.3%
Small Caps<AUD\$2b	7.5%	-0.6%

Month End Exposures	Current	Monthly Move
Communication Services	3.9%	+2.2%
Consumer	8.3%	+2.1%
Energy	9.1%	-0.9%
Financials/Real Estate	9.9%	+0.9%
Industrials	3.0%	-0.2%
Information Technology	7.8%	+2.2%
Materials	38.3%	+2.9%
Number of Positions	29	+2
Gross Equity Exposure	84.1%	+12.8%
Cash Weighting	15.9%	-12.8%
Net Equity Exposure	84.1%	+12.8%

Fund Characteristics	
Portfolio Manager	Campbell Neal
Strategy	Australian, New Zealand and US 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 Opportunities Fund returned 2.89% for the month of April 2026.

This positive result follows a defensive posture adopted in March and was achieved against a bifurcated global economic backdrop: a powerful recovery in U.S. equity markets contrasted with a significant deterioration in Australian domestic sentiment. U.S. stocks rallied strongly throughout the month, shaking off geopolitical headwinds and oil volatility thanks to exceptionally robust corporate earnings and economic growth; the S&P 500 rebounded over 10%, while the tech-heavy Nasdaq Composite surged over 15% to a new record high.

In contrast, the Australian domestic landscape remains challenging as consumer sentiment plunged 12.5% to 80.1 in April, a fresh record low as spiking fuel prices and rising interest rates put intense pressure on household finances. While headline inflation reached 4.6% in March, the RBA's preferred trimmed mean CPI remained firm at 3.5%. This persistent underlying inflation, combined with a tight labour market, keeps another 25bp rate hike firmly on the table for the RBA's May meeting.

Responding to improved global opportunistic signals, the Fund transitioned toward a more active stance, increasing its gross equity exposure by 12.8% to finish the month at 84.1%. This deployment of capital was primarily directed toward Large Cap positions, which now represent 55.5% of the portfolio (a 7.5% increase), while the Fund's cash weighting was reduced to 15.9%. This active management allowed the Fund to benefit significantly from its expanded mandate into US Equities.

The Fund's performance was bolstered by technology leaders Alphabet Inc. (+2.2%) and Amazon.com, Inc. (+2.0%) featuring among the top monthly contributors. Core domestic holdings also remained resilient; the Fund's largest position, BHP Group Limited, rose 0.4%, while Macquarie Group Limited added 1.0% to performance. Retailer JB Hi-Fi Limited also provided a minor positive contribution of 0.1% during the period.

The Fund's largest sector allocation remains in Materials (38.3%), an increase of 2.9% during the month. We maintain our high-conviction view that the conflict in the Middle East has created an unprecedented "historic shock" to global energy and commodity supplies. This, combined with years of structural underinvestment, ensures that markets will remain tight for some time. Australian producers remain exceptionally well-positioned to ride this "cashflow wave," providing a robust hedge against ongoing global uncertainty. While the RBA maintains a restrictive stance, the Fund continues to focus on Growth At a Reasonable Price (GARP), believing that active management of market exposure and a focus on companies delivering earnings outperformance will be the primary drivers of consistent returns over the investment cycle.

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