

**Product Disclosure Statement**

Issued 1 December 2016

**K2 Asian Absolute Return Fund**

ARSN 106 882 384 / APIR KAM0100AU

**K2 Australian Absolute Return Fund**

ARSN 106 882 302 / APIR KAM0101AU

**K2 Select International Absolute Return Fund**

ARSN 112 222 465 / APIR ETL0046AU



**Contact Details**

To request a free printed copy of this PDS or updated Fund performance, contact K2 at:

Level 32, 101 Collins Street, Melbourne, VIC, 3000

Phone 03 9691 6191

Email [invest@k2am.com.au](mailto:invest@k2am.com.au)

Fax 03 9691 6170

Website [www.k2am.com](http://www.k2am.com)

For lodging complaints and dispute resolution please refer to Section 07 on page 11 of this PDS.

**Issued by**

K2 Asset Management Ltd

ABN 95 085 445 094 / AFSL 244 393

## Contents

- 01 About K2 Asset Management Ltd
- 02 How the Funds work
- 03 Benefits of investing in the Funds
- 04 Risks of managed investment schemes
- 05 How we invest your money
- 06 Fees and costs
- 07 How to transact on your investment
- 08 How managed investment schemes are taxed
- 09 About the Funds' Service Providers
- 10 Information for New Zealand Investors
- 11 Terms used in this PDS

The information provided here is general information only. It does not take into account the investment objectives, financial situation or needs of any particular investor. You should not base your decision to invest in a Fund solely on this information. You should obtain professional financial advice tailored to your personal circumstances and consider the suitability of a Fund in view of your financial position, investment objectives and needs before making an investment decision. K2 and its respective employees, agents and officers do not guarantee the success, repayment of capital, rate of return on income or capital, or investment performance of the Funds. Past performance is not a reliable indicator of future performance. Units in the Funds are offered and issued by K2 on the terms and conditions described in this PDS. You should read this PDS because you will become bound by it if you become an investor in a Fund. It is your obligation to seek any advice on, and observe any legal restrictions on investment in the Funds which may apply to you.

All amounts in this PDS are in Australian dollars. All fees are inclusive of goods and services tax (**GST**) and take into account reduced input tax credits (**RITCs**) if applicable.

Information in this PDS is subject to change of a type that is not materially adverse from time to time, and such updates may be viewed at [www.k2am.com](http://www.k2am.com). You can obtain any updated information by contacting K2. A paper copy of any updated information will be provided free of charge on request.

K2 has authorised the use of this PDS as disclosure to direct investors and prospective investors of an investor directed portfolio service, master trust, wrap account or an investor directed portfolio service-like scheme (**IDPS**). Indirect investors investing through an IDPS may rely on the information contained in this PDS in instructing IDPS operators to invest in a Fund on their behalf. K2 accepts no

responsibility where the IDPS operator does not provide investors with a current version of this PDS or any supplementary or replacement PDS. More information for IDPS investors is set out in section 07 on page 10 of this PDS.

As disclosing entities, the Funds have regular reporting and disclosure obligations under the Corporations Act 2001 (**Corporations Act**). In accordance with ASIC guidance, all material information will be available to investors at [www.k2am.com](http://www.k2am.com). A copy of any documents lodged with ASIC to comply with disclosure requirements may be obtained from or inspected at an ASIC office. On request, K2 will provide investors with copies of the most recent annual financial report for the Funds, the half-yearly financial report and any continuous disclosure notices.

Investors can contact K2 or their IDPS provider, or visit [www.k2am.com](http://www.k2am.com) for updated information about performance, unit prices, Fund size and other general information about the Funds.

### Summary of disclosure against ASIC benchmarks and principles

This PDS contains disclosures against benchmarks and disclosure principles set out in the Australian Securities and Investments Commission (**ASIC**) Regulatory Guide 240. The Funds meet the benchmarks on valuation of assets and periodic reporting. For reporting see section 02 on page 04. The following table points to relevant disclosures, using ASIC's disclosure principle numbers:

Disclosure principle	Where to find in PDS
1 Investment strategy	Section 02, page 03 Section 05, page 06
2 Investment manager	Section 01, page 03
3 Fund structure	Section 02, page 03 Section 09, pages 12 - 13
4 Valuation, location and custody of Assets	Section 05, page 06 Section 09, pages 12 - 13
5 Liquidity	Not applicable (the Funds are liquid). The Funds can currently expect to realise 80% of their assets, at the value ascribed to those assets in calculating the Funds' net asset value, within 10 days.
6 Leverage	Section 05, page 06 Section 09, pages 12 - 13
7 Derivatives	Section 05, page 06
8 Short selling	Section 05, page 06
9 Withdrawals	Section 07, pages 10 - 11

## 01 About K2 Asset Management Ltd

K2 Asset Management Ltd (K2) is an Australian fund manager specialising in managed funds for retail, wholesale and institutional investors. K2 was established in 1999 and is owned by K2 Asset Management Holdings Ltd, a listed company on the Australian Securities Exchange.

K2 is the responsible entity and investment manager of a number of investment funds including the K2 Asian Absolute Return Fund (**K2 Asian Fund**), K2 Australian Absolute Return Fund (**K2 Australian Fund**) and K2 Select International Absolute Return Fund (**K2 Select International Fund**), together the **Funds**. As responsible entity, K2 oversees the operation and management of the Funds and is required to act in the best interests of investors. As the investment manager, K2 is responsible for directing all investments within the Funds.

Since inception K2 has brought together a team of investment professionals with a depth of knowledge and experience in local and global equity markets. The investment philosophy of K2 is to provide investors with capital growth over the long-term. K2's investment parameters allow both Long and Short investment in equity markets, with the added flexibility of investing in cash. The Funds carry specific capacity limits, enabling them to remain versatile and protect their ability to continue to achieve their performance objectives.

More information about the individuals responsible for the investment management of the Funds, including the proportion of time each individual devotes to executing the Funds' investment strategies, is available at [www.k2am.com](http://www.k2am.com). The Funds are not dependent on any particular individual but enjoy the benefit of the expertise of a group of professionals operating as a team.

K2 is indemnified out of the Funds against all liabilities and expenses incurred by it in properly performing any of its duties, exercising any of its powers, or omitting to act in relation to the Funds, or attempting to do so. Subject to the Corporations Act, provided K2 acts in good faith and without negligence, it is not liable to investors for losses in relation to the Funds (except in certain circumstances, where it can be indemnified from the Funds).

## 02 How the Funds work

All the Funds are Australian registered managed investment schemes and unit trusts. In a unit trust structure, when you invest your money it is pooled with other investor funds. The units which you are issued with are priced daily and reflect the changing market value of the underlying assets.

### Investment structure



### Investment strategy

- The K2 Asian Fund invests in listed equities in the Asia Pacific region (excluding Japan).
- The K2 Australian Fund invests in listed equities in Australia and New Zealand.
- The K2 Select International Fund invests globally in listed equities.

For more information about the Funds' investment strategies please refer to section 05 on page 06 of this PDS.

All Funds invest across a range of sectors that the investment team believes will add greatest value.

## The Funds at a glance

### Applications

**By 2pm on the Business Day you wish to apply (Valuation Day)**

You can apply for units by completing the forms at the end of this PDS and sending them with cleared funds to the Unit Registry by 2pm on the Valuation Day.

### Minimum Initial Investment

**\$20,000**

### Minimum Additional Investment

**\$10,000**

You can add to your investment at any time. Simply complete an additional application form available at [www.k2am.com](http://www.k2am.com), and send it with cleared funds to the Unit Registry by 2pm on the Valuation Day.

### Valuation

**Daily**

Each Business Day.

### Redemption

**By 2pm on the Business Day you wish to redeem (Valuation Day)**

You can redeem some or all of your investment by completing the redemption form available at [www.k2am.com](http://www.k2am.com) and sending it to the Unit Registry by 2pm on the Valuation Day.

### Minimum Withdrawal

**\$10,000**

If your redemption results in the remaining balance of your investment falling below \$20,000 then only a complete withdrawal is permitted.

### Access to Funds

**Within five Business Days of Valuation Day**

Exceptional circumstances may however arise where the ability to access your investment is restricted and you may have to wait a period of time before you are able to redeem. This may occur, for example, if equity markets suspend trading or if a Fund becomes illiquid. Short delays may occur if you redeem shortly after 31 December or 30 June while distributions are being finalised.

### Distributions

To prevent each Fund from incurring a tax liability, each Fund may pay distributions shortly after 30 June each year. Distributions can be made more frequently at K2's discretion. Distributions are calculated based on a Fund's net income at the end of the distribution period divided by the number of units on issue. You can reinvest your distribution automatically into the Fund or have it paid directly to your bank account.

A distribution of net income generally forms part of a unitholder's assessable income, and you will be liable to pay tax on that income. At the time of distribution, the value of each unit will be reduced by the distribution amount.

### Reporting

Monthly performance reports and semi-annual investor statements are sent to all unitholders via email or post. Fund performance and other information is available online or via our investor portal at [www.k2am.com](http://www.k2am.com).

## 03

## Benefits of investing in the Funds

Investing in the Funds offers a range of benefits including:

### Expertise

You benefit from the skill and experience of K2's dedicated equity investment team. K2's portfolio managers bring with them their own investment style while still adhering to the Funds' portfolio rules and guidelines.

### Flexibility

The Funds invest in a diverse range of listed equities rather than reflecting an index or benchmark. Portfolio managers have the added flexibility to buy Long and sell Short as well as hold cash in different market cycles.

### Liquidity

You can add to or reduce your investment on a daily basis.

### Client Service

We will provide you with regular statements of your investment and updates on the performance of the Funds and current market conditions. You will also be able to track your investment at all times through our online investor portal at [www.k2am.com](http://www.k2am.com).

## 04 Risks of managed investment schemes

Any financial investment is not without associated risks. All asset classes carry varying degrees of risk.

When considering any investment in a managed investment scheme it is important that you understand:

- the value of investments will go up and down;
- the level of returns will vary, and future returns may differ from past returns;
- returns are not guaranteed, you may lose some of your money and past performance is not necessarily indicative of future performance;
- laws affecting registered managed investment schemes may change in the future;
- assets with the highest long-term returns may also carry the highest level of short-term risk; and
- the appropriate level of risk for each investor will vary depending on a range of factors, including age; investment time frames; where other parts of the person's wealth are invested; and the investor's risk tolerance.

Prior to making an investment in the Funds, you should consider if it is appropriate for your individual circumstances and if necessary, seek professional advice. Risks that should be considered when investing in the Funds include, but are not restricted to, the following:

- **Market Risk**  
Changes in regulatory and economic policy, political events, technology, economic cycles, investor sentiment, environmental and social climate can all impact financial markets.
- **Equity Specific Risk**  
Individual companies in which the Funds invest can have specific factors that can impact their stock valuation. This can include market cycles, internal management changes and product/service demands. Some securities may also become illiquid and as a result it may be difficult to exit the position.
- **Currency and Interest Rate Risk**  
Currency markets can be volatile and are subject to a range of influences. Currency risk occurs where the underlying assets of a Fund are denominated in a currency other than the Australian dollar. Changes in interest rates and exchange rates may impact economic conditions and stock valuations both positively and negatively.
- **Short Selling Risk**  
Short selling carries particular risks that traditional Long positions do not. With a Long position, the value of the asset cannot drop below zero, thereby placing

a limit on the possible loss inherent in the asset. In a Short position, where the purchaser expects the asset to depreciate, there is a risk that the asset could appreciate. Short selling theoretically has unlimited risk of loss because there is no limit on the level to which a position may appreciate before it is closed out.

- **Counterparty and Broker Credit Risk**  
Credit risk is the risk of loss caused by another party, including the Prime Broker or Administrator, defaulting on their financial obligations. For more information see section 09 on page 12.
- **Derivative Risk**  
The Funds may use various derivative instruments, including futures, options, forward contracts and other derivatives. The more volatile nature of these instruments may impact the returns of the Fund.

While K2 actively manages both market and currency risk, many risks remain outside K2's control and are unable to be fully protected against. Accordingly no guarantee can be made that these risks will not eventuate. Various risk management strategies are adopted for all internally identified risks. These include, but are not limited to, stop loss guidelines for all positions, exposure limitations on asset classes, internal trading systems that allow continuous transparency to the Funds' assets, annual reviews of service providers, continuous audit and compliance obligations.

### Ways to reduce or manage risk:

#### Seek professional advice

K2 recommends you seek professional advice to assist in understanding your current financial situation and your individual investment objectives.

#### Invest for the longer-term

Historically, growth assets have achieved the highest returns over the longer-term, with the greatest risk in the short-term.

#### Individual investment strategy

You should consider the following factors before investing in the Funds:

- your risk profile;
- your investment timeframe;
- the level of return you are seeking;
- whether you are investing for income or growth; and
- your current financial situation.

## 05

# How we invest your money

### Investment Objective

The Funds aim to deliver capital growth over the long-term by seeking out opportunities in undervalued companies in all market cycles.

### Suggested Investment Timeframe

Long-term

### Potential Risk Level

High

### Investor Suitability

These Funds may be suitable for you if:

- you have a long-term investment period;
- you seek diversification within traditional asset class exposure; and
- your risk tolerance is high and you are comfortable with the level of risk associated with each Fund.

### Description of Funds and Assets

- The K2 Asian Fund invests in listed equities throughout the Asia Pacific region (excluding Japan); typically holding between 80 and 120 different stocks in a range of sectors.
- The K2 Australian Fund invests in listed equities in Australia and New Zealand; typically holding between 50 and 70 different stocks in a range of sectors.
- The K2 Select International Fund invests globally in listed equities; typically holding between 40 and 70 different stocks in a range of sectors.

Please refer to section 07 on page 11 of this PDS for key aspects of the Funds' unit pricing policy.

### Investment Strategy

K2 employs a top-down macroeconomic view with bottom-up stock selection to identify investment opportunities.

Continuous macro-economic analysis of market conditions determines each Fund's net equity exposure. This top down overlay provides our investment managers with the autonomy to invest in a benchmark unaware manner, in sectors and regions that they believe will add the most value.

K2's investment strategy intends to produce investment returns by:

- adopting a flexible investment style that reflects the economic cycle;
- actively adjusting net equity exposure;
- identifying major themes or catalysts in a timely manner;
- being index unaware with a Long bias; and
- allocating capital dynamically.

Each Fund's ability to produce investment returns is dependent on a wide range of factors, none unusual or unique to these Funds. Performance may be impacted either positively or negatively by market conditions, interest rates, equity specific factors, liquidity and currency movements. Refer to section 04 on page 05 for more information on risks.

K2 will notify you of any change in the Funds' investment strategies; however the strategies are not expected to change over the life of this PDS.

### Types of Assets Held

The Funds primarily invest in listed equities across the Funds' various geographic regions. If deemed appropriate, the Funds may hold up to 100% cash. Consistent with typical industry practices, the reference to listed equities includes investments in entities that plan to list on the relevant securities exchange within the next 6 months. The Funds may also make other investments as permitted by the Funds' constitutions.

The Funds may also use exchange-traded and over-the-counter derivative instruments. Equities are denominated in their local currency. Currency is taken into account at the portfolio level and positions are adopted purely as a hedging tool to reduce overall currency risk.

### Derivatives

If used, derivatives may include swaps, futures, options and forward contracts. Such instruments are used within the Funds sparingly and the Funds do not have pre-determined allocation ranges for these asset types. K2 will only engage reputable financial institutions (such as the Prime Broker) as a derivative counterparty.

### Short Selling

Short selling may be used when specific opportunities or market conditions have the potential to increase returns. Short positions are subject to diligent ongoing risk review by the investment team and stringent stop loss guidelines. Refer to section 04 on page 05 for more information on risks associated with short selling.

### Leverage

K2 does not use leverage to increase the net invested position of any Fund greater than the Gross Asset Value of the Fund. In order to implement any Short positions or derivative exposure, equity and/or cash may be required to be deposited with the Prime Broker as collateral. The Funds do not use other types of leverage.

### Valuation, Location and Custody of Assets

The Funds invest in Australian and international listed equities (in various currencies) which are either held by the Prime Broker or in custody accounts with State Street Australia Ltd and Morgan Stanley Private Bank National Association. The roles performed by these custodians are set out in section 09 on page 12 and on page 13. Non-cash assets are exchange traded and therefore valued accordingly.

### Labour Standards and Environmental, Social and Ethical Considerations

Labour standards and environmental, social and ethical considerations are not taken into account in the selection, retention or realisation of investments relating to the Funds. However, such issues may affect the performance of an investment and any such financial effect would influence K2's investment decision.

## 06

## Fees and costs

It is a legal requirement to display the following consumer advisory warning at the beginning of the fees section of a PDS. The fee example provided in the consumer advisory warning box does not relate to the Funds, and is a standard example prescribed by law.

### Did you know?

Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns.

For example, total annual fees and costs of 2% of your account balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the Funds or your financial adviser.

#### To find out more

If you would like to find out more, or see the impact of the fees based on your own circumstances, the Australian Securities and Investments Commission (ASIC) website ([www.moneysmart.gov.au](http://www.moneysmart.gov.au)) has a managed funds fee calculator to help you check out different fee options.

This document shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the Funds' assets as a whole. You should read all the information about fees and costs because it is important to understand their impact on your investment.

Type of Fee or Cost	Amount and How and When Paid
<b>Transaction Costs</b>	
<b>Fees when your money moves in or out of the fund</b>	
<b>Establishment Fee</b> The fee to open your investment	Nil
<b>Contribution Fee</b> The fee on each amount contributed to your investment	Nil
<b>Withdrawal Fee</b> The fee on each amount you take out of your investment	Nil
<b>Exit Fee</b> The fee to close your investment	Nil

Type of Fee or Cost	Amount and How and When Paid
<b>Management Costs</b>	
<b>The fees and costs for managing your investment<sup>1</sup></b>	
<b>Investment Management Fee</b>	<b>1.5375% per annum (incl. GST &amp; RITC)</b> The investment management fee is calculated and accrued daily based on the Gross Asset Value of a Fund. It is paid monthly in arrears out of a Fund's assets.
<b>Estimated Responsible Entity Fee</b> Covers direct and indirect costs that relate to K2's role as responsible entity.	<b>0.06% per annum (incl. GST &amp; RITC)</b> The responsible entity fee is calculated and accrued daily and is paid monthly in arrears out of a Fund's assets.
<b>Estimated Expense Recoveries<sup>2</sup></b> Includes custodian fees, administration, unit registry and other expenses relating to the compliance, investment management, management and administration of each Fund.	<b>K2 Asian Fund</b> <b>0.2882% per annum (incl. GST &amp; RITC)</b> <b>K2 Australian Fund</b> <b>0.0935% per annum (incl. GST &amp; RITC)</b> <b>K2 Select International Fund</b> <b>0.1348% per annum (incl. GST &amp; RITC)</b> The estimated expense recoveries are calculated and paid out of a Fund's assets.
<b>Performance Fee</b> A performance fee expense is payable subject to meeting specified performance criteria.	<b>20.5% per annum (incl. GST &amp; RITC) of the amount by which the NAV per unit exceeds the High Water Mark.</b> The K2 Asian Fund and K2 Australian Fund need to exceed the High Water Mark, after a net 6% per annum, before a performance fee applies on total performance. The K2 Select International Fund needs to exceed the High Water Mark, after a hurdle rate being the average RBA cash rate for the prior half year (up to a rate of 6% per annum), before a performance fee applies on total performance. All hurdles are calculated on a pro-rated basis. The performance fee is calculated and accrued daily based on the NAV (before performance fee) of each Fund and is crystallised and paid on a semi-annual basis at 31 December and 30 June. Performance fees are paid where applicable from redemptions throughout the financial year on a pro-rata calculation.

<sup>1</sup> Management costs reduce the Net Asset Value of the Fund and are reflected in the unit price.

<sup>2</sup> Based on actual expenses averaged over the three financial years ended 30 June 2013, 2014 and 2015. This is not a guarantee of future expense amounts, these fees can increase or decrease depending on the assets within the Funds.

### Example of annual fees and costs for the Funds

These tables give you an example of how the fees and costs for these managed investment products can affect your investment over a 1 year period. You should use these tables to compare these products with other managed investment products.

#### K2 Asian Fund

Example: Balance of \$50,000, with a contribution of \$10,000 during the year.		
Contribution Fees	Nil	For every \$10,000 you put in, you will be charged \$0
PLUS Management Costs*	1.89%	<b>And</b> , for every \$50,000 you have invested in the Fund, you will be charged \$945 each year
EQUALS Cost of Fund		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$10,000 during that year, you would be charged a fee of from \$945 to \$1,134 <sup>#</sup>

#### K2 Australian Fund

Example: Balance of \$50,000, with a contribution of \$10,000 during the year.		
Contribution Fees	Nil	For every \$10,000 you put in, you will be charged \$0
PLUS Management Costs*	1.69%	<b>And</b> , for every \$50,000 you have invested in the Fund, you will be charged \$845 each year
EQUALS Cost of Fund		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$10,000 during that year, you would be charged a fee of from \$845 to \$1,014 <sup>#</sup>

#### K2 Select International Fund

Example: Balance of \$50,000, with a contribution of \$10,000 during the year.		
Contribution Fees	Nil	For every \$10,000 you put in, you will be charged \$0
PLUS Management Costs*	1.73%	<b>And</b> , for every \$50,000 you have invested in the Fund, you will be charged \$865 each year
EQUALS Cost of Fund		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$10,000 during that year, you would be charged a fee of from \$865 to \$1,038 <sup>#</sup>

\* The breakdown of the Management Costs in the above example is detailed in section 06 on page 08.

# Management Costs are charged on your investment amount and any contributions made during the year. The fees you pay will depend on the proportion of the year during which the additional contributions were invested.

Please note that these examples do not capture the performance fee that could apply to you if a Fund meets its performance fee criteria. The example also does not capture all the fees and costs that may apply such as the buy/sell spread.

You should read all the information about fees and costs including the performance fee and other expenses before making a decision as it is important to understand their impact on your investment.

All fees and expenses in this PDS can change without your consent, however it is not expected that the investment management or performance fees will change while this PDS is current. At least one month's notice would be provided in the event management or performance fees changed. K2 has the right to recover all proper and reasonable expenses incurred in managing the Funds and as such these expenses, including the responsible entity fee, may increase or decrease accordingly. The Funds' constitutions define the maximum that can be charged for fees described in this PDS.

### Other fees and expenses

#### Buy / Sell Spread

The buy/sell spread is an additional cost to you and is incurred when you enter or exit a Fund. Applications and redemptions can require the purchase and sale of equities within the Fund which incurs transaction costs such as brokerage, government duties and taxes. To cover these costs, the Funds carry a buy/sell spread of +/-0.4% to ensure that the costs are not borne by other investors. The money is retained in the Funds and is not paid to K2. The spread is based on the Funds' average transaction costs and accordingly may be varied by K2 from time to time.

## 07

### How to transact on your investment

1. Read this PDS.
2. Complete the application form and client identification form at the end of this PDS, selecting the Fund/s you wish to invest in, and send them to the Unit Registry with cleared funds by 2pm on the Business Day on which you wish to purchase units.
3. Receive confirmation of your investment via email or post and begin accessing your account via our online investor portal.

### Acquisition and disposal of Units

#### Applications

##### Initial application for investment

Investors must complete the application form available at the end of this PDS. To enable K2 to comply with the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 new investors must also complete the relevant client identification forms.

##### Application dates

Applications can be processed on any Business Day (**Valuation Day**) with units issued for that same day. Completed forms and cleared funds must be accepted by the Unit Registry by 2pm Australian Eastern Standard Time on a Valuation Day.

**Note: you will need to observe your relevant bank's processing times to ensure the Unit Registry receives cleared funds by the deadline.**

Subject to the Corporations Act, application money received after the deadline will be held in the relevant Fund's trust account, unless directed otherwise in writing by the applicant, and units will be issued on the following Valuation Day. Any interest earned on application money (less applicable withholding tax) paid in advance of a Valuation Day will not be credited in favour of the applicant.

K2 reserves the right to refuse any application without giving a reason. If K2 refuses or is unable to process an application it will return the application money to the applicant who will not be entitled to any interest on that money. If a cheque or other deposit is dishonoured, the corresponding units are deemed not to have been issued. K2 and the Unit Registry accept no responsibility for any loss caused as a result of non-receipt of any application sent by facsimile, post or other delivery method.

Applications that are placed for a 30 June or 31 December Valuation Date are allocated units on that day, and will receive any distribution that may be payable. Investors

should note the 'Risks of investing shortly before a distribution period' and read the important information about taxation before making a decision to invest. Go to 'General Information' at [www.k2am.com](http://www.k2am.com) under 'How to Invest'.

#### Investing through an IDPS

If you are investing through an IDPS, such as a master trust or wrap account, you may need to complete a separate application form and provide a cheque payable to the relevant IDPS operator. Your rights and liabilities will be governed by the terms and conditions of the IDPS disclosure document. Investors should carefully read the terms and conditions of that document before investing in any of the Funds. Indirect investors investing through an IDPS do not acquire the rights of an investor in a Fund. IDPS investors will receive reporting directly from the IDPS operator, not from K2 and do not have the right to a 'cooling off' period (as described in this PDS) in relation to an investment in a Fund.

#### Additional investments (for existing investors)

Investors can add to their investment by completing an additional investment form available at [www.k2am.com](http://www.k2am.com). Before completing an additional investment form investors should ensure they have read the current PDS.

#### Disposal of Units

##### Making a withdrawal

An investor wishing to make a withdrawal must complete a redemption form available at [www.k2am.com](http://www.k2am.com) and submit the completed form to the Unit Registry by 2pm Australian Eastern Standard Time on a Valuation Day.

Withdrawal proceeds will be remitted by electronic transfer to the investor's designated account normally within five Business Days after the relevant Valuation Day. The minimum withdrawal is \$10,000 (unless otherwise permitted by K2) provided a minimum balance of \$20,000 remains in the relevant Fund, otherwise only a complete withdrawal is permitted.

Short delays may occur if you redeem shortly after 31 December or 30 June while distributions are being finalised.

##### Transfer of units

Investors wishing to transfer units to a different entity must complete a standard transfer form, available at [www.k2am.com](http://www.k2am.com) or by contacting K2. Both the seller and buyer must provide their executed instruction on the same transfer form. If the buyer is a new investor to K2, they are also required to complete an initial application form and client identification form. A transfer of units from one entity to another may have tax implications and you should seek independent advice before proceeding.

### Switching Investments

You may switch all or part of your investment between K2 Funds by completing a switch form available at [www.k2am.com](http://www.k2am.com). A switch is processed as a withdrawal and an additional investment and accordingly the buy/sell spread applies. Switching your investment from one Fund to another may have tax implications and you should seek independent advice before proceeding. Minimum investment balances apply to switching between Funds.

### Suspension of issue of units and withdrawal of funds

Under the Funds' constitutions, K2 may suspend the determination of the Net Asset Value of a Fund and/or extend the time for paying redemption proceeds in certain circumstances.

Where a Fund is not liquid (as defined in the Corporations Act) an investor does not have a right to withdraw from that Fund and can only withdraw where K2 makes a withdrawal offer to investors in accordance with the Corporations Act. K2 is not obliged to make such offers. You will be notified in writing of any such changes to your withdrawal rights.

### Retail investors

If you are an eligible retail investor you may have a right to a cooling off period to ensure that the investment meets your individual needs. The period commences on the earlier of confirmation of the investment being received or available, or the end of the fifth day after units are issued, and lasts for 14 days. The investor is entitled to a refund of their investment, adjusted for any increase or decrease in the NAV between the time the Unit Registry processed the application and the time it receives the notification, as well as any tax and other reasonable administrative expenses and transaction costs associated with the acquisition and termination of the investment. A client's right to cool off does not apply in certain limited situations, such as if the issue is made under a distribution reinvestment plan or represents additional contributions made under an existing agreement. To exercise this right the registry must be notified in writing.

If you wish to discuss any aspect of the Funds or wish to lodge a complaint please contact K2 and we will endeavour to resolve your concerns quickly and fairly. If K2 cannot resolve your complaint you may seek assistance from:

Financial Ombudsman Service (FOS)  
GPO Box 3 Melbourne Vic 3001  
Phone: 1300 780 808  
Website: [www.fos.org.au](http://www.fos.org.au)

You should quote the K2 FOS membership number with your enquiry: 12481.

Please note that different procedures to the above may apply for IDPS investors.

### Unit pricing (NAV per unit)

The calculation of unit prices is set out in the constitution for each Fund and is performed by the Funds' Administrator each Valuation Day. Broadly, unit pricing is calculated by:

1. calculating the Gross Asset Value of the Fund as at the relevant Valuation Day;
2. deducting any liabilities (including management fee);
3. deducting any accrued performance fee after the deduction of liabilities; and
4. dividing the resulting NAV by the number of units on issue, this amount being rounded to the nearest cent (0.5 of a cent will be rounded up).

### Terms for fax instructions

Instructions may be submitted by facsimile on +61 3 8672 7663. By lodging a fax request the investor releases, discharges and agrees to indemnify K2 from and against all losses, liabilities, actions, proceedings, account claims and demands arising from the fax request. The investor also agrees that any payment made in accordance with faxed instructions shall be a complete satisfaction of the obligations of K2, notwithstanding any fact or circumstances including that the payment was made without the investor's knowledge or authority. The investor agrees that if the payment is made in accordance with these conditions, the investor shall have no claim against K2 in relation to the payment.

### Privacy

When processing an application, K2 will be collecting personal information which it may need to provide to third parties, such as its service providers, regulatory authorities as required by law or to satisfy United States requirements (in the case of United States persons). In some cases, the organisations to which K2 or its service providers disclose your information may be located outside Australia (including the United Kingdom, United States, Canada, Singapore, The Netherlands and India), though it is not practicable to list all of the countries in which such recipients are likely to be located. For further information about how we collect, hold, use and disclose your personal information, please read K2's privacy policy, which can be downloaded free of charge from our website at [www.k2am.com](http://www.k2am.com).

## 08

### How managed investment schemes are taxed

#### Warning

Investing in a managed investment scheme is likely to have tax consequences. K2's registered managed investment schemes do not pay tax on behalf of investors and you will be personally assessed for tax on any net income and capital gains generated by the scheme. In normal circumstances you should expect that some income and/or capital gains will be generated each year. The taxation of managed investment schemes is complicated and you are strongly advised to seek professional tax advice relevant to your own circumstances before investing in a Fund.

*You should read the important information about taxation before making a decision to invest. Go to 'General Information' at [www.k2am.com](http://www.k2am.com) under 'How to Invest'. The material relating to taxation may change between the time when you read this PDS and the day when you acquire the product.*

#### FATCA

K2 is deemed to be a "foreign financial institution" (FFI) under the US Foreign Account Tax Compliance Act (FATCA). As an FFI, K2 is required to obtain and disclose information about certain US and US-owned investors. K2 may request you to provide certain information so that K2 can comply with its obligations under FATCA as US withholding tax may be imposed on payments to the Funds of US income or proceeds from the sale of US securities if K2 does not obtain all required information. While K2 attempts to take all reasonable steps to comply with its obligations under FATCA and to avoid the imposition of this withholding tax, K2 cannot guarantee this outcome.

## 09

### The Funds' service providers

The following service providers to the Funds are not responsible for the preparation of this document or the activities of the Funds and therefore accept no responsibility for any information contained in this document. These service providers do not participate in the investment decision-making process.

K2 as responsible entity of each Fund monitors the compliance of all of the following service providers with their contractual obligations through receipt of compliance certifications, performance reviews and audit activity performed by the Funds' external auditor KPMG.

#### About the Prime Broker

Morgan Stanley & Co. International plc. (**Prime Broker**), based in London, provides prime brokerage services to the Funds under a standard agreement (**PB Agreement**). These services may include margin financing, clearing, settlement, stock borrowing and foreign exchange facilities. The Funds deal with the Prime Broker mostly through its Sydney office. The Funds may also utilise other members of the Morgan Stanley group of companies and other brokers for executing transactions for the Funds.

The Prime Broker also provides a custody service for all the Funds' investments held by the Prime Broker in accordance with the PB Agreement and the rules of its regulator the UK Financial Conduct Authority (**FCA**). The Prime Broker may appoint sub-custodians, including other members of the Morgan Stanley group.

#### Identification and segregation of Fund assets

In accordance with FCA rules, the Prime Broker will identify, record and hold the Funds' investments so that they are separately identifiable from the Prime Broker's other investments.

#### Collateral and some other investments may not be segregated

Investments which constitute collateral for the purposes of the FCA rules might not be segregated and may be available to creditors of the Morgan Stanley group. The law or market practices in some jurisdictions outside of Australia and the United Kingdom may require that investments are registered in the name of the Prime Broker (rather than a custodian), in which case such investments will not be segregated from the Prime Broker's own assets and in the event of the Prime Broker's default may not be as well protected. Cash held by the Prime Broker or its related entities will not be treated by the Prime Broker as client money and will not be protected by FCA 'client money' rules.

#### Borrowing of Fund assets

Investments and cash might be deposited by the Funds with the Morgan Stanley group as margin and will also constitute collateral for the purposes of the FCA rules. The Funds' investments may be borrowed, lent or used by the Morgan Stanley group, which would transfer property rights but leave the Funds with a right for the return of equivalent assets. The Funds will rank as unsecured creditors and, in the event of the insolvency of a Morgan Stanley group entity, the Funds may not be able to recover such equivalent assets in full. To better protect investors, K2 and the Prime Broker have agreed at the request of K2 to specific limitations on the borrowing and use of the Funds' assets.

#### Contractual relationship

Consistent with typical industry practice, the liability of the Prime Broker and its related entities is limited to circumstances involving its own negligence, wilful default or fraud, and the Prime Broker benefits from a limited indemnity from the Funds. The Prime Broker can be replaced by K2 by providing written notice. Various notice periods apply depending on the circumstance for termination of the contract.

## About the Custodians

### State Street Australia Ltd

K2 has appointed State Street Australia Ltd (**SSAL**) to act as global custodian of the Funds on terms consistent with typical Australian market practice. SSAL is the Australian subsidiary of a global business and is based in Sydney. It holds an Australian Financial Services Licence and is subject to ASIC regulation.

As is standard practice for global investment dealings, SSAL engages third party sub custodians around the world to transact and hold assets for the Funds.

### Morgan Stanley Private Bank, National Association

Morgan Stanley Private Bank, National Association (**MSPB**), a US national banking association regulated by the Office of the Comptroller of the Currency and the Federal Deposit Insurance Corporation has been engaged to provide additional custody services to the Funds if deemed necessary by K2 on terms consistent with typical market practice.

MSPB can engage unrelated third party sub-custodians, subject to certain duties on MSPB.

MSPB is authorised to transfer certain assets of a Fund's investments to the Fund's prime brokerage account with the Prime Broker in certain situations, consistent with typical market practice. MSPB is not permitted to borrow, lend, charge, rehypothecate, dispose of or otherwise use for its benefit any investment held in custody on behalf of a Fund.

MSPB is an 'insured depository institution', as defined in the US Federal Deposit Insurance Act and certain cash deposits are insured by the US Federal Deposit Insurance Corporation (FDIC). However, MSPB may place funds with other depository institutions that may not carry the full protection of FDIC insurance.

## About the Administrator

### State Street Australia Ltd

K2 has appointed State Street Australia Ltd (**SSAL** or **Administrator**) (ABN 21 002 965 200 AFSL 241419) based in Sydney, Australia to act as Administrator of the Funds. K2 and SSAL have entered into an agreement for administrative services for the Funds that sets out SSAL's role as Administrator, including its rights and obligations and the limits on its liability. Responsibilities of SSAL include:

- calculating the NAV and unit price for each Fund each Valuation Day;
- preparation of unaudited financial statements for each Fund in accordance with international financial reporting standards;
- providing certain other administrative services.

SSAL's obligations in relation to each Fund are limited to the provision of services to K2, and SSAL has not undertaken any obligations to unitholders.

## About the Unit Registry

### OneVue Fund Services Pty Limited

K2 has appointed OneVue Fund Services Pty Limited (ABN 18 107 333 308) based in Melbourne (**Unit Registry** or **OneVue**) to provide unit registry services to the Funds. K2 and OneVue have entered into an agreement that sets out OneVue's responsibilities, which include:

- receiving and processing application money and withdrawal payments;
- maintaining each Fund's register of unitholders;
- preparation of annual fee statements for each Fund in accordance with legislation;
- compliance with anti-money laundering requirements;
- providing certain other administrative services.

## Appointment of New Service Providers

K2 may remove any Fund's Prime Broker; Custodian; Administrator or Unit Registry and appoint a replacement at any time without notice to investors. Changes to a key service provider will be disclosed to investors in the Funds' periodic disclosures.

## 10 Information for New Zealand Investors

a) This offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act 2001 (Aust) and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.

b) This offer and the content of the offer document are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act 2001 (Aust) and the regulations made under that Act set out how the offer must be made.

c) There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime.

d) The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products.

e) Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to this offer. If you need to make a complaint about this offer, please contact the Financial Markets Authority, New Zealand (<http://www.fma.govt.nz>). The Australian and New Zealand regulators will work together to settle your complaint.

f) The taxation treatment of Australian financial products is not the same as for New Zealand financial products.

g) If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

h) The offer may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.

i) If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

j) The dispute resolution process described in this offer document is available only in Australia and is not available in New Zealand.

## 11 Terms used in this PDS

**Business Day** means a day other than a Saturday, Sunday or public holiday in Melbourne.

**Gross Asset Value** means the value of all the assets and liabilities of a Fund, prior to fees.

The **High Water Mark** is determined by:

a) where a performance fee is paid or payable in respect of the immediately preceding half financial year, the highest NAV per unit from which a performance fee has been last deducted in the immediately preceding half financial year; or

b) where a performance fee is not payable in respect of the immediately preceding half financial year, the higher of:

I. the NAV per unit as at the end of the immediately preceding half financial year, and

II. either the relevant NAV on the date of your initial subscription in the first half financial year of investment or the last NAV from which a performance fee has been paid, if any.

A High Water Mark is a NAV price above which the investment manager is eligible to charge a performance fee, subject to meeting a performance hurdle (if applicable). If the current NAV falls below the High Water Mark, K2 must reach the High Water Mark before receiving a performance fee on additional performance. Various hurdle rates apply to the calculation of the performance fee. Refer to section 06 page 08 for more information.

**Long position** refers to an asset which is held with the expectation that the value of the asset will appreciate.

**Net Asset Value (NAV)** means the Gross Asset Value of a Fund, less all fees.

**Short position** (or **Short Selling**) refers to an investment technique in which an asset is borrowed and then immediately sold in the expectation that the asset will then depreciate. The borrowed asset is repaid by buying back the asset on the market, with the intention of obtaining it at a lower price. The asset is then returned to the original lender.



## Client Services contact details

**Phone**  
+61 3 9691 6191

**Email**  
invest@k2am.com.au

**Website**  
www.k2am.com

## Application form

K2 Asian Absolute Return Fund

K2 Australian Absolute Return Fund

K2 Select International Absolute Return Fund

Please use this form if you are a new investor and wish to invest in one of the above funds by making an initial application.

### 1. Read and ensure you understand the Product Disclosure Statement (PDS).

The PDS is available on our website at [www.k2am.com](http://www.k2am.com) or from your financial adviser.

The law prohibits any person passing this Application Form on to another person unless it is accompanied by a complete PDS. K2 will provide on request and without charge a paper or electronic copy of the current PDS and any document which updates the PDS.

### 2. Complete all relevant sections of this application form in block letters and using a black pen. If you make an error while completing this form, do not use correction fluid. Cross out your mistakes and initial your changes.

**Individuals** — complete section 1, section 2, and then section 5 onwards.

**Companies** — complete section 1, section 3 and then section 5 onwards.

**Trusts/superannuation funds** — complete section 1, section 2 if you are an individual trustee, section 3 if you are a trust with a company as trustee, section 4, and then section 5 onwards.

### 3. Collect and certify the identification documents.

Please refer to section 10 'Identification and verification' and complete the relevant identification document at the end of this form or on our website at [www.k2am.com](http://www.k2am.com).

### 4. Send your documents to us.

You can return your form by post, fax or email according to the details below.

Send by Post: K2 Asset Management  
GPO Box 804  
Melbourne VIC 3001  
Australia

Fax forms to: +61 3 8672 7663

Scan and email to: [k2am\\_transactions@onevue.com.au](mailto:k2am_transactions@onevue.com.au)

### 5. Transfer your application money to us.

Please refer to section 6 'Payment of application amount'.

Your application form cannot be processed until all relevant identification documents and cleared funds are received.

## Legal notices

K2 Asset Management Ltd AFSL No. 244393 is the issuer of units in the K2 Asian Absolute Return Fund, K2 Australian Absolute Return Fund and K2 Select International Absolute Return Fund (together Funds).

K2 Asset Management Ltd is committed to ensuring the confidentiality and security of your Personal Information. We handle your Personal Information in accordance with the Privacy Act 1988 and Privacy Policy, which can be accessed on our website [www.k2am.com](http://www.k2am.com)











# Application form

Please print full name

Please print full name

Date

D	D	M	M	Y	Y	Y	Y
---	---	---	---	---	---	---	---

Date

D	D	M	M	Y	Y	Y	Y
---	---	---	---	---	---	---	---

## BPAY - telephone and internet banking

You will need to quote the biller code and your reference number when making such payment. Once your Application form is received a Client Services team member will contact you with your new Investor Account Number.

Fund name	BPAY
K2 Asian Absolute Return Fund	 <b>Biller code</b> 185827 <b>Reference number</b> Investor Account Number
K2 Australian Absolute Return Fund	 <b>Biller code</b> 185835 <b>Reference number</b> Investor Account Number
K2 Select International Absolute Return Fund	 <b>Biller code</b> 185843 <b>Reference number</b> Investor Account Number

Contact your bank or financial institution to make this payment from your cheque, savings, debit or transaction account. More info: [www.bpay.com.au](http://www.bpay.com.au)

© Registered to BPAY Pty Ltd ABN 69 079 137 518.

## EFT - electronic funds transfer

Please ensure transfers are made to the correct bank account/s.

Fund Name	EFT - electronic funds transfer details
K2 Asian Absolute Return Fund	<b>Account name</b> K2 Asian - Application Account <b>BSB</b> 083001 <b>Account number</b> 11-596-3923 <b>Reference</b> Investor Account Name
K2 Australian Absolute Return Fund	<b>Account name</b> K2 Australian - Application Account <b>BSB</b> 083001 <b>Account number</b> 11-596-3894 <b>Reference</b> Investor Account Name
K2 Select International Absolute Return Fund	<b>Account name</b> K2 Select - Application Account <b>BSB</b> 083001 <b>Account number</b> 11-596-3958 <b>Reference</b> Investor Account Name

## 7. Distribution instructions

Please indicate your choice below.

Pay to my bank account

Reinvest

K2 Asian Absolute Return Fund



K2 Australian Absolute Return Fund



K2 Select International Absolute Return Fund




# Application form

## 8. Bank account details

### Australian bank account details

Please provide the Australian bank account details in order to receive your distribution payments and/or future redemption payments. Payments will only be made to a bank account held in the name of the investor/s. Payments will not be made into third party bank accounts.

Bank name

Branch name

BSB number

Account number

 -  

Bank account name

### Foreign bank account details

Please provide bank account details in order to receive your distribution payments and/or future redemption payments. Payments will only be made to a bank account held in the name of the investor/s. Payments will not be made into third party bank accounts.

Bank name

Bank address

Bank account name

Account number

SWIFT/BIC

Due to the complexity of foreign bank accounts, we may need to contact you for more information.

## 9. Communication

### Online account access

Online access enables you to view details of your investments (account balance, investment details and account statements). We will send you the necessary registration details by post once your application is processed.

### Annual report options

Please indicate if you wish to receive an annual report.

Annual report by email

No annual report

Annual report by post



# Application form

## 10. Identification and verification

Please tick one box only:

### By investor

- I am a new client to K2 and will complete the relevant K2 investor identification forms which is located at the end of this application form
- I am already a client of K2 and invest in a different fund. There is no need to complete investor identification forms which is located at the end of this application form

### By financial adviser

- If you have a financial adviser, please ask them to complete the 'Appointment of a financial adviser' form which is located after the 'Acknowledgement and signatures' of this application form.

## 11. Acknowledgements and signatures

- By signing this Application Form I/we confirm that I/we have received the K2 PDS dated 1 December 2016 and have noted the withdrawal time frames and conditions in the PDS.
  - I/we agree to be bound by the terms and conditions of the constitution which governs the Fund and the PDS available at [www.k2am.com](http://www.k2am.com).
  - I/we declare that all details in this form are correct and that if an individual, I am/we are at least 18 years of age. I/we agree to indemnify K2 and any other entity involved in this offering against any loss, liability, damage, claim, cost or expense incurred as a result of any information, representation, declaration, statement, acknowledgment or confirmation in this application form being untrue or incorrect; or as a result of or in connection with my direct debit request (if applicable).
  - If I/we have provided an e-mail address, I/we consent to receive on-going investor information including PDS information and any additional information from K2 as applicable, via email.
  - I/We acknowledge that K2 does not guarantee the repayment of capital or the performance of any of its Funds or any particular rate of return from the Funds.
  - I/we acknowledge that I/we have read [K2's Privacy Statement](#).
  - I/we acknowledge that the information contained in the PDS is not investment advice or a recommendation that units are suitable to me/us, given my/our investment objectives, financial situation or particular needs. It is my/our obligation to seek any advice on, and observe any legal restrictions on investment in the Fund/s which may apply to me/us and where appropriate I/we have obtained my/our own independent investment advice, having regard to the inherently complex nature of these products.
  - In making an investment in the relevant Fund, I/we have not relied in any way on any statements made by K2 or its representatives and acknowledge that they have not made any representations to me/us regarding the suitability or appropriateness of the relevant Fund.
  - I/We have attached the documentation referred to in the Client Identification Form as required by the Anti-Money Laundering and Counter-Terrorism Financing Act 2006, and will continue to provide any other documents reasonably required by K2 from time to time, in order to comply with this legislation. I/We declare that any documents or information provided here are complete and correct and acknowledge that where a transaction is delayed, blocked, frozen or refused, K2 will not be liable for any loss (including consequential loss) as a result of its compliance with the AML/CTF laws.
- By ticking this box, I/we do not wish to receive any promotional material from K2.

### Signing instructions

**Individual** — where the investment is in one name, the account holder must sign.

**Joint Holding** — where the investment is in more than one name, all of the account holders must sign.

**Companies** — where the company has a sole director who is also the sole company secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a company secretary, a sole director can also sign alone. Otherwise this form must be signed by a director jointly with either another director or a company secretary. Please indicate the capacity in which the form is signed.

**Trust** — the trustee(s) must sign this form. Trustee(s) signing on behalf of the trust confirm that the trustee(s) is/are acting in accordance with such designated powers and authority under the trust deed.

**Power of Attorney** — if you have not already lodged the Power of Attorney with us, please attach a certified copy of the Power of Attorney. I/We attest that the Power of Attorney has not been rescinded or revoked and that the Donor is still living.

Signature of investor 1, director or authorised signatory

Signature of investor 2, director/company secretary or authorised signatory

Please print full name

Please print full name

Date

Date

D	D	M	M	Y	Y	Y	Y
---	---	---	---	---	---	---	---

D	D	M	M	Y	Y	Y	Y
---	---	---	---	---	---	---	---

Company officer (please indicate company capacity)

Company officer (please indicate company capacity)

Director

Director

Sole director and company secretary

Company secretary

Authorised signatory

Authorised signatory







This page has been intentionally left blank



#### Client Services contact details

**Phone**

+61 3 9691 6191

**Email**

invest@k2am.com.au

**Website**

www.k2am.com

---

## Identification form - Individuals

K2 Asian Absolute Return Fund

K2 Australian Absolute Return Fund

K2 Select International Absolute Return Fund

---

**Please complete this form if you are a new investor with K2 or if you are a financial adviser verifying your client who is a new investor. A separate form is required for each investor in the case of joint holdings. If you make an error while completing this form, do not use correction fluid. Cross out your mistakes and initial your changes.**

### **If you are a new investor and do not have a financial adviser**

1. Please complete the following sections of this identification form in block letters and using a black pen.
  2. Section 1 – provide your personal details
  - Section 2 – provide FATCA information
  - Section 3 – indicate which ID document(s) you are including with your form
3. Make copies of your ID document(s) and arrange for them to be certified. Please refer to the 'Forms' section of our website for more information on getting your documents certified.
4. Include this identification form and certified copies of your ID documents with your initial application form when you send it to us.

### **If you are a financial adviser verifying your client who is a new investor**

1. Please complete the following sections of this identification form in block letters and using a black pen.
  - Section 1 – provide your client's personal details
  - Section 2 – provide FATCA information
  - Section 4 – indicate the ID documents you have verified
2. Include this identification form and certified copies of the ID document(s) (if applicable) with the initial application form when you send it to us.

#### **Legal notices**

K2 Asset Management Ltd AFSL No. 244393 is the issuer of units in the K2 Asian Absolute Return Fund, K2 Australian Absolute Return Fund and K2 Select International Absolute Return Fund (together Funds).

K2 Asset Management Ltd is committed to ensuring the confidentiality and security of your Personal Information. We handle your Personal Information in accordance with the Privacy Act 1988 and Privacy Policy, which can be accessed on our website [www.k2am.com](http://www.k2am.com)

# Identification form - Individuals

## 1. Personal details

Title	Full given names	
<input type="text"/>	<input type="text"/>	
Surname		
<input type="text"/>		
Date of birth		
<input type="text"/>	<input type="text"/>	
<b>Residential address.</b> A PO Box/RMB/Locked Bag is not acceptable.		
Property name/building name (if applicable)		
<input type="text"/>		
Unit/level	Street number	Street name
<input type="text"/>	<input type="text"/>	<input type="text"/>
Suburb	State	Postcode
<input type="text"/>	<input type="text"/>	<input type="text"/>
Country		
<input type="text"/>		

## 2. FATCA Information (US Foreign Account Tax Compliance Act)

Is the individual a US citizen or resident of the US for tax purposes?

Yes No

<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------

If yes, provide the individual's US Taxpayer Identification Number (TIN):

## 3. Verification procedure - investors

### Verification if you are an Australian resident

Please enclose a certified copy of ONE of the following current documents.

Tick ✓	Select ONE option from this section
<input type="checkbox"/>	Driver's licence (both front and back).
<input type="checkbox"/>	Passport (only pages containing your photo, current date of passport and signature are required).
<input type="checkbox"/>	Any identification card issued under a state or territory law in Australia or by an overseas government which contains your photo, date of birth and signature.

### Verification if you are not an Australian resident

Please enclose a certified copy of ONE of the following current documents. The certified copy of your driver's licence or passport must show your signature. If it does not, please sign your name on the certified copy of the document.

Tick ✓	Select ONE option from this section
<input type="checkbox"/>	Driver's licence (must show your photo, date of birth, address and signature).
<input type="checkbox"/>	Passport (only pages showing your photo, current date of passport, date of birth and signature are required).



# Identification form - Individuals

## 4. Verification procedure - Financial advisers

### Record of verification procedure

Either:

- a. Attach the certified copy of the ID document (as required under section 3) used to verify your client (and any required translation); OR
- b. Complete the details below and do not attach copies of the ID document. By completing this you represent that you have verified your client's name and either their date of birth or residential address.

ID document details	Document
Verified from	<input type="checkbox"/> Original <input type="checkbox"/> Certified copy
Document name/type	<input type="text"/>
Document issuer	<input type="text"/>
Issue date	<input type="text"/>
Expiry date	<input type="text"/>
Document number	<input type="text"/>
Accredited English translation	<input type="checkbox"/> N/A <input type="checkbox"/> Sighted
FATCA	The FATCA information is reasonable considering the documentation provided <input type="checkbox"/>

### Financial adviser details

Date verified

Authorised Representative Number (if any)

Financial adviser name

Phone number

Dealer group name

AFSL number

FATCA

The FATCA information is reasonable considering the documentation provided



This page has been intentionally left blank



#### Client Services contact details

**Phone**

+61 3 9691 6191

**Email**

invest@k2am.com.au

**Website**

www.k2am.com

---

## Identification form - Australian & Foreign companies

K2 Asian Absolute Return Fund

K2 Australian Absolute Return Fund

K2 Select International Absolute Return Fund

---

**Please complete this form if you are a company investing with K2 for the first time or if you are a financial adviser verifying your client. If you make an error while completing this form, do not use correction fluid. Cross out your mistakes and initial your changes.**

### Australian public company

1. Please complete section 1 and 5 of this identification form in block letters and using a black pen.
2. Include this identification form with your initial application form when you send it to us. You do not need to provide any ID documents.

### Australian private company

1. Please complete sections 1, 3 and 5 of this identification form in block letters and using a black pen.
2. Section 4 must be completed if your company is not regulated and has shareholders who own, directly or indirectly, more than 25% of the company's issued capital. For this purpose, a regulated company is defined as any company that is licensed and subject to oversight by a statutory regulator, such as ASIC, Australian Prudential Regulation Authority (APRA) or Australian Tax Office (ATO).
3. Include this identification form with your initial application form when you send it to us. You do not need to provide any ID documents.

### Foreign public company

1. Please complete sections 2, 5 and 6 of this identification form in block letters and using a black pen.
2. Make copies of the relevant ID documents as applicable and arrange for them to be certified. Please refer to the 'Forms' section of our website for more information on getting your documents certified.
3. Include this identification form and certified copies of your ID documents with your initial application form when you send it to us.

### Foreign private company

1. Please complete sections 2, 3, 4, 5, 6 and 7 of this identification form in block letters and using a black pen.
2. Make copies of the relevant ID documents and arrange for them to be certified. Please refer to the 'Forms' section of our website for more information on getting your documents certified.
3. Include this identification form and certified copies of your ID documents with your initial application form when you send it to us.

#### Legal notices

K2 Asset Management Ltd AFSL No. 244393 is the issuer of units in the K2 Asian Absolute Return Fund, K2 Australian Absolute Return Fund and K2 Select International Absolute Return Fund (together Funds).

K2 Asset Management Ltd is committed to ensuring the confidentiality and security of your Personal Information. We handle your Personal Information in accordance with the Privacy Act 1988 and Privacy Policy, which can be accessed on our website [www.k2am.com](http://www.k2am.com)





# Identification form - Australian & Foreign companies

## Director 1

Title	Full given names
<input type="text"/>	<input type="text"/>

Surname
<input type="text"/>

## Director 2

Title	Full given names
<input type="text"/>	<input type="text"/>

Surname
<input type="text"/>

## Director 3

Title	Full given names
<input type="text"/>	<input type="text"/>

Surname
<input type="text"/>

## Director 4

Title	Full given names
<input type="text"/>	<input type="text"/>

Surname
<input type="text"/>

If there are more directors, please provide details on a separate sheet and attach this with your form.

## 4. Major shareholders details

Please complete for private Australian or Foreign companies that are not regulated companies. Provide details of all shareholders who own, directly or indirectly, more than 25% of the company's issued capital.

### Major shareholder 1

Title	Full given names
<input type="text"/>	<input type="text"/>

Surname
<input type="text"/>

**Residential address. A PO Box/RMB/Locked Bag is not acceptable.**

Property name/building name (if applicable)
<input type="text"/>

Unit	Street number	Street name
<input type="text"/>	<input type="text"/>	<input type="text"/>

Suburb	State	Postcode
<input type="text"/>	<input type="text"/>	<input type="text"/>

Country
<input type="text"/>





## Identification form - Australian & Foreign companies

If the company does not have a GIIN, please provide its FATCA status.

--	--	--	--	--	--	--	--	--	--

If the company is a Financial Institution section 5 is now complete, proceed to section 6.

**Non-Financial Public Company** (Public companies as per section 4 that are not Financial Institutions as described above)

If the company is a Public Company, section 5 is now complete, proceed to section 6.

**Non-Financial Proprietary Company** (Proprietary companies as per section 4 that are not Financial Institutions as described above)

Are any of the beneficial owners (as per section 4) US citizens or residents of the US for tax purposes

Yes

No

If yes, provide the name and US Taxpayer Identification Number (TIN) of each beneficial owner who is a US citizen or resident of the US for tax purposes.

	Full given name(s)	Surname	US TIN																														
1	<table border="1"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr></table>											<table border="1"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr></table>											<table border="1"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr></table>										
2	<table border="1"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr></table>											<table border="1"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr></table>											<table border="1"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr></table>										
3	<table border="1"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr></table>											<table border="1"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr></table>											<table border="1"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr></table>										

## 6. Verification procedure - Foreign companies

### Verification of a Foreign company

Tick <input checked="" type="checkbox"/>	Enclose a certified copy of the following current documents.
<input type="checkbox"/>	The Foreign Company's certificate or registration (or equivalent) issued by the relevant foreign registration/regulatory body indicating all of the following: (i) The company's identification/registration number (ii) The date it was incorporated or formed, AND (iii) The company's registered address.

**Note:** If the certificate of registration does not indicate any of the above details, enclose certified copies of other documents issued by independent third parties indicating the above details in addition to enclosing the certificate of registration. Documents written in a language other than English must be accompanied by an English translation prepared by an accredited translator.

## 7. Verification procedure - Financial advisers

### Record of verification procedure of a Foreign company

- Either:
- Attach the certified copies of the ID documents (as required under section 6) used to verify your client (and any required translation); OR
  - Complete the details below and do not attach copies of the ID documents. By completing this you represent that you have verified your client's company registration, register of members, and each major shareholder's identity according to the verification procedures in section 6.

ID document details	Document 1																				
Verified from	<input type="checkbox"/> Original <input type="checkbox"/> Certified copy																				
Document name/type	<table border="1"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr></table>																				
Document issuer	<table border="1"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr></table>																				
Issue date	<table border="1"><tr><td>D</td><td>D</td><td>M</td><td>M</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td></tr></table>	D	D	M	M	Y	Y	Y	Y												
D	D	M	M	Y	Y	Y	Y														
Expiry date	<table border="1"><tr><td>D</td><td>D</td><td>M</td><td>M</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td></tr></table>	D	D	M	M	Y	Y	Y	Y												
D	D	M	M	Y	Y	Y	Y														



# Identification form - Australian & Foreign companies

Document number	<input type="text"/>
Accredited English translation	<input type="checkbox"/> N/A <input type="checkbox"/> Sighted
FATCA	The FATCA information is reasonable considering the documentation provided <input type="checkbox"/>

ID document details	Document 2
Verified from	<input type="checkbox"/> Original <input type="checkbox"/> Certified copy
Document name/type	<input type="text"/>
Document issuer	<input type="text"/>
Issue date	<input type="text"/> D D M M Y Y Y Y
Expiry date	<input type="text"/> D D M M Y Y Y Y
Document number	<input type="text"/>
Accredited English translation	<input type="checkbox"/> N/A <input type="checkbox"/> Sighted
FATCA	The FATCA information is reasonable considering the documentation provided <input type="checkbox"/>

## Financial adviser details

Date verified	<input type="text"/> D D M M Y Y Y Y
Authorised Representative Number (if any)	<input type="text"/>
Financial adviser name	<input type="text"/>
Phone number	<input type="text"/>
Dealer group name	<input type="text"/>
AFSL number	<input type="text"/>
FATCA	The FATCA information is reasonable considering the documentation provided <input type="checkbox"/>





This page has been intentionally left blank



**Client Services contact details**

**Phone**  
+61 3 9691 6191

**Email**  
invest@k2am.com.au

**Website**  
www.k2am.com

**Identification form - Trusts & Trustees**

**K2 Asian Absolute Return Fund      K2 Australian Absolute Return Fund      K2 Select International Absolute Return Fund**

**Please complete this form if you are a new investor with K2 or if you are a financial adviser verifying your client who is a new investor. If you make an error while completing this form, do not use correction fluid. Cross out your mistakes and initial your changes.**

1. Complete the relevant sections of this identification form, according to the type of trust as set out below, in block letters and using a black pen.
2. Make copies of your ID document(s) as applicable and arrange for them to be certified. Please refer to the 'Forms' section of our website for more information on getting your documents certified.
3. Include this identification form and certified copies of the ID documents with your initial application form when you send it to us.

Type of Trust	Sections to complete
Australian and Foreign registered trusts with individuals as trustees	Sections 1, 2 and 5 or 6. Section 8 for self-managed super funds. Registered trusts (excluding self-managed super funds) do not need to provide ID documents.
Australian and Foreign registered trusts with a public company as trustee	Sections 1, 3 and 5 or 6. Registered trusts do not need to provide ID documents.
Australian registered trusts with a private company as trustee	Sections 1, 3, 4 and 5.
Foreign registered trusts with a private company as trustee	Sections 1, 3, 4, 6 and 9.
Australian unregistered trusts with individuals as trustees	Sections 1, 2, 6, 7 and 8.
Australian unregistered trusts with companies as trustees	Sections 1, 3, 4, 6 and 7.
Foreign unregistered trusts with individuals as trustees	Sections 1, 2, 6, 7 and 8.
Foreign unregistered trusts with companies as trustees	Sections 1, 3, 4, 6, 7 and 9.

**Financial adviser verifying your client**

1. Complete the relevant sections of this identification form, according to the type of trust as set out above, in block letters and using a black pen.
2. Either:
  - a. Attach the certified copies of the ID documents used to verify your client (and any required translation)
  - b. Complete section 10 indicating that you have collected and verified your client's identity.
3. Include this identification form and certified copies of ID documents (if applicable) with the initial application form when you send it to us.

**Legal notices**

K2 Asset Management Ltd AFSL No. 244393 is the issuer of units in the K2 Asian Absolute Return Fund, K2 Australian Absolute Return Fund and K2 Select International Absolute Return Fund (together Funds).

K2 Asset Management Ltd is committed to ensuring the confidentiality and security of your Personal Information. We handle your Personal Information in accordance with the Privacy Act 1988 and Privacy Policy, which can be accessed on our website [www.k2am.com](http://www.k2am.com)













# ■ Identification form - Trusts & Trustees

## US Person 1

Full given name(s)

Surname

US TIN

Residential Address *(PO Box is NOT acceptable)*




Suburb

State

Country

Postcode

## US Person 2

Full given name(s)

Surname

US TIN

Residential Address *(PO Box is NOT acceptable)*




Suburb

State

Country

Postcode

## US Person 3

Full given name(s)

Surname

US TIN

Residential Address *(PO Box is NOT acceptable)*




Suburb

State

Country

Postcode

## 7. Verification procedure - unregistered trusts

### Verification for Australian and Foreign unregistered trusts

Please enclose a certified copy of ONE of the following documents.

Tick ✓	Select ONE option from this section.
<input type="checkbox"/>	A certified copy or certified extract of the trust deed. The certified extract must confirm the name of the trust.
<input type="checkbox"/>	A notice issued to the trust by a regulatory authority (must not be more than 12 months old).
<input type="checkbox"/>	A letter from a solicitor or qualified accountant that confirms the name of the trust.

Documents written in a language other than English must be accompanied by an English translation prepared by an accredited translator.

## 8. Verification procedure - individuals as trustees

### Verification of individual trustees for self-managed super funds and unregistered Australian trusts

Please enclose a certified copy of ONE of the following current documents for one of the individual trustees of the trust.

Tick ✓	Select ONE option from this section.
<input type="checkbox"/>	Driver's licence (both front and back).
<input type="checkbox"/>	Passport (only pages containing your photo, current date of passport and signature are required).
<input type="checkbox"/>	Any identification card issued under a state or territory law in Australia or by an overseas government which contains your photo, date of birth and signature.



# Identification form - Trusts & Trustees

## Verification of individual trustees for unregistered Foreign trusts

Please enclose a certified copy of ONE of the following current documents for one of the individual trustees of the trust. The certified copy of the driver's licence or passport must show the individual's signature. If it does not, please have the trustee sign their name on the certified copy of the document.

Tick ✓	Select ONE option from this section.
<input type="checkbox"/>	Driver's licence (must show the photo, date of birth, address and signature).
<input type="checkbox"/>	Passport (only pages showing the photo, current date of passport, date of birth and signature are required).

## 9. Verification procedure - companies as trustees

### Verification of a Foreign company

Please enclose a certified copy of the following documents.

Tick ✓	Enclose a certified copy of the following current documents.
<input type="checkbox"/>	<p>The Foreign Company's certificate or registration (or equivalent) issued by the relevant foreign registration/regulatory body indicating all of the following:</p> <p>(i) The company's identification/registration number</p> <p>(ii) The date it was incorporated or formed, AND</p> <p>(iii) The company's registered address.</p>

**Note:** If the certificate of registration does not indicate any of the above details, enclose certified copies of other documents issued by independent third parties indicating the above details in addition to enclosing the certificate of registration.

## 10. Verification procedure - Financial advisers

### Record of verification procedure

Either:

- Attach certified copies of the ID documents (as required under sections 7, 8 and/or 9) used to verify your client (and any required translation); OR
- Complete the details below and do not attach copies of the ID documents. By completing this you represent that you have verified your client's trust and trustee details according to the verification procedures in sections 7, 8 and/or 9.

ID document details	Document 1
Verified from	<input type="checkbox"/> Original <input type="checkbox"/> Certified copy
Document name/type	<input type="text"/>
Document issuer	<input type="text"/>
Issue date	<input type="text"/> D <input type="text"/> D <input type="text"/> M <input type="text"/> M <input type="text"/> Y <input type="text"/> Y <input type="text"/> Y <input type="text"/> Y
Expiry date	<input type="text"/> D <input type="text"/> D <input type="text"/> M <input type="text"/> M <input type="text"/> Y <input type="text"/> Y <input type="text"/> Y <input type="text"/> Y
Document number	<input type="text"/>
Accredited English translation	<input type="checkbox"/> N/A <input type="checkbox"/> Sighted
FATCA	The FATCA information is reasonable considering the documentation provided <input type="checkbox"/>



# Identification form - Trusts & Trustees

ID document details	Document 2
Verified from	<input type="checkbox"/> Original <input type="checkbox"/> Certified copy
Document name/type	<input type="text"/>
Document issuer	<input type="text"/>
Issue date	<input type="text"/>
Expiry date	<input type="text"/>
Document number	<input type="text"/>
Accredited English translation	<input type="checkbox"/> N/A <input type="checkbox"/> Sighted
FATCA	The FATCA information is reasonable considering the documentation provided <input type="checkbox"/>

## Financial adviser details

Date verified

Authorised Representative Number (if any)

Financial adviser name

Phone number

Dealer group name

AFSL number

FATCA

The FATCA information is reasonable considering the documentation provided





This page has been intentionally left blank

