

**K2 Asset Management**

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17 April 2026

Dear Unitholder

**K2 Australian Small Cap Hedge Fund Complex ETF – Notice of Closure**

We are writing to give you notice that the K2 Australian Small Cap Hedge Fund Complex ETF (**KSM** or **Fund**) will unfortunately be closed and removed from trading on the ASX.

K2 Asset Management Ltd (**K2**), as responsible entity, has applied to the ASX for the Fund's trading status to be revoked. ASX is not required to act on K2's request and may require conditions to be satisfied before it will act on the request. K2 will make a further announcement to the market once it is advised by ASX whether or not it will agree to the request and of any conditions that ASX requires to be satisfied before it will act on the request.

As part of the closure, the Fund will conduct an orderly wind down of assets and unitholders are able to redeem their holdings on the ASX until 15 May 2026.

The last day units in the Fund will trade on the ASX will be 15 May 2026 (**Last Trading Day**). Upon the close of trading on the Last Trading Day, units in the Fund will be suspended and removed from trading. At the end of the Last Trading Day, the closure process for the Fund will commence in accordance with the Fund's constitution and the Corporations Act.

**Why is the Fund being delisted and closed?**

The decision to close the Fund recognises that, since its launch, the Fund has not achieved sufficient scale to be sustainable and is not likely to do so. On this basis, the Board has formed the view that it is in the best interests of the unitholders is to close the Fund.

**Options for investors**

Investors in the Fund have two options:

1. Sell their units on the ASX before close of trading on the Last Trading Day via their broker or investing platform in the normal manner; or
2. Continue to hold their units, which will be redeemed as part of the Fund's wind-up process. It is important to note that investors who hold their units and participate in the Fund's wind-up will be subject to market movements until the Fund's assets have been sold (refer to the indicative timetable for further details).

If an investor holds units on 19 May 2026 (**Record Date**), they will be entitled to receive a pro-rata share of the distribution, calculated as part of the Fund wind up. An annual tax statement (AMMA statement) will be issued in line with the key dates below.



K2 Asset Management Ltd will bear the costs of winding up the Fund, excluding any transaction costs and taxes incurred from the realisation of the Fund's assets, which will be borne by the Fund.

The following are the key dates relating to the termination of the Fund:

Notice of termination and closure made via ASX announcement and letter sent to investors.	Friday 17 April
The last date on which units in KSM may be traded on the ASX ( <b>Last Trading Day</b> ). Units in KSM will be suspended at the close of trading.	Friday 15 May
The date on which the Fund's closure process will commence. The Fund's assets will start to be liquidated upon the close of trading on the ASX and consequently the Fund will no longer provide its pre-existing investment exposure.	Friday 15 May
The date final trades on the ASX will settle. The date at which an investor needs to be recorded as a beneficial owner of units in the Funds in CHESS ( <b>Record Date</b> )	Tuesday 19 May
Redemption proceeds to be paid to unitholders (proceeds will include any distribution to be paid to investors holding units on the Record Date).	Monday 15 June
The date by which former investors will receive their annual tax statement (AMMA Statement) containing details of their payment, to assist with completing their tax returns.	Friday 31 July

The dates above are subject to change and any changes will be announced to the market via the ASX.

If you have any queries, please do not hesitate in contacting our client services team on 03 9691 6191.

Yours sincerely

Hollie Wight  
Company Secretary  
K2 Asset Management Ltd  
as responsible entity for K2 Australian Small Cap Hedge Fund Complex ETF