



Kingfish Limited

Annual Meeting of Shareholders

29 July 2016



Preliminary Matters

- 2015 Meeting Minutes
- 2016 Annual Report
- Voting by way of poll
- Voting papers



Agenda

- Chairman's Overview
- Manager's Review
- Questions relating to the management and operations of the business
- Annual Meeting Resolutions
 - Re-election of Alistair Ryan
 - Auditor's Remuneration

Please note

- The information given during this presentation is class advice and is not to be taken as 'personalised financial advice'
- A disclosure statement is available on request



Introduction

Board of Directors

Alistair Ryan (Chairman)

Carmel Fisher

Carol Campbell

Andy Coupe

Senior Portfolio Manager

Murray Brown

Corporate Manager

Glenn Ashwell



Proxy Count

Resolution	For	Against	Discretionary	Total	Abstain
Re-elect Alistair Ryan	11,213,633	160,702	1,091,249	12,465,584	1,135
Fix auditor's remuneration	11,180,660	35,000	1,159,425	12,375,085	91,634

Proxy votes to date: 12.5 million



Presentation of Annual Result

Chairman's Overview



Investment Objectives

- A high real rate of return
 - income and capital growth
 - within acceptable risk parameters
- Access to a diversified portfolio
 - New Zealand growth stocks
 - Single tax-efficient vehicle



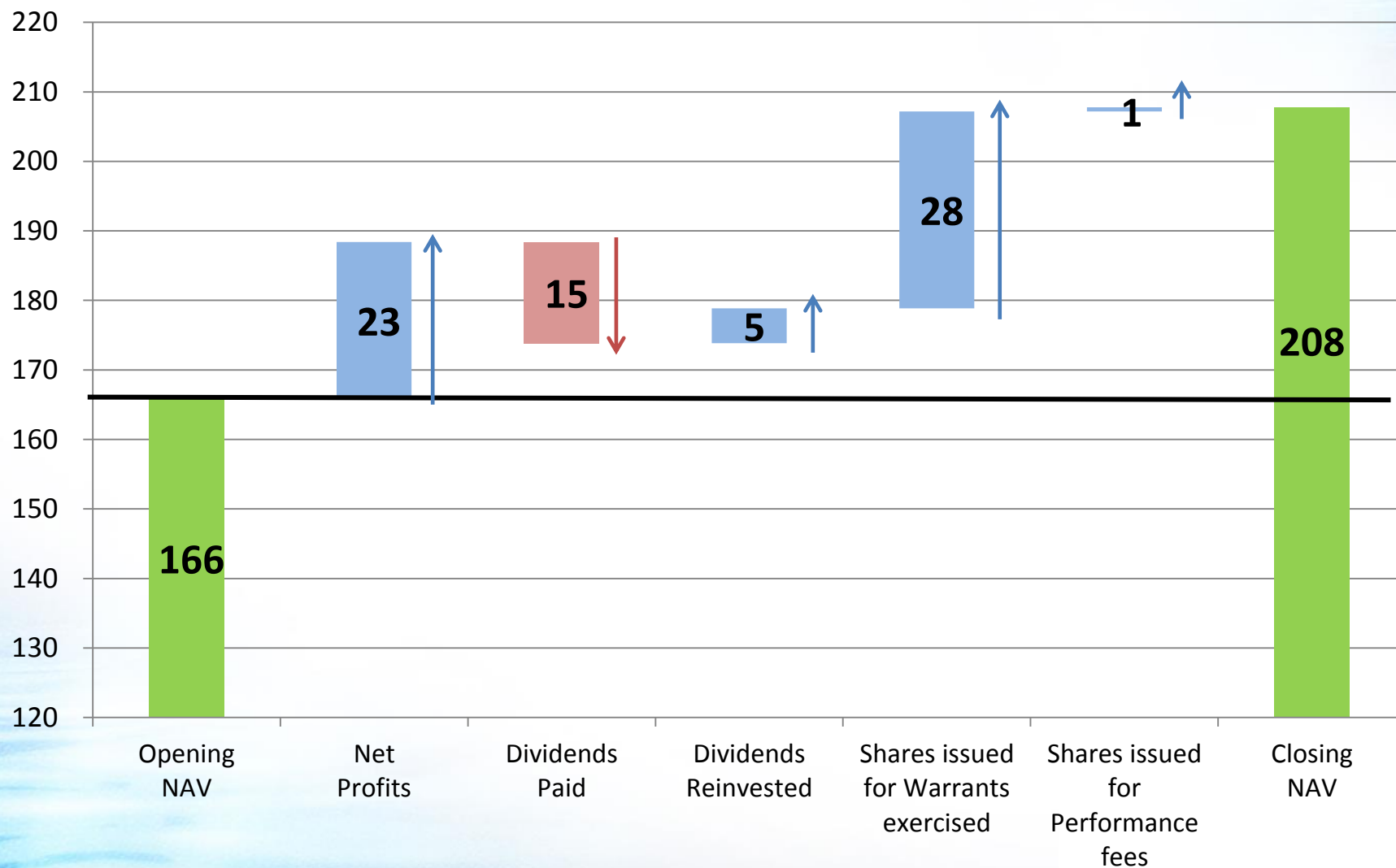
Overview of the Year

- Net profit \$22.5m (2015: \$11.9m)



Use of Shareholders' Funds

Year ended 31 March 2016 (\$m)



Overview of the Year

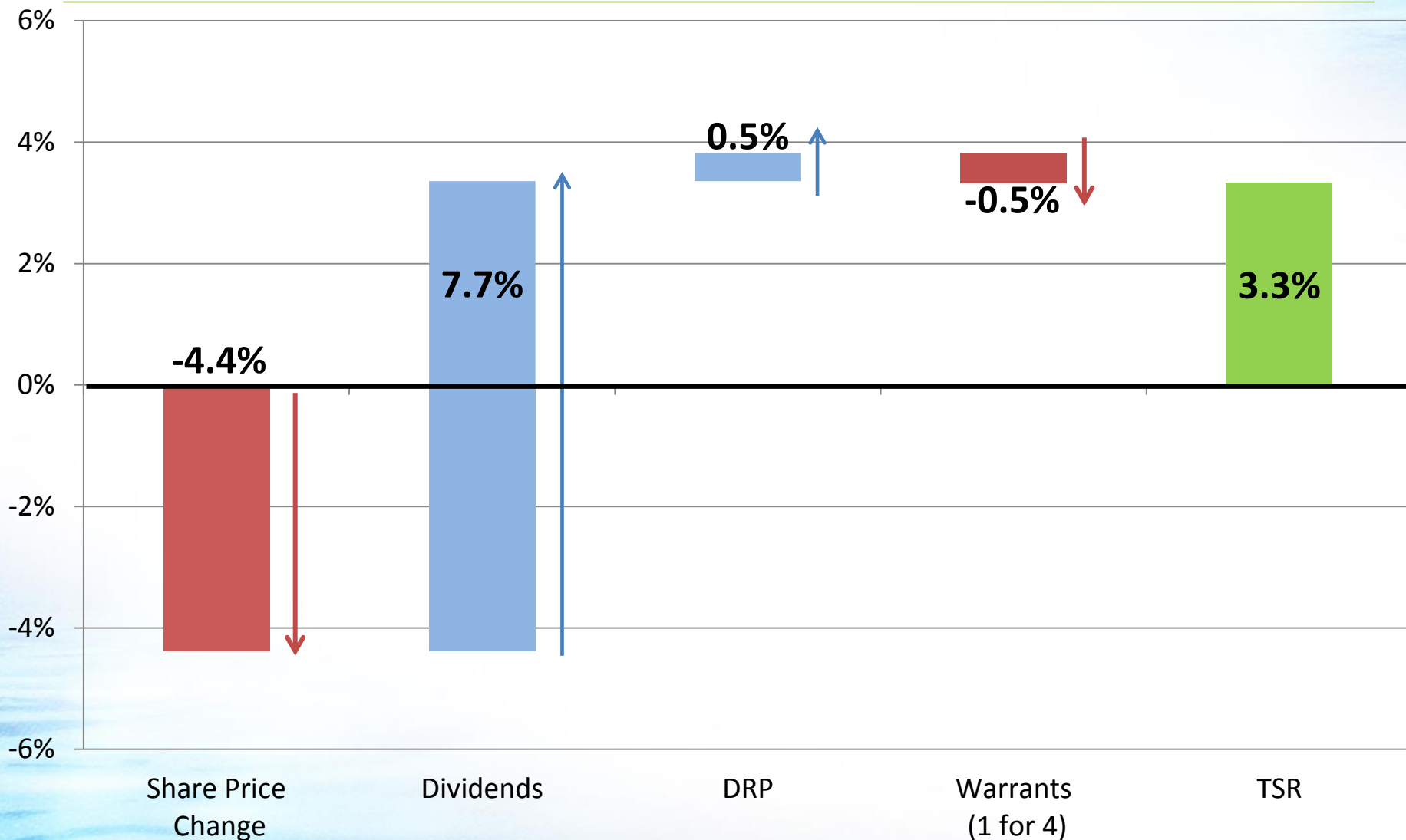
- Net profit \$22.5m (2015: \$11.9m)
- Total Shareholder Return* +3.3%
(2015: +18.2%)



**Assumes all dividends are reinvested and all warrants are exercised, but excludes imputation credits.*

Total Shareholder Return*

1 Year to 31 March 2016



*Assumes all dividends are reinvested and all warrants are exercised, but excludes imputation credits.

Overview of the Year

- Net profit \$22.5m (2015: \$11.9m)
- Total Shareholder Return* +3.3%
(2015: +18.2%)
- 10.60 cents per share paid in
dividends (2015: 10.74cps)



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- Total Shareholder Return* +3.3%
(2015: +18.2%)
- 10.60 cents per share paid in
dividends (2015: 10.74cps)
- **Adjusted NAV* +12.9%** (2015: +6.7%)



**Assumes all dividends are reinvested and all warrants are exercised, but excludes imputation credits.*

Adjusted Net Asset Value* (NAV)

	For year to 31 March 2016	Five Years (accumulated)
Adjusted NAV*	+12.9%	+88.1%
S&P/NZX50G Index	+15.7%	+96.3%



**Assumes all dividends are reinvested and all warrants are exercised, but excludes imputation credits.*

Overview of the Year

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(2015: +18.2%)
- 10.60 cents per share paid in
dividends (2015: 10.74cps)
- Adjusted NAV* +12.9% (2015: +6.7%)
- Performance fee paid



**Assumes all dividends are reinvested and all warrants are exercised, but excludes imputation credits.*

Post Year End Update

1 April – 27 July 2016

	to 27 July 2016
Adjusted NAV*	+8.3%
Total Shareholder Return*	+5.1%



**Assumes all dividends are reinvested and all warrants are exercised, but excludes imputation credits.*

Warrants (KFLWC)

- Successful warrant issue
- Exercise date: 6 November 2015
- Exercise price: \$1.18 per warrant
- 79% of warrants converted into shares
- Additional funds were invested in Kingfish's current portfolio of stocks



Warrants (KFLWD)

- New warrants issued May 2016
- 1 warrant for every 4 shares held
- Final exercise price announced in April 2017
- Exercise form available April 2017
- Exercise date 5 May 2017



Governance

- Strong corporate governance practices
- Board
 - Investment Committee
 - Audit & Risk Committee
 - Remuneration & Nominations Committee
- Good balance among directors
- Thinking about the future



Manager's Review Part 1

Carmel Fisher



- Fully valued
- No room for earnings disappointment
- Yield chasing



The World's Best Developed Market Is Now Asia's Most Expensive



by Adam Haigh Jonathan Burgos
[adhaigh](#) [joubertburgos](#)

April 14, 2016 – 12:00 AM NZST *Updated on* April 14, 2016 – 5:16 PM NZST



- ▶ Overseas ownership of Kiwi shares climbed 21% last year
- ▶ World's best developed market is now Asia's most expensive

New Zealand Stocks Boom

Global shares lag behind over the past 12 months

Normalized As Of 04/13/2015

■ S&P/NZX 50 Index Gross
■ MSCI World Index



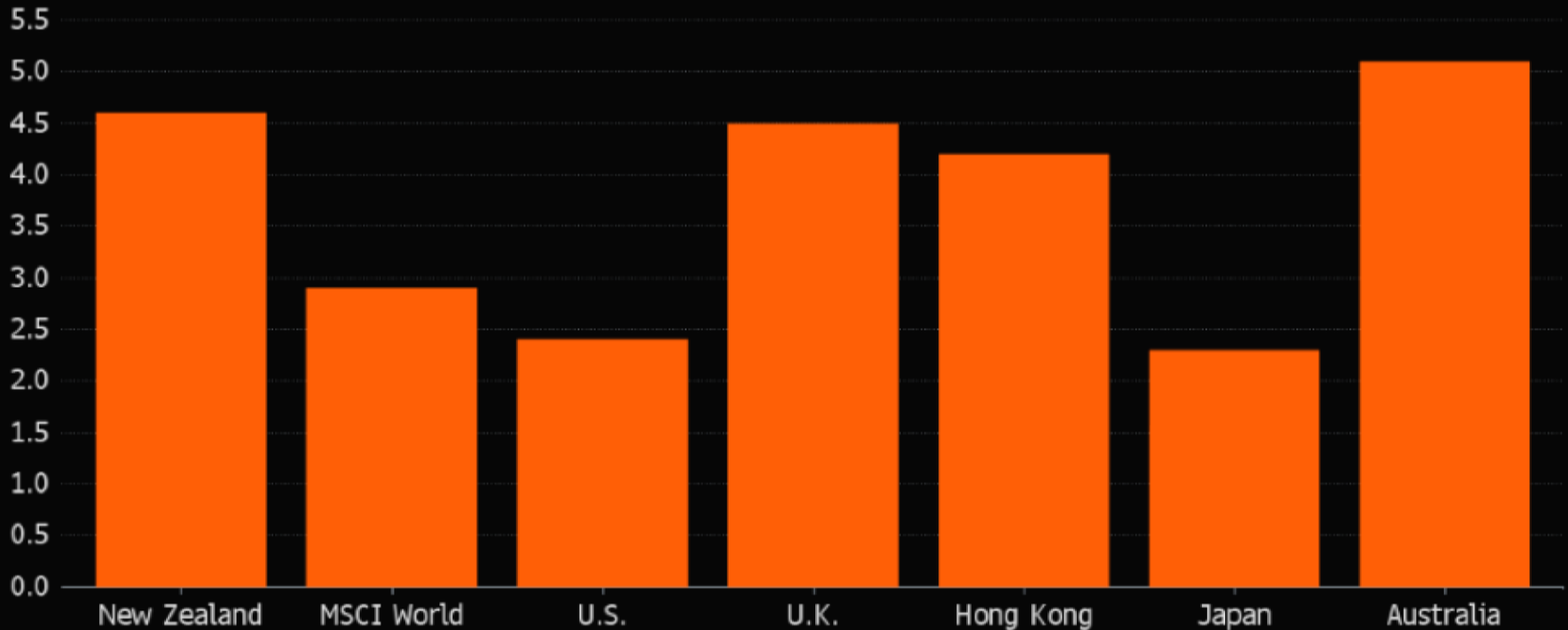
Source: Bloomberg

Bloomberg 




The Attraction of Dividend Yield

New Zealand payouts are among the highest in the world



Source: Bloomberg. Dividend yield expressed as percentage based on estimated earnings.

Bloomberg 



NZ50 Index : 19 times earnings

Average past ten years : 16 times

S&P500 Index : 17.5 times

Stoxx Europe 600 : 15.4 times



Summary

S	Strength
T	Track record
E	Earnings History
E	Earnings growth
P	People
P	Price/ Valuation

- Quality – the “SEE” of the STEEPP
- Diversification
- Less concentration
- Peer review

Manager's Review Part 2

Murray Brown

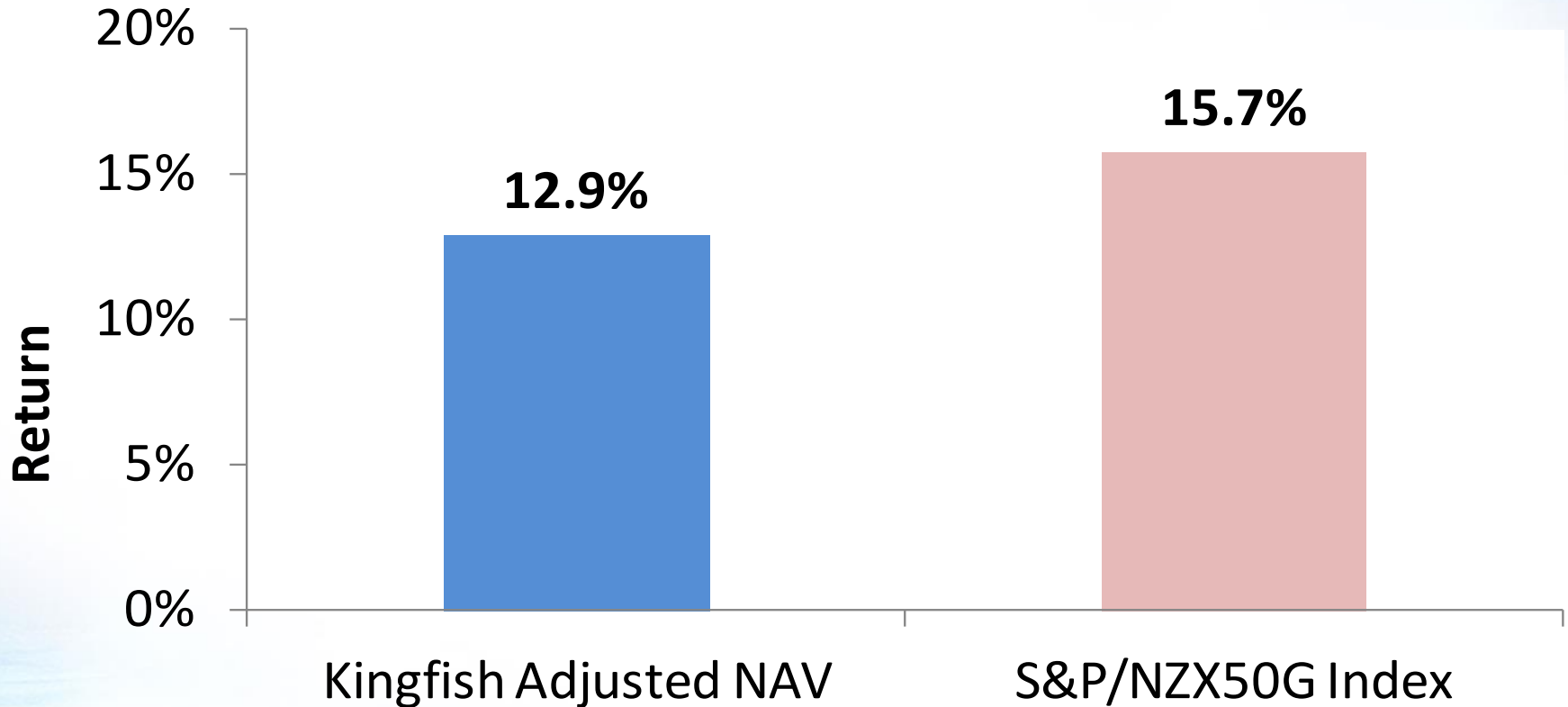


2016 Highlights / Lowlights

Highlights	Lowlights
Seventh straight year of positive adjusted NAV returns	Underperformed the broader market
Strong second half performance, contributing all of the year's adjusted NAV performance	Sky TV disappointed, although the impact was relatively minor due to low portfolio weighting
Strong contributions from key portfolio holdings (particularly healthcare related companies)	



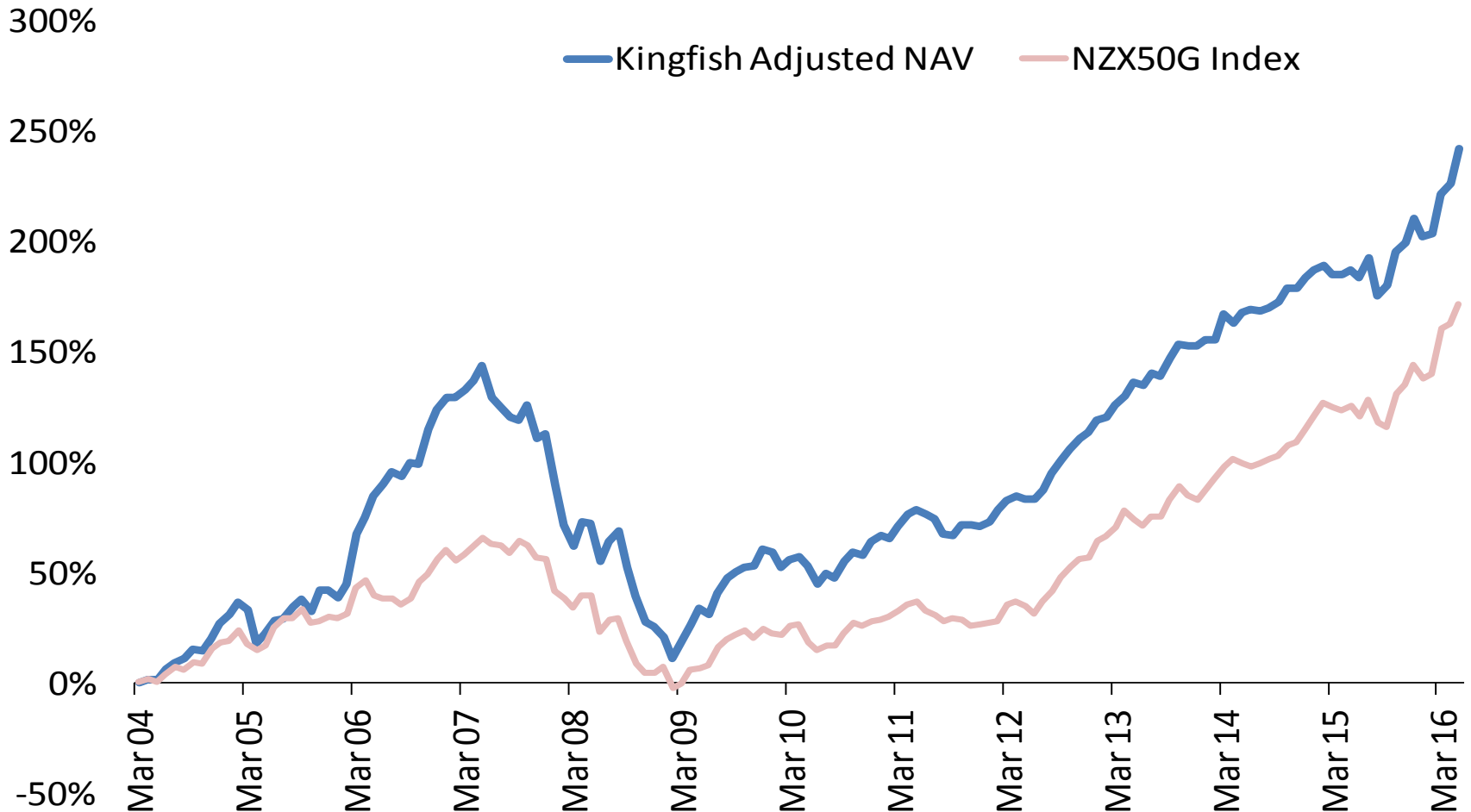
Performance – FY2016



Strong NAV performance, although lagged the S&P/NZX50G

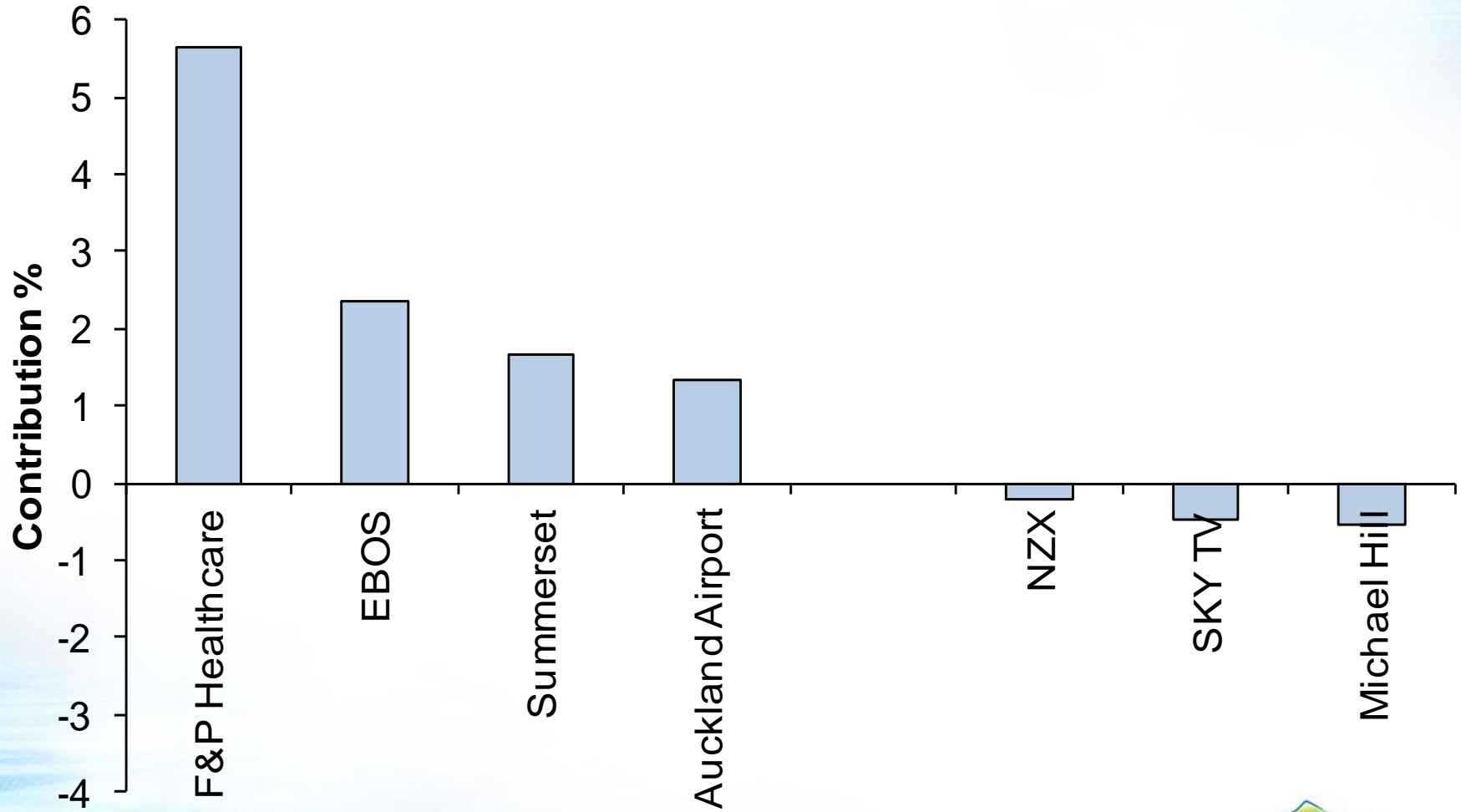
Adjusted NAV assumes all dividends are reinvested and all warrants are exercised, but excludes imputation credits.

Since Inception NAV Performance



Adjusted NAV assumes all dividends are reinvested and all warrants are exercised, but excludes imputation credits.

Key Contributors – FY2016



What Worked in FY2016

Fisher & Paykel
HEALTHCARE

TSR

52%

 **EBOS**
HEALTHCARE

67%

A | Auckland
Airport

47%

 **Summerset**

35%



What Didn't Work in FY2016

TSR



-20%



-13%



-3%

Portfolio Changes – FY2016

Additions

Vista Group International +2.5%

Exits

Opus International -1.1%
Sky Network TV -2.0%

Key Rebalances

Restaurant Brands +2.9%
Meridian +2.2%
Mainfreight -2.5%
NZX -2.2%

Additions Post Year End

Tegel +1.9%
Z Energy +2.0%

Vista Group – New Position



- Cinema management software
- 38% global market share
- Operations in over 60 countries
- Revenue growth 20%+ over last 4 years
- Took opportunity to invest on founder sell-down



Tegel – New Position



- IPO in May 2016
- Bio-security laws insulate Tegel from import competition
- Dominant position in NZ poultry market
- Poultry 'share of plate' continues to grow
- Growing exports to Asia & Middle East, and Australia quick-serve restaurants

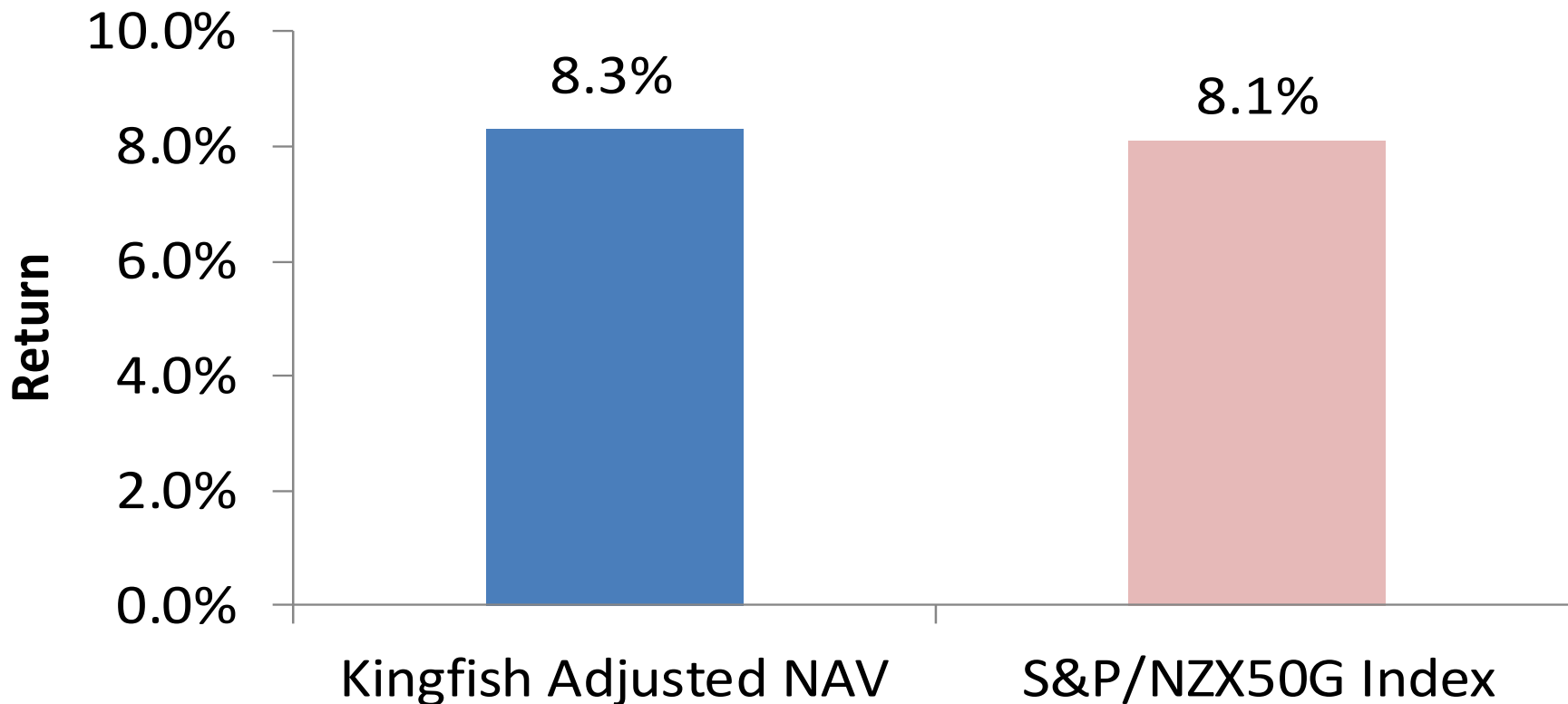
Z Energy – New Position



- Previously indirectly owned via Infratil
- Recent acquisition of Chevron NZ (Caltex) provides near-term growth
- Strong management team and potential to extract significant synergies
- Near term earnings outlook positive, despite longer term industry challenges

YTD Performance

1 April to 27 July 2016



Strong start to the year



Adjusted NAV assumes all dividends are reinvested and all warrants are exercised, but excludes imputation credits.

Outlook

- **Short-term challenges**
 - Little room for earnings disappointment given current valuations
 - IPO pipeline for quality companies is slow
- **Longer-term view remains positive**
 - Low interest rate environment
 - Economy continues to hold up well
 - Quality, growth companies will continue to perform



Manager's Summary

- The last five years have produced an adjusted NAV return of 88.1% and Kingfish has now achieved seven consecutive years of positive returns
- We have had a strong start to the current year
- We have 21 companies in the portfolio currently, but are constantly looking to refresh
- We continue to adhere to our STEEPP process, which focuses on quality growth companies, with sustainable competitive advantages



General Questions from Shareholders (not relating to resolutions)



2016 Annual Meeting Resolutions

- Introduce and propose
- Discussion, questions
- Enter your vote on voting paper and lodge your voting paper at end of resolutions



Matters of Business

- Annual Report
- Resolutions:
 - Re-elect Alistair Ryan
 - Auditor's remuneration

Resolution 1

Re-election of Alistair Ryan

*To re-elect Alistair Ryan as a Director of
Kingfish Limited*



Resolution 2:

Auditor's Remuneration

That the directors be authorised to fix the remuneration of PricewaterhouseCoopers as auditors for the ensuing year (2016/2017)



Conclusion

- Complete and sign voting paper
- Voting papers in the voting boxes
- If you need a voting paper please see Computershare
- Results to NZX

Thank you

