K2 Opportunities Fund
30 September 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.

	3 Months	Unit Price	Inception (%pa)*
Performance (Net of Fees)	5.26%	145.79	8.74%

*Inception date 1 October 1999. On 16 February 2026 the fund changed its investment strategy. The fund continues to invest primarily in Australian listed equities but may now also invest in listed equities across developed global markets. Before that date, the fund invested primarily in Australian and New Zealand listed equities. Returns for periods before that date were achieved under the previous strategy and may not reflect the fund's performance under its current strategy. Past performance is not a reliable indicator of future performance.

Top 5 Stock Holdings	Current	Monthly Move
BHP Group Limited	14.7%	-0.3%
Capricorn Metals Ltd	5.8%	-0.2%
Capstone Copper Corp.	5.7%	-0.4%
Woodside Energy Group Ltd	5.7%	+0.3%
Genesis Minerals Limited	5.5%	-0.4%

Market Capitalisation Coverage	Current	Monthly Move
Large Caps>=AUD$7.5b	46.8%	-5.6%
Mid Caps>=AUD$2b<AUD$7.5b	26.7%	+7.5%
Small Caps<AUD$2b	14.4%	+4.8%

Month End Exposures	Current	Monthly Move
Consumer	2.0%	+0.3%
Energy	9.5%	+2.0%
Financials/Real Estate	4.3%	+0.2%
Information Technology	4.0%	+2.8%
Materials	63.7%	+1.8%
Number of Positions	**37**	**+2**
Gross Equity Exposure	**92.3%**	**+6.0%**
Cash Weighting	**7.7%**	**-6.0%**
Net Equity Exposure	**92.3%**	**+6.0%**

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 5.26% for the quarter ending September 2026.

The September quarter was characterised by continued strength across the Resources sector. Years of underinvestment have left many commodity markets with limited capacity to respond to stronger demand. At the same time, the build-out of digital infrastructure and the transition towards more energy-intensive technologies are increasing demand for commodities such as copper, gold and energy. We believe these conditions should continue to support high-quality Australian and international resource producers.

The Fund maintained a significant allocation to Materials, which increased by 1.8% during the quarter to 63.7% of the portfolio. Energy exposure also increased by 2.0% to 9.5%. The Fund's largest holding remained BHP Group Limited at 14.7%, while Capricorn Metals Ltd, Capstone Copper Corp., Woodside Energy Group Ltd and Genesis Minerals Limited were also among the five largest positions. These holdings provide the Fund with exposure to a diverse mix of iron ore, copper, gold and energy markets.

Gold remains an important component of the portfolio. Central-bank purchases, geopolitical uncertainty and concerns regarding the long-term value of the US dollar continue to support the demand equation. Australian gold producers are also benefiting from elevated gold prices and strong operating cash flows. Capricorn Metals Ltd and Genesis Minerals Limited remain preferred exposures due to their production growth prospects and attractive operating margins.

Copper is another area where we retain a positive longer-term view. Electrification, renewable-energy infrastructure and continued investment in data centres are increasing the amount of copper required by the global economy. However, new mines remain difficult and expensive to develop. Capstone Copper Corp. provides the Fund with exposure to this structural theme and remains one of the portfolio's largest positions.

During the quarter, the Fund increased gross equity exposure by 6.0% to 92.3%, while reducing its cash weighting to 7.7%. The number of positions increased by two to 37. The Fund also shifted part of its exposure away from Large Caps and towards Mid and Small Caps. Mid Cap exposure increased by 7.5% to 26.7%, while Small Cap exposure increased by 4.8% to 14.4%. This reflects a growing number of attractive opportunities below the largest end of the market, particularly among resource companies with strong production and cash-flow growth prospects.

BHP Group Limited remained the Fund's largest holding at 14.7% of the portfolio. We continue to favour BHP Group Limited due to the quality of its asset base, strong balance sheet and diversified exposure to iron ore and copper. While iron ore remains an important driver of near-term earnings and cash flow, the company's growing copper exposure provides participation in the longer-term demand associated with electrification, renewable-energy infrastructure and data-centre investment. Its scale, low-cost operations and financial capacity also position the company to sustain attractive shareholder returns while continuing to invest in future production growth.

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