



For immediate release:

22 May 2023

Challenging year for Kingfish

- Net loss after tax for year ended 31 March 2023 (\$19.5m)
- Total shareholder return ¹ (-18.8%)
- Adjusted NAV return (after expenses, fees and tax) ² (-3.6%)
- Dividend return ³ +7.7% (11.64cps)

NZX-listed investment company Kingfish Limited (NZX: KFL) today announced an after-tax net operating loss of \$19.5m for the year ended 31 March 2023.

Shareholders will be aware of the challenges experienced by listed equities and the Kingfish portfolio has not been immune to those pressures, recording a loss for the year.

Concerns from post-Covid inflation, rising interest rates, supply chain disruption, coupled with international uncertainty relating to the ongoing war between Russian and the Ukraine have combined to negatively impact the value of the Kingfish portfolio stocks during the period.

The portfolio's Adjusted NAV return of -3.6% (-2.7% gross performance⁴) was broadly in line with the S&P/NZX50G benchmark which was down -1.9% for the 12 month period.

Total shareholder return¹ for the 12-month period was -18.8%, largely driven by the fall in the share price, which moved from an 11% premium to net asset value, to a 6% discount to net asset value over the course of the year.

The lower return delivered by the portfolio activated the management fee rebate (the fulcrum fee⁵) which reduced the management fee for the year from 1.25% to 0.75%. The fulcrum fee mechanism is a particular feature of the Fisher-managed listed equity funds which reduces the management fee when actual returns fall below the S&P/NZX Bank Bill 90-day rate.

The directors recognise that the regularity of the tax-effective quarterly dividends are important for many shareholders. In accordance with Kingfish's quarterly distribution policy (2.0% of average NAV per quarter), the company paid a total of 11.64 cents per share to shareholders during the year

¹ Total shareholder return – the return combines the share price performance, the warrant price performance, the net value of converting any warrants into shares, and the dividends paid to shareholders. It assumes all dividends are reinvested in the company's dividend reinvestment plan, and that shareholders exercise their warrants, (if they were in the money), at warrant expiry date.

² Adjusted net asset value return – the net return of the portfolio adjusted for dividends (and other capital management initiatives), and after expenses, fees and tax.

³ Dividend return - is the dividends paid for the period over the average share price for the period.

⁴ Gross performance return – The Manager's portfolio performance in terms of stock selection, before expenses, fees and tax.

⁵ The fulcrum fee - The management fee reduces by 0.10% for each 1.0% per annum that the gross return (expressed as a percentage of the gross asset value at the beginning of the financial year) achieved on the portfolio during the financial year is less than the change in the S&P/NZX Bank Bills 90 Day Index over the same period, but subject to a minimum management fee of 0.75% of the average gross asset value for that period.

ended 31 March 2023. On 22 May 2023, the board declared a dividend of 2.82 cents per share, payable on 23 June 2023 with a record date of 8 June.

Chair Andy Coupe said “Investors have experienced another tough year, with markets being driven by a myriad of factors. However, the directors are encouraged that, despite the difficult environment for listed equities, the majority of the companies within the Kingfish portfolio are delivering solid earnings. This underlying business performance allows us to remain confident in the investment strategy and the medium to longer-term resilience of the portfolio.”

Portfolio Manager Matt Peek noted that “After a tough first half of the financial year, the Kingfish portfolio recovered most of the lost ground, with a gross performance return of +7.1% and Adjusted NAV return of +6.5% in the second half. Over the 2023 financial year the market environment has been challenging. Rising interest rates and concerns over economic activity have seen defensive companies favoured over growth companies, which have been key to Kingfish's historical track record of strong performance. Kingfish has performed creditably against this backdrop and its portfolio is well placed moving forward.”

For further information please contact:

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Non-GAAP Financial Information

The adjusted net asset value, gross performance return and total shareholder return methodologies are described in the Kingfish Non-GAAP Financial Information policy. A copy of the policy is available at <http://www.kingfish.co.nz/about-kingfish/kingfish-policies/>.

About Kingfish

Kingfish is a listed investment company that invests in growing New Zealand companies. The Kingfish portfolio is managed by Fisher Funds, a specialist investment manager with a track record of successfully investing in growth company shares. The aim of Kingfish is to offer investors competitive returns through capital growth and dividends, and access to a diversified portfolio of investments through a single tax-efficient investment vehicle. Kingfish listed on the NZX Main Board on 31 March 2004 and may invest in companies that are listed on the NZX Main Board, NZX Alternative Market or unlisted companies. **/Ends**