



For immediate release:

23 June 2020

### **Kingfish Result impacted by February/March uncertainty**

• Net profit after tax for year ended 31 March 2020	\$1.7m
• Total shareholder return	+7.2%
• Adjusted NAV return (after expenses, fees and tax)	0.4% <sup>1</sup>
• Dividend return	+9.4% (12.63cps)

NZX-listed investment company Kingfish Limited (NZX:KFL) today announced a net operating profit after tax for the year ended 31 March 2020 of \$1.7 million, well down on last year's profit of \$47.1 million. At the end of January 2020 Kingfish was on track for a record result for FY20, immediately prior to the significant disruption to equities markets during February and March as the Covid-19 pandemic and its implications delivered high levels of uncertainty and anxiety to equities markets around the world. The 10 month NPAT result at end of January was all but reversed in the subsequent two month period leaving the final result for the full year at just above break-even.

Key elements of the FY20 result include gains on investments of \$1.6m, dividend and interest income of \$6.1m, offset by fees and expenses of \$6.0m.

The Kingfish portfolio achieved a gross performance return before fees and expenses of +2.9%<sup>2</sup> or +0.4%<sup>1</sup> after fees and expenses, compared to the S&P/NZX50G which reported negative 0.5% for the 12 month period. No performance fee is payable.

Total shareholder return was +7.2% which included share price increase, dividends paid, and the impact of the warrants that were on issue during the year. In accordance with Kingfish's quarterly distribution policy (2.0% of average NAV per quarter), the company paid out 12.63 cents per share to shareholders during the year ended 31 March 2020. On 18 May 2020, the board declared a dividend of 3.06 cents per share, payable on 26 June 2020 with a record date of 11 June. The directors confirm that they expect the current distribution policy to continue as Kingfish is well-placed to maintain its tax-effective quarterly distributions.

Kingfish investors have enjoyed the benefits of a sustained period of strong NZX market performance over recent years but the disruptions from the Covid crisis have created a new uncertainty. As the crisis and the lockdown period developed, the Kingfish board initiated a series of regular update meetings (by teleconference) with the portfolio management team and was reassured by the disciplined approach being maintained through the rational application of the strong disciplines and rigour of the STEEPP investment process.

Chair Alistair Ryan said "The significant losses of the February/March two month period appear to have been materially recovered by the NZX during the subsequent months, but it remains to be seen where and when the market will settle into a more normalised trading pattern.

<sup>1</sup> Adjusted net asset value return – the net return to an investor after expenses, fees and tax.

<sup>2</sup> Gross performance return – The Manager's portfolio performance in terms of stock selection, before expenses, fees and tax.

The Covid crisis remains unpredictable as therefore do financial and economic markets in New Zealand and around the world. Markets can be volatile at the best of times but the arrival of a world-wide pandemic has introduced a new level of uncertainty.

The board will continue to liaise closely with the Kingfish portfolio management team as circumstances develop over coming months. Apart from our weekly Net Asset Value advice to NZX, our next report to shareholders is expected to be a four month update (April 2020 – July 2020 incl) at the annual shareholders’ meeting on 20 August. We look forward to updating many of you at that meeting.”

Senior Portfolio Manager Sam Dickie notes that “Our investment process, along with the enhancements we made over the year, have meant that we have outperformed the S&P/NZX50 prior to Covid-19 and during the worst of the crisis in March.

For further information please contact:

Corporate Manager  
Kingfish Limited  
Tel: (09) 484 0352

**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