



MONTHLY UPDATE

May 2024

Share Price

\$1.23

Warrant Price

\$0.00

KFL NAV

\$1.34

DISCOUNT¹

8.0%

as at 30 April 2024

A WORD FROM THE MANAGER

New Zealand shares declined during April (S&P/NZX 50 gross index -1.2%). The Kingfish portfolio gross performance return and adjusted NAV return performed better than this at -0.4% and -0.5% respectively.

Fisher & Paykel Healthcare (+11%) released yet another new product during the month, with the launch of its Nova Micro nasal pillow mask for obstructive sleep apnea (OSA). It will be released in New Zealand and Canada over the next few months, and in the US by early 2025. This is the company's second new OSA mask in quick succession (following the Solo mask in October 2023) and comfortably ahead of the company's goal of one new mask each year. The company is also still seeing strong performance from its Evora full face mask in the US. This comes at a time where key competitor Philips Respironics' reputation is at a low ebb, as it works through issues around remedying its faulty OSA machines. This dynamic bodes well for further market share gains for Fisher & Paykel Healthcare.

Ryman Healthcare (-11%) saw the immediate resignation of its CEO (Richard Umbers), who joined the company two-and-a-half years ago. After speaking to the Chair (who is now Acting CEO), we believe the decision reflects the board's desire to accelerate the pace of change within the organisation. There is a drive to improve performance across the business, plus improve accounting and reporting disciplines to provide better disclosure for investors. We think the board and management quality has improved over the last six months with the Chair in August 2023 and new CFO in November 2023, plus the refresh

of the board of directors. We visited the Grace Joel village in St Heliers during the month and it is clear Ryman's brand and resident proposition continues to resonate very well. Shares are trading at around a 40% discount to net asset backing, while market transactions continue to take place near net asset backing.

Summerset (-3%) provided its March quarter trading update, with 254 total sales of units for the quarter (+21% on a year ago) and broadly in line with expectations. The company also reiterated at its annual meeting that it remains on track to deliver between 675 and 725 units in New Zealand in 2024. During the month we visited its flagship St John's village where 340 units are currently under development and on track to open later this year. Despite no meaningful pickup in the housing market, Summerset continues to lead the sector in both development execution and sales. St Johns is a good example of this. Despite the site being months from opening, its sales are going better than plan and the sell down rate is broadly in line with competitor Oceania's highly touted St Heliers offering 'The Helier' which opened in August 2023.

Matt Peek
Portfolio Manager
Fisher Funds Management Limited



¹ Share Price Discount to NAV (including warrant price on a pro-rated basis and using the net asset value per share, after expenses, fees and tax, to four decimal places).

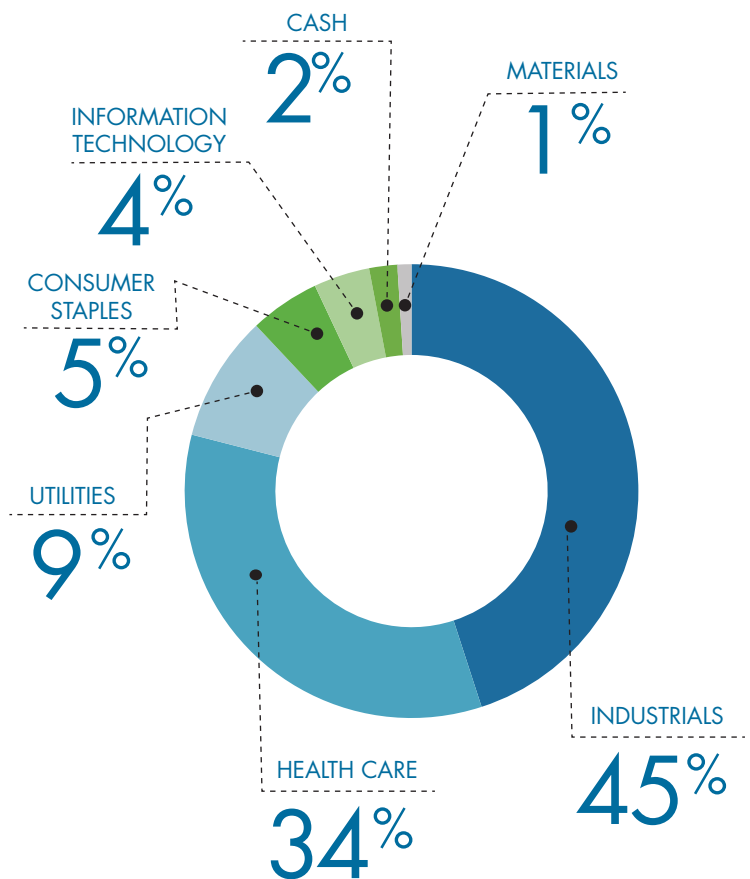
KEY DETAILS

as at 30 April 2024

FUND TYPE	Listed Investment Company
INVESTS IN	Growing New Zealand companies
LISTING DATE	31 March 2004
FINANCIAL YEAR END	31 March
TYPICAL PORTFOLIO SIZE	15-25 stocks
INVESTMENT CRITERIA	Long-term growth
PERFORMANCE OBJECTIVE	Long-term growth of capital and dividends
TAX STATUS	Portfolio Investment Entity (PIE)
MANAGER	Fisher Funds Management Limited
MANAGEMENT FEE RATE	1.25% of gross asset value (reduced by 0.10% for every 1% of underperformance relative to the change in the NZ 90 Day Bank Bill Index with a floor of 0.75%)
PERFORMANCE FEE HURDLE	Changes in the NZ 90 Day Bank Bill Index + 7%
PERFORMANCE FEE	10% of returns in excess of benchmark and high-water mark
HIGH WATER MARK	\$1.36
PERFORMANCE FEE CAP	1.25%
SHARES ON ISSUE	340m
MARKET CAPITALISATION	\$418m
GEARING	None (maximum permitted 20% of gross asset value)

SECTOR SPLIT

as at 30 April 2024



PERFORMANCE to 30 April 2024

	1 Month	3 Months	1 Year	3 Years (annualised)	5 Years (annualised)
Company Performance					
Total Shareholder Return	(1.7%)	(1.6%)	+3.5%	(6.8%)	+6.3%
Adjusted NAV Return	(0.5%)	+2.6%	+3.4%	(1.6%)	+6.1%
Portfolio Performance					
Gross Performance Return	(0.4%)	+3.2%	+5.1%	(0.4%)	+8.0%
S&P/NZX50G Index	(1.2%)	+0.7%	(0.5%)	(2.1%)	+3.6%

Non-GAAP Financial Information

Kingfish uses non-GAAP measures, including adjusted net asset value, adjusted NAV return, gross performance return and total shareholder return. The rationale for using such non-GAAP measures is as follows:

- » adjusted net asset value – the underlying value of the investment portfolio adjusted for dividends (and other capital management initiatives) and after expenses, fees and tax,
- » adjusted NAV return – the percentage change in the adjusted NAV,
- » gross performance return – the Manager's portfolio performance in terms of stock selection, before expenses, fees and tax, and
- » 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.

All references to adjusted net asset value, adjusted NAV return, gross performance return and total shareholder return in this monthly update are to such non-GAAP measures. The calculations applied to non-GAAP measures are described in the Kingfish Non-GAAP Financial Information Policy. A copy of the policy is available at kingfish.co.nz/aboutkingfish/kingfish-policies.

APRIL'S SIGNIFICANT RETURNS IMPACTING THE PORTFOLIO during the month

FISHER & PAYKEL HEALTHCARE

+11%

PORT OF TAURANGA

-9%

VISTA GROUP INTERNATIONAL

-10%

VULCAN STEEL

-10%

RYMAN HEALTHCARE

-11%

5 LARGEST PORTFOLIO POSITIONS as at 30 April 2024

INFRATIL

18%

FISHER & PAYKEL HEALTHCARE

17%

MAINFREIGHT

14%

SUMMERSET

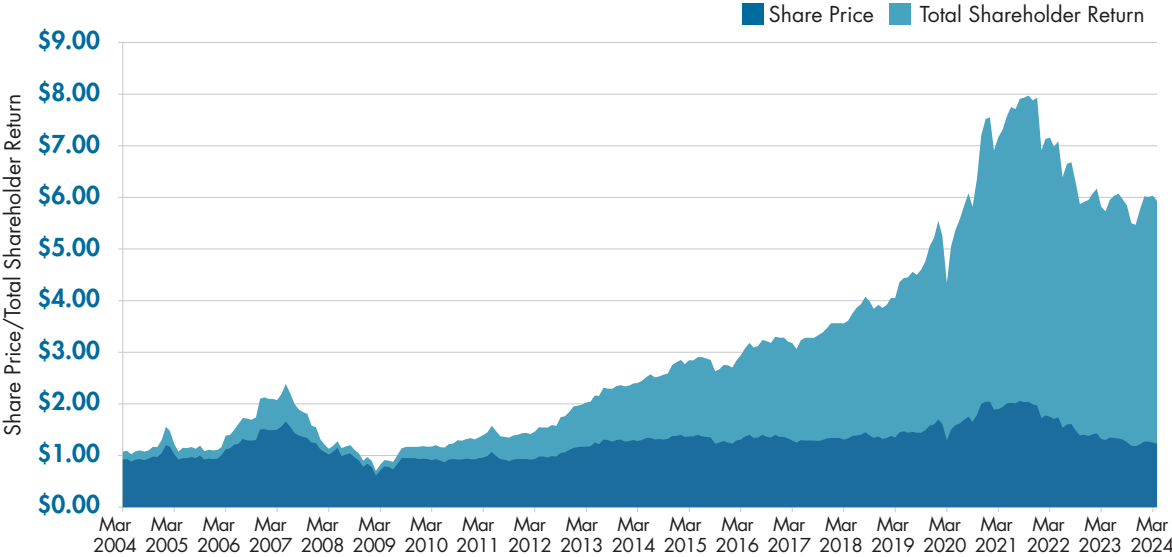
8%

AUCKLAND INTERNATIONAL AIRPORT

8%

The remaining portfolio is made up of another 10 stocks and cash.

TOTAL SHAREHOLDER RETURN to 30 April 2024



ABOUT KINGFISH

Kingfish is an investment company listed on the New Zealand Stock Exchange. The company gives shareholders an opportunity to invest in a diversified portfolio of between 15 and 25 quality growing New Zealand companies through a single, professionally managed investment. The aim of Kingfish is to offer investors competitive returns through capital growth and dividends.

MANAGEMENT

The Manager has authority delegated to it from the Board to invest according to the Management Agreement and other written policies. Kingfish's portfolio is managed by Fisher Funds Management Limited. Matt Peek (Portfolio Manager) and Michael Bacon and Zoie Regan (Senior Investment Analysts) have prime responsibility for managing the Kingfish portfolio. Together they have significant combined experience and are very capable of researching and investing in the quality New Zealand companies that Kingfish targets. Fisher Funds is based in Takapuna, Auckland.

BOARD

The Board of Kingfish comprises independent directors Andy Coupe (Chair), Carol Campbell, David McClatchy and Fiona Oliver.

CAPITAL MANAGEMENT STRATEGIES

Regular Dividends

- » Quarterly distribution policy introduced in June 2009
- » Under this policy, 2% of average NAV is targeted to be paid to shareholders quarterly
- » Dividends paid by Kingfish may include dividends received, interest income, investment gains and/or return of capital
- » Shareholders who prefer to have increased capital rather than a regular income stream have the opportunity to participate in the company's dividend reinvestment plan (DRP)
- » Shares issued to DRP participants are at a 3% discount to market price
- » Kingfish became a portfolio investment entity on 1 October 2007. As a result, dividends paid to New Zealand tax resident shareholders have not been subject to further tax

Share Buyback Programme

- » Kingfish has a buyback programme in place allowing it (if it elects to do so) to acquire its shares on market
- » Shares bought back by the company are held as treasury stock
- » Shares held as treasury stock are available to be utilised for the dividend reinvestment plan

Warrants

- » Kingfish announced an issue of warrants (KFLWH) on 20 June 2023
- » Information pertaining to the warrants was mailed/ emailed to all shareholders on Tuesday 27 June 2023
- » The warrants were issued at no cost to eligible shareholders in the ratio of one warrant for every four Kingfish shares held, based on the record date of 5 July 2023
- » The warrants were allotted to shareholders on 6 July 2023 and listed on the NZX Main Board from 7 July 2023
- » The Exercise Price of each warrant is \$1.37, adjusted down for the aggregate amount per Share of any cash dividends declared on the shares with a record date during the period commencing on the date of allotment of the warrants and ending on the last Business Day before the final Exercise Price is announced by Kingfish
- » The Exercise Date for the warrants is 26 July 2024

Disclaimer: The information in this update has been prepared as at the date noted on the front page. The information has been prepared as a general summary of the matters covered only, and it is by necessity brief. The information and opinions are based upon sources which are believed to be reliable, but Kingfish Limited and its officers and directors make no representation as to its accuracy or completeness. The update is not intended to constitute professional or investment advice and should not be relied upon in making any investment decisions. Professional financial advice from a financial adviser should be taken before making an investment. To the extent that the update contains data relating to the historical performance of Kingfish Limited or its portfolio companies, please note that fund performance can and will vary and that future results may have no correlation with results historically achieved.



Kingfish Limited
Private Bag 93502, Takapuna, Auckland 0740
Phone: +64 9 489 7094
Email: enquire@kingfish.co.nz | www.kingfish.co.nz

Computershare Investor Services Limited
Private Bag 92119, Auckland 1142
Phone: +64 9 488 8777
Email: enquiry@computershare.co.nz | www.computershare.com/nz