



ANNUAL REPORT

31 MARCH

2022



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CALENDAR

Next Dividend Payable

23 JUNE 2022

Annual Shareholders' Meeting
Ellerslie Event Centre, Auckland

5 AUGUST 2022, 10:30AM

Interim Period End (1H23)

30 SEPTEMBER 2022

This report is dated 24 June 2022 and is signed on behalf of the Board of Kingfish Limited by Andy Coupe, Chair, and Carol Campbell, Director.



Andy Coupe
Chair



Carol Campbell
Director

ABOUT KINGFISH

Kingfish Limited (“Kingfish” or “the Company”) is a listed investment company that invests in quality, growing New Zealand companies. The Kingfish portfolio is managed by **Fisher Funds Management Limited** (“Fisher Funds” or “the Manager”), a specialist investment manager with a track record of successfully investing in growth company shares. Kingfish listed on NZX Main Board on 31 March 2004 and may invest in companies that are listed on a New Zealand stock exchange or unlisted companies.

INVESTMENT OBJECTIVES

The key investment objectives of Kingfish are to:

- » achieve a high real rate of return, comprising both income and capital growth, within risk parameters acceptable to the directors; and
- » provide access to a diversified portfolio of New Zealand quality growth stocks through a single tax efficient investment vehicle.

INVESTMENT APPROACH

The investment philosophy of Kingfish is summarised by the following broad principles:

- » invest as a medium to long-term investor exiting only on the basis of a fundamental change in the original investment case;
- » invest in companies that have a proven track record of growing profitability; and
- » construct a diversified portfolio of investments based on our ‘STEEPP’ investment criteria (see pages 18 and 19).

AT A GLANCE

FOR THE 12 MONTHS ENDED 31 MARCH 2022

AS AT 31 MARCH 2022

-\$17.3m

Net loss

-2.5%

Gross performance return

\$1.58

NAV per share

0.02%

Total shareholder return

-3.5%

Adjusted NAV return

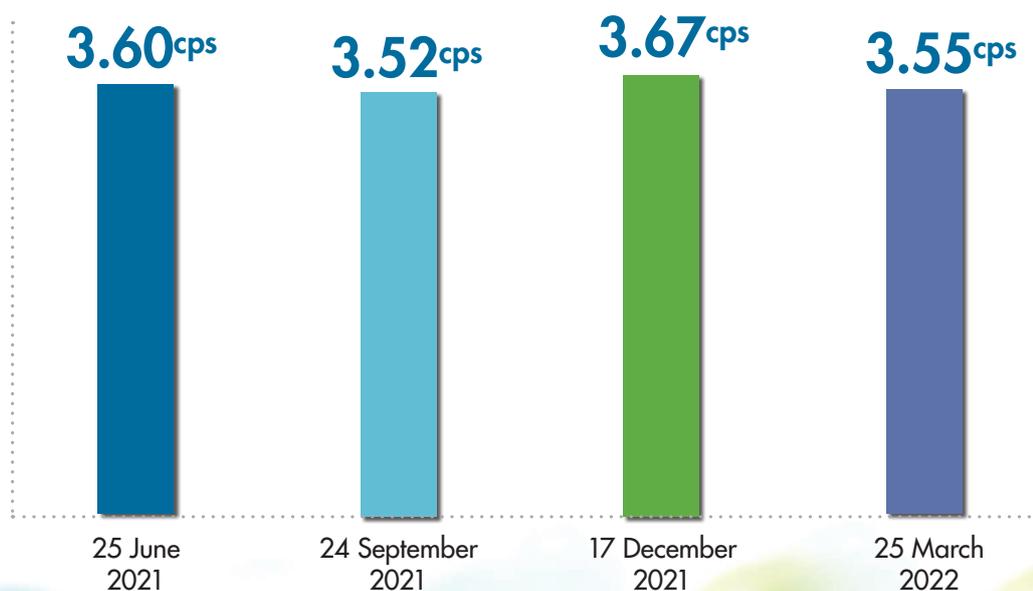
\$1.75

Share price

DIVIDENDS PAID

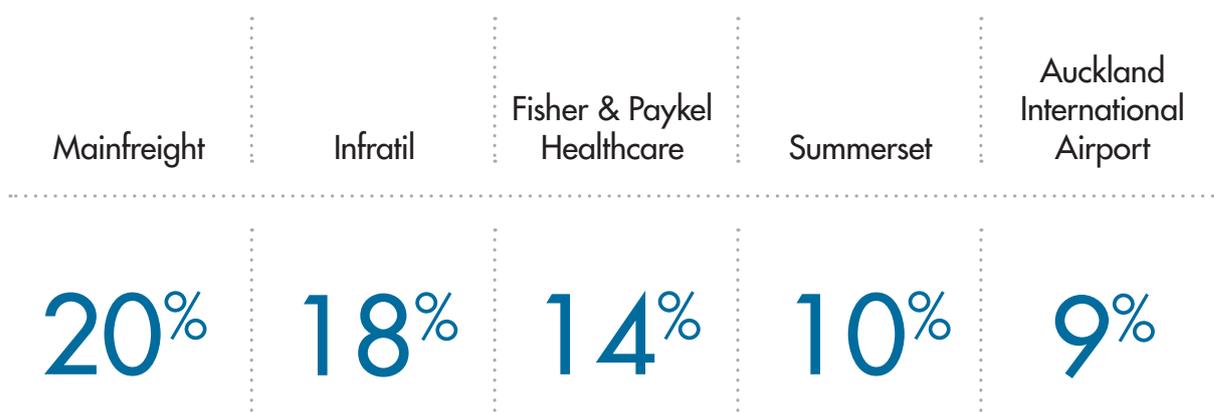
DIVIDENDS PAID DURING THE YEAR ENDED 31 MARCH 2022 (CENTS PER SHARE)

Total dividends of 14.34 cps were paid during the financial year (2021: 13.48 cps)



LARGEST INVESTMENTS

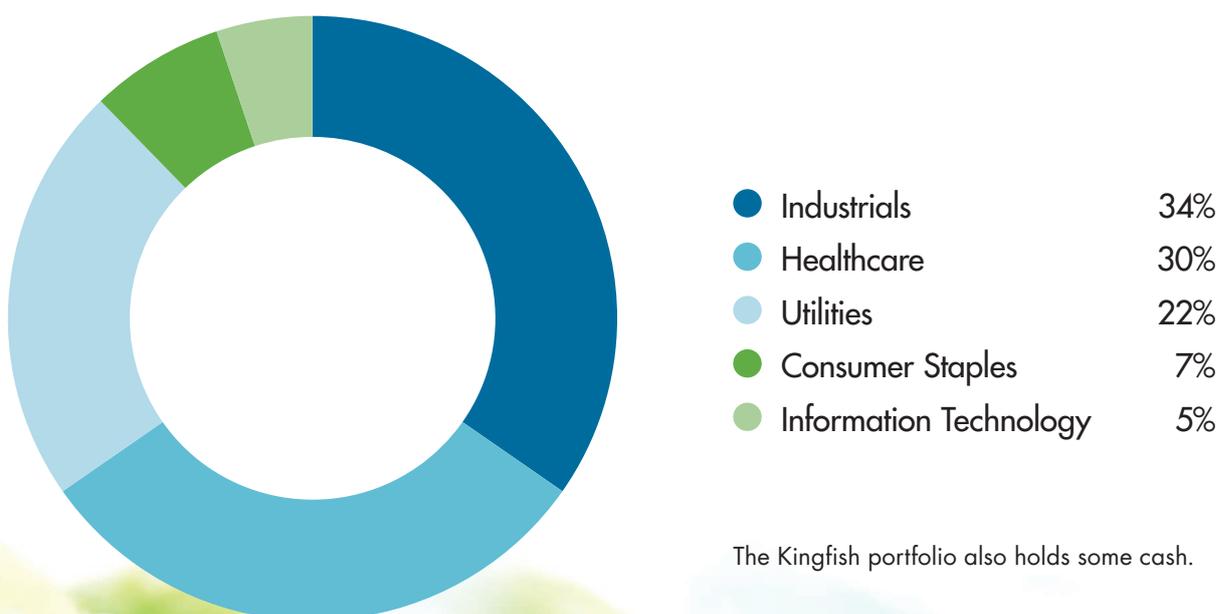
AS AT 31 MARCH 2022



These are the five largest percentage holdings in the Kingfish portfolio. The full Kingfish portfolio and percentage holding data as at 31 March 2022 can be found on page 17.

SECTOR SPLIT

AS AT 31 MARCH 2022



The Kingfish portfolio also holds some cash.

DIRECTORS' OVERVIEW



Andy Coupe
Chair

“Kingfish has experienced a challenging year, which has culminated in a net loss, after expenses, fees and tax, of \$17.3m.”

The past 12 months have been challenging for all share market investors as global uncertainty about the ongoing implications of Covid, inflationary concerns, and political uncertainty in Europe (Ukraine/Russia) has dominated market sentiment. Increasing interest rates, inflation, and supply chain issues have created cost pressures, while the Ukraine/Russia conflict has pushed up commodity prices. This market backdrop, combined with a fall in consumer confidence, has seen defensive (utilities) stocks and cyclical companies (energy and banks) favoured over quality growth companies, which has in turn placed downward pressure on the stocks in the Kingfish portfolio. The Manager has continued to carefully monitor all investments in the portfolio, and their belief in the soundness of the portfolio is reflected in their accompanying report.

Notwithstanding these challenges, the directors are disappointed to report a reduction in Kingfish Limited's Net Asset Value (NAV) for the year. The Kingfish portfolio recorded a negative Gross Performance Return¹ before fees and expenses of (2.5%) and an Adjusted Net Asset Value (NAV) negative Return² of (3.5%), very much in line with the S&P/NZX50G which was down (3.6%) for the 12-month period. It is always disappointing to record a negative return for any reporting period. However, equity markets typically have their ups and downs and we note that the KFL performance was in-line with the NZX benchmark as the New Zealand sharemarket overall struggled to stay in positive territory during the year ended 31 March 2022. It is also relevant to note that the adjusted NAV performance over the past three years of 36.6% is 13.6 percentage points above the S&P/NZX50G index of 23.0%.

Revenues and Expenses

The 2022 net loss result comprised losses on investments of (\$20.0m), dividend and interest income of \$7.9m, other income of \$1.4m, less operating expenses and tax of \$6.6m.

Overall operating expenses were \$6.6m lower than the corresponding period, mainly due to lower management fees and because the prior year's operating expenses included a performance fee.

The management agreement fee rebate formula has reduced the Kingfish annual management fee from 1.25%pa to 0.95%pa, a saving of \$1.7m. This adjustment occurred because the gross performance return of the Kingfish portfolio for the year was (3.4 percentage points) below the change in the S&P/NZX Bank Bill 90day index for the year (0.5%)³.

Dividends

Kingfish continues to distribute 2.0% of average net asset value per quarter, despite the loss for the year. Over the 12-month period to 31 March 2022, Kingfish paid 14.34 cents per share in dividends (2021:13.48 cps). The next dividend will be 3.16 cents per share, payable on 23 June 2022 with a record date of 9 June 2022.

Kingfish has a dividend reinvestment plan which provides ordinary shareholders with the option to reinvest all or part of any cash dividends in fully paid ordinary shares. Full details of the dividend reinvestment plan⁴ can be found in the Kingfish Dividend Reinvestment Plan Offer Document, a copy of which is available at www.kingfish.co.nz/investor-centre/capital-management-strategies/.

Warrants

On 15 November 2021, 79.1m new Kingfish warrants were allotted. One new warrant was issued to all eligible shareholders for every four shares held on the record date (12 November 2021). The warrants are exercisable at \$2.03 per warrant, adjusted down for dividends declared during the period up to the announcement of the 18 November 2022 Exercise Price. Warrants continue to be a part of the overall capital management programme. The previous warrants (KFLWF) were exercised in March 2021, with 91% of warrant holders exercising their warrants and an additional \$85m invested. So at the start of the year, the Kingfish total assets were valued at \$560m, however as at 31 March 2022 the value was \$506m.

Share Buybacks

The share buyback programme⁵ is another part of Kingfish's capital management. During the 12 months to 31 March 2022, the share price continued to trade at a premium to the NAV, and therefore there were no buybacks during FY22, (FY21:Nil).

¹ The gross performance return is the portfolio performance before expenses, fees and tax. It is an appropriate return measure for assessing the Manager's performance against an index or benchmark.

² The adjusted net asset value is the underlying performance of the investment portfolio adjusted for dividends, (and other capital management initiatives) and after expenses, fees and tax.

³ The management fee reduces by 0.10% for each 1.0% pa that the gross return (expressed as a percentage of the gross asset value at the beginning of the financial year) achieved on the portfolio, is less than the change in the S&P/NZX Bank Bill 90 Day Index over the year.

⁴ Participation forms for the Dividend Reinvestment Plan (DRP) can be obtained by contacting either Kingfish or Computershare Investor Services Limited.

⁵ Shares purchased under the buyback programme are held as treasury stock and subsequently reissued to shareholders under the dividend reinvestment plan.

DIRECTORS' OVERVIEW CONTINUED

Annual Shareholders' Meeting

The 2022 annual shareholders' meeting will be held on Friday 5 August at 10:30am at the Ellerslie Event Centre in Auckland and online. All shareholders are encouraged to attend, with those who are unable to attend either form of the meeting invited to cast their vote on company resolutions prior to the meeting.

Director Retirement – Alistair Ryan

After 10 years as Chair of Kingfish Limited, Alistair Ryan has retired from the board, effective from 31 May 2022. In that time, he has overseen changes in both the board and portfolio manager, and importantly, changes to the management agreement with Fisher Funds which have benefited shareholders. Alistair has been a popular and much respected Chair and we wish him well in his retirement.

Director Election – Fiona Oliver

The board has, effective 1 June 2022, appointed Fiona Oliver as an independent director. In accordance with the Kingfish constitution and NZX Listing Rules, Fiona will stand for election at this year's Annual Shareholders' Meeting. The board unanimously supports Fiona's election.

Conclusion

The 2022 year was yet another challenging period for the New Zealand sharemarket. Changeable market conditions, like those experienced over the period, continue to reinforce the Manager's strategy of focusing on well-managed, quality businesses, whose sustainable competitive advantages enable them to adapt and respond to an ever-changing environment over the medium to long-term.

We would like to thank you for your continued support and look forward to seeing many of you at the annual meeting on 5 August.

On behalf of the Board,



Andy Coupe / Chair
Kingfish Limited
24 June 2022

FIGURE 1: FIVE-YEAR PERFORMANCE SUMMARY

Corporate Performance

For the year ended 31 March	2022	2021	2020	2019	2018	5 years (annualised)
Total Shareholder Return	0.02%	65.1%	7.2%	13.5%	12.0%	17.6%
Adjusted NAV Return	(3.5%)	41.1%	0.4%	17.6%	14.7%	13.0%
Dividend Return ¹	7.4%	7.7%	8.5%	8.6%	8.7%	
Net (Loss) / Profit	(\$17.3m)	\$142.7m	\$1.7m	\$47.1m	\$36.3m	
Basic Earnings per Share	-5.49cps	56.28cps	0.75cps	24.24cps	19.62cps	
OPEX ratio	1.1%	2.9%	1.5%	3.0%	2.5%	
OPEX ratio (before performance fee)	1.1%	1.5%	1.5%	1.5%	1.6%	
As at 31 March	2022	2021	2020	2019	2018	
NAV (as per financial statements)	\$1.58	\$1.77	\$1.39	\$1.57	\$1.45	
Adjusted NAV ²	\$6.53	\$6.77	\$4.80	\$4.78	\$4.07	
Share price	\$1.75	\$1.90	\$1.29	\$1.35	\$1.31	
Warrant price	\$0.05	-	\$0.03	\$0.06	-	
Share price (premium) / discount to NAV ³	(11.6%)	(7.3%)	6.7%	13.1%	9.7%	

Manager Performance

For the year ended 31 March	2022	2021	2020	2019	2018	5 years (annualised)
Gross Portfolio Performance (before expenses, fees and tax)	(2.5%)	46.0%	2.9%	21.2%	16.5%	15.6%
S&P/NZX50G	(3.6%)	28.2%	(0.5%)	18.3%	15.6%	11.0%
Performance fee hurdle / Benchmark Rate ⁴	7.5%	7.3%	8.6%	9.0%	9.0%	

NB: All returns have been reviewed by an independent actuary.

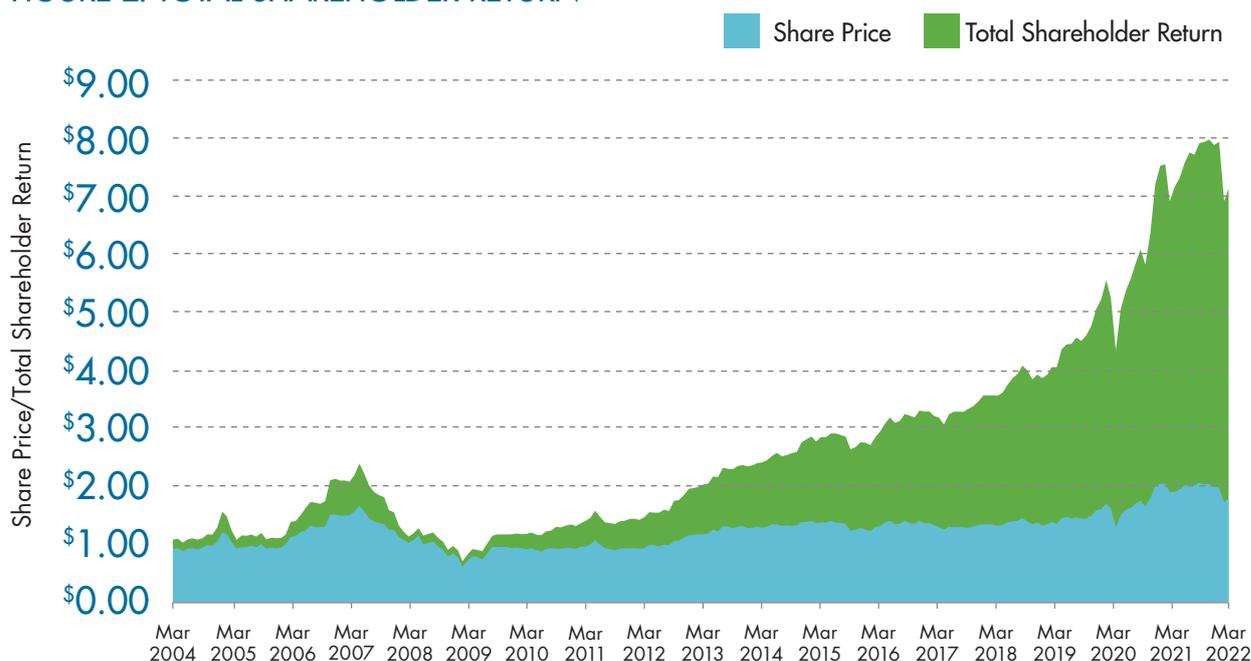
¹ Kingfish's dividend return is calculated by dividing the dividends paid in a given year by the average share price for that year. (The dividend policy of paying a quarterly dividend that is 2% of average NAV has been consistently applied).

² Kingfish's adjusted NAV historical information has been restated as a result of correcting the warrant dilution component of the calculation.

³ Share price (premium) / discount to NAV (including warrant price on a pro-rated basis).

⁴ The performance fee hurdle is the Benchmark Rate (the change in the NZ 90 Day Bank Bill Index +7%).

FIGURE 2: TOTAL SHAREHOLDER RETURN



Non-GAAP Financial Information

Kingfish uses non-GAAP measures:

- » adjusted net asset value – the underlying value of the investment portfolio adjusted for capital allocation decisions after expenses, fees and tax,
- » adjusted NAV return – the net return to an investor after expenses, fees and tax,
- » gross performance return – the Manager's portfolio performance in terms of stock selection before expenses, fees and tax,
- » 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,
- » OPEX ratio – the percentage of Kingfish's assets used to cover operating expenses, excluding tax and brokerage, and
- » dividend return – how much Kingfish pays out in dividends each year relative to its average share price during the period. (Dividends paid by Kingfish may include dividends received, interest income, investment gains and/or return of capital).

All references to adjusted net asset value, gross performance return and total shareholder return in this Annual Report 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 <http://www.kingfish.co.nz/about-kingfish/kingfish-policies/>

MANAGER'S REPORT



Sam Dickie
Senior Portfolio Manager

“After a strong start to the year, Kingfish had a challenging final quarter. Elevated market volatility was driven by a rapid rise in interest rates and the sharpest rotation out of growth companies that we have seen in more than 20 years. Despite this turbulent final quarter, the Kingfish portfolio still outperformed its market benchmark, and the high-quality companies in the portfolio continue to deliver earnings growth.”

Kingfish's gross performance outperformed its benchmark by 1% for the year, which on the face of it, points to an uneventful year. However, it was another remarkable year, capped off by significant volatility and a pullback in Kingfish performance in the first three months of calendar 2022.

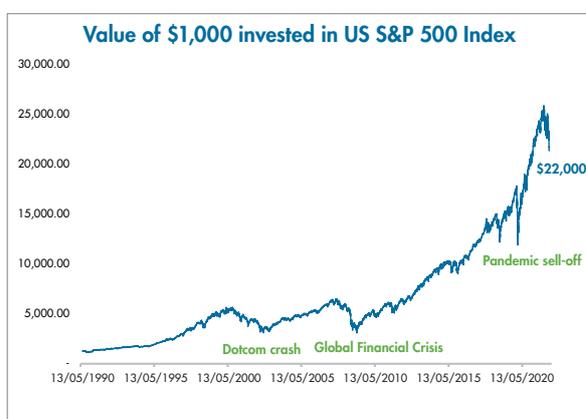
When I sat down to write this Manager's Report, I re-read my commentary from the last few annual reports. To quote a few:

- » 2020: "COVID-19 – an unprecedented and uncertain time"
- » 2018: "Market volatility returned at the start of calendar year 2018, catching investors unaware"
- » 2017: "S&P/NZX50 index, after experiencing a turbulent period"

There is a pattern emerging here. Volatility is a constant presence in equity markets. It is the discomfort equity investors must endure to achieve higher returns over the long term. Remember, if you had invested \$1,000 in the S&P500 in 1990, that would be worth \$20,000 today. That is despite living through the dotcom crash, a global financial crisis, a pandemic, and several inflation and interest rate cycles. The journey can be bumpy, but the destination is usually worth it.

There is always something to worry about. Today investors are worried about central banks withdrawing years of stimulus, the highest inflation in decades, sharply rising interest rates, spiking petrol prices, a tragic war, and now the risk of a recession.

Figure 1: Fears have regularly punctuated the otherwise steady rise in markets



Despite this, it is critical that we don't get knocked off our path by fear when these inevitable bouts of volatility arise. Market timing is extraordinarily difficult and risks foregoing a quality portfolio in the pursuit of short-term gains. This could prove wonderful if you had perfect foresight, but is fraught with misadventure if you do not.

Volatility creates opportunities

Warren Buffett: "Uncertainty is the friend of the buyer of long-term values."

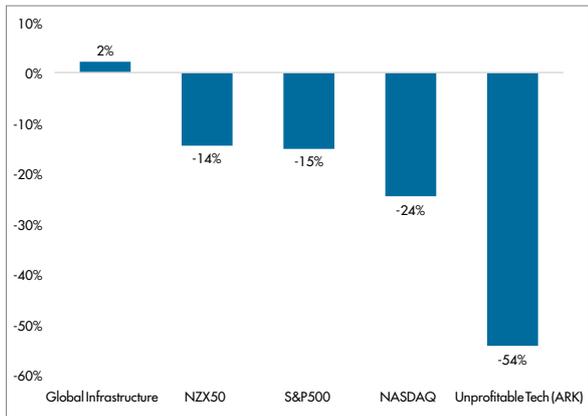
A key driver of markets in recent months has been sharply rising interest rates on the back of high and stubborn inflation. At the end of last year, the market was expecting the US Federal Reserve to raise interest rates 0.5% over the upcoming 12 months. Today, the market is expecting 3.0% of interest rate hikes over the next 12 months! The New Zealand market in December was pricing 1.5% of rate hikes over the next 12 months. We have now already seen 1.25% of rate hikes this year, with a further 2.50%+ being projected by the RBNZ by December. We expected interest rates to increase, but it has been the explosive pace of the increase that has shocked financial markets.

Figure 2: The speed of interest rate increases have taken markets by surprise



(USGG10YR - US Government Bonds with a 10-Year Maturity)

Figure 3: Tech and growth-heavy indices have fallen the fastest



As long-term investors, short-term market pessimism can create good buying opportunities. At times, share prices can become divorced from corporate fundamentals, as we saw during the COVID sell-off – and we think we are seeing that again now. Valuations of our portfolio companies are now more attractive, which is a function of both the price falls and the earnings of these companies continuing to grow. Just as one example, Mainfreight continues to deliver stellar growth, yet its share price has been sliding for over six months. As a result, its valuation multiple is nearly as attractive as it has been at any point over the last five years.

Figure 4: Mainfreight continues to deliver growth



Figure 5: Valuation divorced from fundamentals

We have started to deploy cash into the most attractive opportunities where our assessment of the investment hasn't changed but the share price has fallen sharply.

KINGFISH PORTFOLIO COMMENTARY

Despite the weak share price performance of many portfolio companies in recent months, the Kingfish portfolio had an encouraging recent reporting season earlier this year.

Most of the companies in the portfolio that had results or trading updates exceeded our expectations. Overall, 73% of our portfolio companies that reported results beat expectations, with 60% of them also providing an outlook that was better than feared.

Mainfreight continues to grow earnings (NPAT \$m)

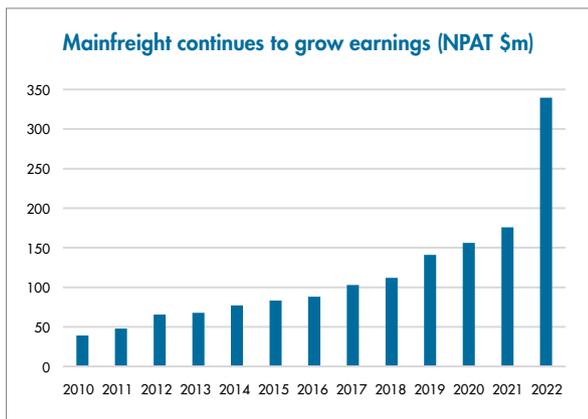
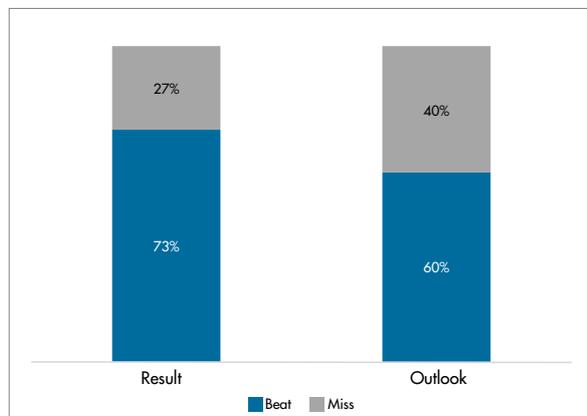


Figure 6: Fundamentals have exceeded expectations



Auckland Airport

The flat share price performance by Auckland Airport belies another unique year!

Importantly, our borders have opened. New Zealand can finally welcome returning citizens and tourists after years of travel restrictions, anxious quarantine lotteries, and a significant reduction in our biggest export industry, tourism.

Pent-up demand is strong. Delta Airlines, whilst not operating into Auckland, recently had their highest cash sales day in their 97-year history: "We have never seen demand turn on so quickly as it has after Omicron... people want to get back out. They want to connect. Business traffic is booming. The pandemic really does seem to be behind us here in the U.S." This return to pre-pandemic demand is occurring despite high airfares. We think there will be similar pent-up demand to travel to and from New Zealand as borders reopen.

Contact Energy and Meridian

We are privileged in New Zealand to have an electricity sector that has the natural advantage of being largely renewable. Recently, we have favoured Contact Energy because we think its renewable generation development pipeline is the most attractive in the sector. It is developing a large geothermal field at Tauhara. The field is around 3.1TWh of potential generation versus Contact's 2021 generation output of 9TWh.

We also own a small position in 100% renewable Meridian. The company owns high-quality hydro generation and wind assets. Growth will be driven by its Harapaki windfarm development which comes online in fiscal 2024, boosting its generation around 176MW, or 7%.

Delegat Group

Premium wine company Delegat navigated through a difficult Marlborough harvest season. This was due to its ongoing growth in its planted area and dedicated focus on vineyard efficiencies, which has seen yields improve over time. It was also due to it securing an increased quantity of grapes from grower partners. These factors meant it ended up only 2% down versus New Zealand's total harvest down around 19%.

A key aspect of the company's moat is its strong Oyster Bay brand. It is still seeing strong demand in its end markets (including the US). As a result, it has been able to increase prices and allocate product to its highest value accounts to offset margin pressure.

EBOS

EBOS has proven over a long period that it is the leading player in its core business of Australian pharmaceutical distribution, where it has around 35% share of the A\$14 billion market. Its moat is based on being the lowest cost and highest efficiency operator in this defensive industry. It is the largest player and has the best processes and systems to deliver reliable service at low cost to its pharmacy customers. Its service delivery level in key items is over 99.75%, well ahead of its competitors.

We had previously removed the company from the portfolio in 2018 due to some concerns including its model being tested by new competitive threats and the modest industry growth rate in its core business. Since then, EBOS has extended its strong track record under CEO John Cullity, emerged with its moat firmly intact, and delivered growth through market share gains and entering higher growth adjacencies including animal health.

A share issue to fund a new acquisition gave us the opportunity to re-enter the company at an attractive price. EBOS announced it was buying Australian medical devices distributor Lifehealthcare and raised new equity to partly fund the transaction. This is a logical acquisition in line with the company's previously stated strategy to further grow in the attractive and growing market. The transaction also provides a sensible entry point to South-East Asia through the Transmedic subsidiary.

Fisher & Paykel Healthcare

Fisher & Paykel Healthcare's share price had a very tough year, although in our view the company has done almost everything right.

The company ramped production of all its hospital products but especially its highflow nasal oxygen products Airvo (the hardware) and Optiflow (the consumables) in response to the COVID pandemic. It sold 10 years' worth of hardware in two years. That is a stellar achievement, particularly in an environment of disrupted supply chains.

However, the company recently updated investors on expected revenue for the year to March 2022, which was around 10% short of expectations in the second half. This was due to a sharp slowdown in sales of hardware and consumables in its hospital division because of the lower severity of the Omicron COVID variant.

MANAGER'S REPORT CONTINUED

Fisher & Paykel Healthcare has an exceptionally long runway for growth. There are 50 million acute respiratory illness patients hospitalised annually that could be treated with their Optiflow product but outside of a COVID setting they are treating less than 5 million. The incredible job that Optiflow did of treating COVID (an acute respiratory illness) will stand them in good stead to treat more of those 50 million patients sooner. However, in most cases financial analysts have reduced their medium-term expectations to pre-COVID levels. To just focus on the short-term slowdown in demand risks missing out on the long growth runway ahead.

Freightways

Freightways is one of the two largest players in the New Zealand courier market, which has seen outsized volume growth since COVID accelerated the acceptance of e-commerce. Its residential delivery volumes are up around 25% versus pre COVID levels.

New Zealand has had persistently low courier pricing by global standards. Across Auckland, deliveries can be as little as \$2-3! A couple of years ago, the company embarked on a "Pricing for Effort" drive which has netted an extra \$1.40 per parcel.

On top of this, its recently acquired Big Chill temperature-controlled transport business is growing nicely.

Infratil

One of the main reasons we own Infratil is its deft ability to allocate capital among various opportunities. After exiting its highly successful Tilt Renewables investment, Infratil has been busy re-investing the proceeds.

Infratil announced the acquisition of Pacific Radiology Group, and two smaller competitors, building the largest diagnostic imaging group in New Zealand. Diagnostic imaging is an attractive investment opportunity with growth driven by an ageing population and increasing prevalence of chronic disease.

Infratil established new businesses in renewable energy (Gurin Energy in Asia) and data infrastructure (Kao Data in the UK). Gurin Energy complements Infratil's renewable energy assets in Europe and the US. Kao Data operates datacentres focused on high performance computing. Clients include Nvidia, which has the UK's most powerful supercomputer based on Kao Data's campus.

CDC, Infratil's largest asset, saw its independent valuation increase by 15% in just six months. This was supported by CDC's entry into Melbourne with plans to provide 150 megawatts at full capacity, taking CDC's total planned capacity to 700 megawatts, providing a long runway for future earnings growth.

Marko Bogoevski stepped down as CEO of Morrison & Co, Infratil's manager, having stepped down as Infratil CEO in March 2021. Mr Bogoevski is succeeded by Jason Boyes as Infratil CEO and Paul Newfield as Morrison & Co CEO. Both are excellent operators and have been with Morrison & Co for over a decade.

Mainfreight

Our largest position, Mainfreight, was a standout performer in the Kingfish portfolio. It made strong progress against its longer-term objectives in every region across all its key services. Its Air & Ocean freight division solved headaches for its customers in the most disrupted environment global supply chains have ever seen. As an example of the severity of the disruption, container shipping freight rates rose to over 10 times pre-COVID levels and saw hundreds of container ships stranded outside key global ports.

This favourable environment will not last forever, and so it is comforting to see broker expectations for this division's earnings are moderating. The share price appears to factor this strong performance unwinding, so if the team can maintain or improve performance from here, it will be positive. However, given the large size of the investment, we have been a seller of shares over the last year.

Mainfreight's lacklustre share price performance in calendar 2022 comes despite a recent positive trading update. The company provided a trading update for the first 43 weeks of its fiscal year with profit growth ahead of expectations. The company is seeing a continuation of tailwinds in its Air & Ocean international freight forwarding division. It also continues to execute well in Transport and Warehousing, taking further market share. The company is continuing to "fatten" its network on key routes, which is driving higher line haul utilisation. It is opening new warehouses in cities where it has enough demand, which helps secure new customers. It is also expanding geographically with new Air & Ocean freight forwarding branches quickly becoming profitable and growing the company's freight flows. The company has been taking market share at the fastest pace in its history.

Pushpay

Pushpay bedded down its church management software acquisition Church Community Builder and announced another material acquisition, streaming solutions provider Resi Media. These should see Pushpay able to consolidate its position as the top technology provider for the faith-based market.

The company has made significant progress in revamping its products to appeal to the large Catholic sector. It has been approved by over 30% of dioceses and has 173 parish customers (out of around 17,000) so is well placed to grow here as it has in the Protestant market.

Most recently, the company announced it has received approaches from third parties interested in taking over the company. Like many other technology companies, Pushpay shares have fallen sharply in 2022. The third-party interest shows that some investors are willing to look through current market concerns.

Port of Tauranga

The significant global supply chain disruption resulted in a 4% decline in container volumes in 2021. Against this backdrop, New Zealand's largest and most efficient container port again increased market share. This continues the trend of the past decade, with container market share up 5% to 32%. Its market position is the result of a customer-first approach, and a long-term view on infrastructure delivery. Improved supply chain links to Auckland and a deep harbour allow Port of Tauranga to serve cargo owners beyond its immediate region.

In Auckland, customers are facing full warehouses and severe delays, with cranes operating at one-third capacity and 20% of the terminal dedicated to a failing automation project. In a time of crisis, Port of Tauranga is picking up the slack, and customers will remember how they have been treated.

Summerset and Ryman

National house prices are 5% below their November peak. Yet, we think that Summerset and Ryman will continue to grow earnings for many years to come. This will be driven by demand from an ageing population and the "safe haven" status attained through the pandemic. The buffer between the price of retirement village units and local house prices will help offset the impact from a weak housing market.

The proportion of New Zealanders over 75 is forecast to increase by 40% over the next decade, four-times the rate of overall population growth. This increases the need for retirement villages. Greater age brings greater health requirements, ranging from frequent health check-ups through to intensive dementia-level support. Ryman and Summerset's continuum of care retirement village model is best placed to provide this.

Retirement villages attained "safe haven" status through the pandemic, as the operators are well-versed in disease control and prevention. This led to a surge in demand. Summerset sales increased 25% in 2021. And the March 2022 quarter was their second-best ever, despite the Omicron peak in New Zealand.

Retirement village units are typically priced at a discount to local house prices: in Auckland, 2-bedroom units are 30% lower than local house prices. The buffer between the price of retirement village units and local house prices will help offset the impact from a weak housing market. We saw this in the global financial crisis: national house prices declined 7% yet Ryman increased unit prices 4% on average.

The a2 Milk Company

After a poor year in fiscal 2021 and a lot of lessons learned, the company has gone through significant change in 2022. Not least, it has a new CEO, CFO, and a revamped senior management team with a refocused strategy.

The new guard accurately diagnosed and addressed head on the inventory mis-management issues that plagued the company in 2021. This included removing old product and sharply reducing sales to distributors to clear excess inventory levels across the whole supply chain.

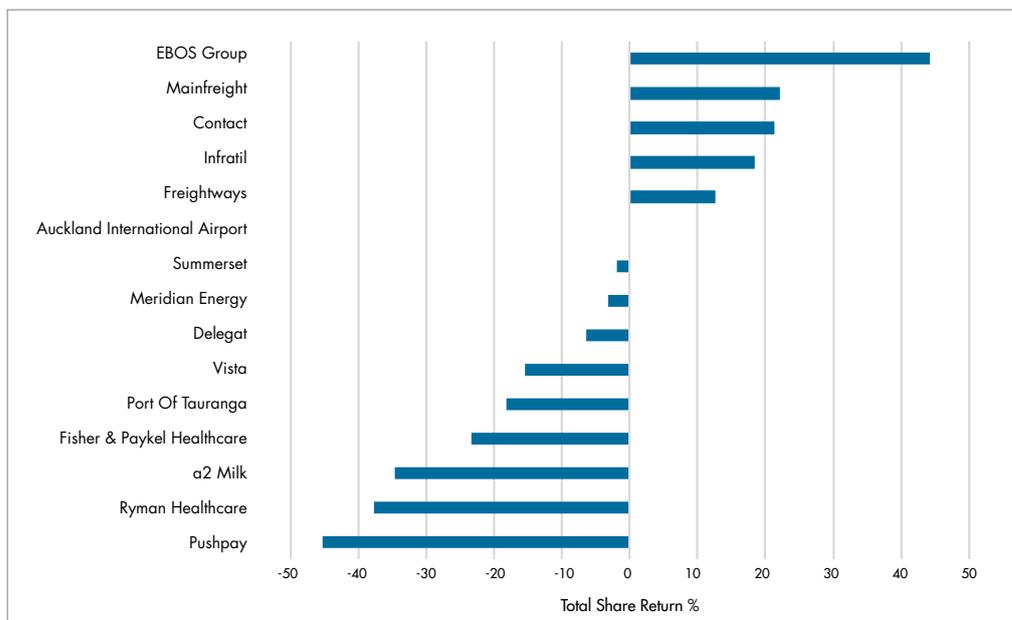
Despite this, the underlying brand health has strengthened. A key brand health metric we track is brand awareness – this improved from 43% in April 2020 at the onset of COVID to 54% in January 2022. The company continues to have strong loyalty after customers learn of and trial its products. Brand is an important component of a2's moat and hence is important as a2 continues to grow market share in infant formula in China from low levels both in store and online.

Vista

Movie theatre software provider Vista raised capital early and aggressively as COVID unfolded. This allowed it to maintain its focus on the customer to address new needs during the pandemic such as social distancing and fully engaging electronically. It maintained its focus on developing Vista Cloud, its new cloud-based platform. Despite the obvious challenges, the project is basically on time and in budget.

Vista Cloud means its products will be hosted in the cloud and sold on a subscription basis. Product updates can be pushed out more easily with less IT support needed for customers and customers don't need to upgrade their computer hardware. This will allow customers to reduce their overall spend on technology. It will also allow Vista to grow its share of the pie – early signs are that it could increase its recurring revenue to as much as 2.5-times existing levels.

Figure 7: Portfolio Company Total Shareholder Returns (year to 31 March 2022)



CONCLUSION

The 2022 to date performance of global equities is the worst start to a calendar year in more than 50 years. The laundry list of investor concerns is long.

It is impossible to predict whether we have seen the worst of the correction yet. But what I can say with more certainty is the outlook for future returns is now more attractive than it has been in a while. Kingfish won't generate outperformance by following the crowd. I am again reminded of Warren Buffett who famously said, "Be greedy when others are fearful."

Do these unpredictable macroeconomic gyrations mean people will require less high flow oxygen from Fisher & Paykel in the future? Does it mean 80-year-old people will require fewer retirement village units in the future? Does it mean Mainfreight's culture will change, and retreat from its goal of having distinctive blue trucks delivering freight in more cities worldwide? We don't think so.

We remain focused on companies that have wide economic moats, long runways for growth, and are run by passionate and talented management teams. Our investment process is geared to finding these companies, which we expect will deliver superior returns over time.

Sam Dickie / Senior Portfolio Manager
 Fisher Funds Management Limited
 24 June 2022

The information in this Manager's Report (including all text, data and charts) has been prepared as at mid-May 2022. 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 report 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 report 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.

PORTFOLIO HOLDINGS SUMMARY AS AT 31 MARCH 2022

Listed Companies	% Holding
Auckland International Airport	8.6%
Contact Energy	3.0%
Delegat Group	3.2%
EBOS Group	2.0%
Fisher & Paykel Healthcare	14.1%
Freightways	3.7%
Infratil	17.6%
Mainfreight	20.0%
Meridian Energy	1.0%
Port of Tauranga	2.0%
Pushpay Holdings	1.0%
Ryman Healthcare	3.7%
Summerset Group	10.1%
The a2 Milk Company	4.3%
Vista Group	3.8%
Equity Total	98.1%
New Zealand dollar cash	1.9%
TOTAL	100.0%

THE STEEPP PROCESS

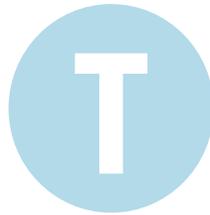
Fisher Funds employs a process that it calls STEEPP to analyse existing and potential portfolio companies. This analysis gives each company a score against a number of criteria that Fisher Funds believes need to be present in a successful portfolio company. All companies are then ranked according to their STEEPP score to broadly determine their portfolio weighting (or indeed whether they make the grade to be a portfolio company in the first place).

The STEEPP criteria are as follows:



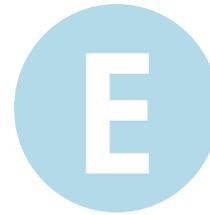
STRENGTH OF THE BUSINESS

What is the company's competitive advantage? Is it sustainable? Is the company a market leader? Does it have a dominant position? A strong business is one that can maintain its profit margins by employing a unique strategy.



TRACK RECORD

How has the company performed in the past? Has the company performed under the same management team? Has it grown organically or by acquisition? How did the company react during a downturn? Fisher Funds prefers to buy established companies that have executed well in the past.



EARNINGS HISTORY

How fast has the company been able to grow its earnings in the past? How consistent has earnings growth been? Fisher Funds prefers to buy companies that exhibit secular growth characteristics where they have proven the ability to provide a high or improving return on invested capital.

Applying this STEEPP analysis, Fisher Funds constructed a portfolio for Kingfish which comprised 15 securities at the end of March 2022.



EARNINGS GROWTH FORECAST

What is the company's earnings growth forecast over the next three to five years? What is the probability of achieving the forecast? What do we expect the company's earnings potential to be? Fisher Funds notices that too many analysts focus on short-term earnings. As long-term growth investors, Fisher Funds thinks about where the company's earnings could be in three to five years.



PEOPLE/ MANAGEMENT

Who are the management team and how long have they been in their roles? Who are the directors, what is their history with the company, and what do they bring to the board? What is the depth of management in the organisation and is there a succession plan for the key executive roles? Do the management team own shares in the business and how are they rewarded? Has the board and management exhibited good corporate behaviour in the areas of environmental, social and governance considerations? For Fisher Funds, the quality of the company management and its corporate governance is of paramount importance.



PRICE/ VALUATION

How much of the future earnings growth is already reflected in the share price? Where does the current share price sit in relation to our worst to best case valuation range? A company will generate a higher score where the market price currently reflects little of that company's upside potential.

THE KINGFISH PORTFOLIO STOCKS



The following is a brief introduction to each of your portfolio companies, with a description of why Fisher Funds believes they deserve a position in the Kingfish portfolio. Total shareholder return is for the year to 31 March 2022 and is based on the closing price for each company plus any dividends received. For companies that are new to the portfolio in the year, total shareholder return is from the first purchase date to 31 March 2022.



A | Auckland Airport

WHAT DOES IT DO?

Auckland International Airport (AIA) owns and operates New Zealand's major gateway as well as 1500 hectares of land surrounding the airport. AIA operates under a 'dual till' regulatory regime, meaning that the company's aeronautical operations are subject to light-handed regulation, whereas the other non-aeronautical operations are unregulated. Over 50% of AIA's revenue is derived from non-aeronautical operations, such as retail, parking, hotel accommodation and property rental.

WHY DO WE OWN IT?

AIA is well-positioned to benefit from New Zealand's positive long-term tourism outlook. With aspirations for 40 million total passengers per annum by 2044, combined with a strengthening consumer business and leveraging its land bank, AIA's non-aeronautical operations are expected to continue to deliver attractive returns on invested capital into the future.



WHAT DOES IT DO?

Contact Energy is New Zealand's second largest electricity generator, producing approximately 20-25% of the country's electricity in an average year. The vast majority of its electricity is from renewable hydro and geothermal resources.

WHY DO WE OWN IT?

Contact Energy has a balanced portfolio of quality renewable generation assets across both islands and this is matched by demand from a strong electricity retailing business plus commercial and industrial customers. Its established business provides solid cash flows which underpin an attractive level of dividends. Contact's Tauhara geothermal field is the most attractive generation development project in New Zealand. Once this is developed, Contact will be able to retire its TCC gas plant and will move to 100% renewable base load electricity generation.

DELEGAT

WHAT DOES IT DO?

Delegat Group produces and distributes super-premium wine internationally under the Oyster Bay and Barossa Valley Estate brands. Oyster Bay is the number one selling New Zealand wine brand in the UK, Australia and Canada, and is growing quickly in the US.

WHY DO WE OWN IT?

Delegat has invested for continued growth by expanding its winery capacity and increasing vineyard plantings to meet its goal of achieving high single-digit growth in case sales annually in the short to medium term. The majority of the growth is likely to be driven by the still relatively immature US market.

Total Shareholder Return

+2%

Total Shareholder Return

+24%

Total Shareholder Return

-5%

KINGFISH PORTFOLIO STOCKS CONTINUED

**WHAT DOES IT DO?**

EBOS Group is Australasia's largest diversified pharmaceutical and medical care products group, focusing primarily on wholesale logistics and distribution of pharmaceuticals, medical devices, and other products. The company typically has a leading market position in each market segment it operates in. EBOS also operates in the animal care sector as a veterinary wholesaler, distributor and retailer of animal healthcare products, pet accessories and premium foods across Australasia.

WHY DO WE OWN IT?

EBOS' scale and market position means that it is a low cost operator, which it complements with a leading service proposition which has allowed it to take market share over time. The sector has a tailwind from the ageing population demographic and the increasing prevalence of chronic diseases. It has a strong track record of supplementing the growth in its core operations with moves into higher growth adjacencies and successful acquisitions.

**WHAT DOES IT DO?**

Fisher & Paykel Healthcare is a leading designer, manufacturer and distributor of innovative medical devices for patients who require acute respiratory and obstructive sleep apnoea care. Over 95% of its products are sold outside New Zealand from dedicated manufacturing facilities in Auckland and Mexico.

WHY DO WE OWN IT?

We are attracted to the demand for Fisher & Paykel Healthcare's innovative care products as the worldwide population ages and the incidence of chronic respiratory diseases and obesity rises. Through its own research and development, Fisher & Paykel Healthcare has continued to develop products that significantly expand its potential patient base, while maintaining high returns on invested capital.

**WHAT DOES IT DO?**

Freightways operates a range of nationwide express delivery operations with brands including NZ Couriers, Post Haste and Big Chill. The company has also developed an information management business on both sides of the Tasman encompassing document storage, data services and secure destruction services.

WHY DO WE OWN IT?

Freightways is one of two dominant players in the New Zealand courier market and its information management business has a trans-Tasman footprint. The company has a track record of stable organic growth and value-accretive acquisitions that leverage off its existing infrastructure.

Total Shareholder Return

+22%

Total Shareholder Return

-23%

Total Shareholder Return

+16%



Infratil

WHAT DOES IT DO?

Infratil invests in a diverse range of infrastructure businesses, with a portfolio focused on data, communications and renewable energy, with smaller exposures to healthcare and airports. It is externally managed by an experienced management team.

WHY DO WE OWN IT?

We are attracted to Infratil's portfolio of infrastructure assets that are not easily replicable and its strong track record since listing.



WHAT DOES IT DO?

Mainfreight is a global supply chain logistics company. Its services primarily span domestic transport, managed warehousing, and international air and sea freight. Its operations span New Zealand, Australia, the Americas, Europe, and Asia.

WHY DO WE OWN IT?

Mainfreight is a very well-run company with a special company culture that has delivered strong performance over time. It continues to open new trade lanes as it spreads its logistics footprint ever wider. Growth should come organically as it takes market share and works further towards its 100-year vision of becoming a leading global logistics provider.



meridian

WHAT DOES IT DO?

Meridian Energy is New Zealand's largest electricity generator, producing approximately 30% of the country's electricity in an average year, sourced 100% from renewable hydro and wind resources. The company also has a retail business in New Zealand, operating under the Meridian and Powershop brands.

WHY DO WE OWN IT?

Meridian is a well-run company, with a portfolio of long-dated, quality renewable generation assets which provide Meridian with the advantage of being amongst the lowest cost marginal electricity producers.

Total Shareholder Return

+21%

Total Shareholder Return

+25%

Total Shareholder Return

-1%

KINGFISH PORTFOLIO STOCKS CONTINUED

**WHAT DOES IT DO?**

Port of Tauranga is the natural gateway to and from international markets for many of New Zealand's major businesses. It is in close proximity to many important exporters in the forestry, dairy, meat and fruit industries. Its investment in port facilities in Timaru and an inland port near Christchurch opens up the South Island for exports to be hubbed out of Tauranga.

WHY DO WE OWN IT?

Port of Tauranga continues to grow in importance as a leading shipping port in New Zealand for both exports and imports. It has many natural advantages, including excellent access for road and rail, large land holdings and a deep harbour for bigger ships to call. Port of Tauranga continues to increase container market share, supported by its investments in Metroport near Auckland, Primeport Timaru and long-term strategic agreement with Kotahi, a joint-venture between leading exporters.

Total Shareholder Return

-15%**Pushpay****WHAT DOES IT DO?**

Pushpay is a leading mobile payment and engagement provider to the US faith sector, with a growing customer base focused on medium and large churches in the US. It also has a church management software business, ChurchStaq. Together, these enable churches to manage and interact seamlessly with their congregation in an effective and modern way.

WHY DO WE OWN IT?

Pushpay provides the best in class product and service. Its combination of ongoing product development and leading customer service gives us comfort that Pushpay will retain this edge over weaker competitors. Pushpay's addressable market is very large (cUS\$90bn) and digital giving remains under-penetrated but growing.

Total Shareholder Return

-43%**WHAT DOES IT DO?**

Ryman Healthcare was formed in 1984 to develop, construct and operate retirement villages in New Zealand. It now has a portfolio of retirement villages around New Zealand and is replicating its model in Victoria, Australia. Ryman Healthcare is the largest owner and developer of retirement villages in New Zealand.

WHY DO WE OWN IT?

Ryman Healthcare has stuck to its winning formula since inception. Industry dynamics are attractive, and Ryman Healthcare expects to lift its build rate of units and beds to meet latent demand from an ageing population. Victoria has a similar ageing demographic to New Zealand and represents an attractive area for future growth; Ryman's continuum of care offering is popular but offered by few competitors currently.

Total Shareholder Return

-37%



WHAT DOES IT DO?

Summerset is an integrated retirement village builder, owner and operator. The company has retirement villages spread around New Zealand and is a leading developer of retirement villages in New Zealand with a significant land bank. It has recently acquired sites in Australia and is also looking to grow there.

WHY DO WE OWN IT?

Summerset successfully operates a continuum of care model with aged care integrated into its villages. It has developed a strong and consistent track record of growth in its build rate and earnings. With brand awareness converging on Ryman, proven development capability and a robust balance sheet, Summerset is well placed to meet the growing needs of ageing populations in New Zealand and Australia.



WHAT DOES IT DO?

The a2 Milk Company sells 'a2'-branded fresh milk and infant milk formula internationally. As the name suggests, its products contain only A2 beta-casein protein, on the basis that it is more comfortably digested than normal milk (which contains a mix of both A1 and A2 proteins). In recent years, the company has grown sales and market share rapidly in Australia and China and is currently also focused on its growing business in the US.

WHY DO WE OWN IT?

The a2 Milk Company has a small but growing share of the very lucrative Chinese infant formula market. We expect its market share to continue growing across a range of distribution channels. In addition, there is potential for further upside from new products and geographies.



WHAT DOES IT DO?

Vista Group is an innovative IT company primarily providing sophisticated software to cinema exhibitors. It has over 40% worldwide market share with clients in over 100 countries. Its integrated software systems allow cinema exhibitors to run wide-ranging functions such as ticketing, food and beverage sales, staff and film scheduling, loyalty schemes, digital signage, as well as external customer interfaces like websites, mobile apps and call centres. Vista Group also has a range of smaller group businesses that leverage its depth of data and cinema industry intellectual property.

WHY DO WE OWN IT?

We are attracted to Vista Group's profitable core business which provides sophisticated software to cinema operators of all sizes. We believe that this business still has many years of growth ahead of it, plus will benefit from migrating customers to its cloud-based offering. Additionally, the company's data analytics business (Movio) and other early-stage businesses have exciting long-term growth prospects.

Total Shareholder Return

-1%

Total Shareholder Return

-34%

Total Shareholder Return

-12%



Pictured left to right: David McClatchy, Carol Campbell, Fiona Oliver and Andy Coupe.

BOARD OF DIRECTORS

Andy Coupe LLB, CMInstD

*Chair of the Board
Chair of Remuneration and Nominations Committee
Independent Director*

Andy Coupe has extensive governance, commercial and capital markets experience having worked in a number of sectors within the financial markets over the last 35 years. In addition to also being Chair of Barramundi and Marlin Global, he is also Chair of Television New Zealand, a member of the Strong Public Media Establishment Board and a director of Briscoe Group. Andy's principal place of residence is Hamilton.

Andy was first appointed to the Kingfish board on 1 March 2013.

Fiona Oliver LLB, BA, CFInstD

Independent Director

Fiona Oliver is a professional director and her governance roles span a range of business sectors including renewable energy, natural gas, technology, and professional and financial services. She is a director of Barramundi and Marlin Global. Fiona is also a director (and audit committee chair) of Gentrack Group Limited, the First Gas Group, BNZ Life Insurance Limited and BNZ Insurance Services Limited. She is also a director of Freightways Limited and Wynyard Group Limited (in liquidation). Fiona's Executive career was in the financial services sector in New Zealand and overseas. In New Zealand, her roles included Chief Operating Officer of Westpac's investment arm, BT Funds Management, and General Manager of AMP NZ's Wealth Management division. In Sydney and London, Fiona managed the Risk and Operations function for AMP's private capital division. Prior to this, Fiona was a senior corporate and commercial solicitor in New Zealand and overseas, specialising in mergers and acquisitions. Fiona is a Chartered Fellow of the Institute of Directors and a member of Global Women. Fiona was awarded the Beacon Award by the New Zealand Shareholders Association in 2022 for her role as Chair of the independent directors of Tilt Renewables Limited during the attempted takeover of this company in 2018. Fiona's principal place of residence is Auckland.

Fiona Oliver was first appointed to the Kingfish board on 1 June 2022.

Carol Campbell BCom, FCA, CMInstD

*Chair of Audit and Risk Committee
Independent Director*

Carol Campbell is an experienced company director who has a sound understanding of efficient board governance and extensive financial experience. Carol is a director and Chair of the Audit and Risk committees of Barramundi and Marlin Global, and Chair of the Audit and Risk committee of Kingfish. Carol also holds a number of directorships across a broad spectrum of companies including T&G Global, New Zealand Post, Chubb Insurance New Zealand and NZME, where she is also the Chair of the Audit and Risk committees and she is a director of Kiwibank. Carol is a fellow of Chartered Accountants Australia and New Zealand. Carol had her own chartered accountancy practice for 11 years after a successful career as a partner at Ernst & Young for over 25 years. Carol's principal place of residence is Auckland.

Carol was first appointed to the Kingfish board on 5 June 2012.

David McClatchy BCom

*Chair of Investment Committee
Independent Director*

David McClatchy is an experienced company director who has had extensive investment management experience across New Zealand and international markets over the last 35 years. David is a director of Barramundi, Marlin Global and Guardians of NZ Superannuation. Before returning to New Zealand in 2019, David was Group Chief Investment Officer for Insurance Australia Group and Director and Head of IAG Asset Management. Prior to this, David had a 16-year career with ING as Chief Executive and Chair of ING Investment Management in Australia and Chief Investment Officer and Director of ING New Zealand. David's principal place of residence is Tauranga.

David McClatchy was first appointed to the Kingfish board on 1 July 2021.

CORPORATE GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 MARCH 2022 AND CURRENT AS AT THE DATE OF THIS ANNUAL REPORT

Kingfish's board recognises the importance of good corporate governance and is committed to ensuring that the Company meets best practice governance principles to the extent that they are appropriate for the nature of Kingfish's operations. Strong corporate governance practices encourage the creation of value for Kingfish shareholders, while ensuring the highest standards of ethical conduct and providing accountability and control systems commensurate with the risks involved.

The board is responsible for establishing and implementing the Company's corporate governance frameworks and is committed to fulfilling this role in accordance with best practice having appropriate regard to applicable laws, the NZX Corporate Governance Code ("NZX Code") and the Financial Markets Authority's Corporate Governance in New Zealand - Principles and Guidelines. The board oversees the management of Kingfish, with the day-to-day portfolio and administrative management responsibilities of Kingfish being delegated to Fisher Funds Management Limited ("Fisher Funds" or "the Manager").

Over the financial year ended 31 March 2022, Kingfish was in compliance with the NZX Code, with the exception of recommendations 4.3¹ and 5.3². The Company is not in compliance with those recommendations due to the specific nature of the Company's business model and more particularly for the reasons explained below in the commentary regarding the relevant NZX Code principles. The alternative governance practices adopted by Kingfish in respect of those matters have the approval of the board.

The Company's corporate governance policies and procedures and board and committee charters, are regularly reviewed by the board against the corporate governance standards set by NZX and to reflect any changes required by law, guidance from other relevant regulators and developments in corporate governance practices.

Kingfish's constitution and each of the Company's charters, codes and policies referred to in this section are available on the Kingfish website (www.kingfish.co.nz) under the "About Kingfish" and "Policies" sections.

Principle 1 – Code of ethical behaviour

Directors should set high standards of ethical behaviour, model this behaviour and hold management accountable for these standards being followed throughout the organisation.

CODE OF ETHICS & STANDARDS OF PROFESSIONAL CONDUCT

Kingfish's Code of Ethics & Standards of Professional Conduct details the ethical and professional behavioural standards required of the directors of the Company and those employees of the Manager who work on Kingfish matters.

The Code of Ethics & Standards of Professional Conduct covers a wide range of areas including: standards of behaviour, conflicts of interest, proper use of Company information and assets, compliance with laws and policies, reporting concerns and receiving gifts.

Any person who becomes aware of a breach or suspected breach of the Code of Ethics & Standards of Professional Conduct is required to report it immediately in accordance with the procedure set out in the Code of Ethics & Standards of Professional Conduct.

Training on the requirements of the Code of Ethics & Standards of Professional Conduct is included as part of the induction process for new directors and relevant employees of the Manager.

The Code of Ethics & Standards of Professional Conduct is also available on Kingfish's website for directors of the Company and employees of the Manager to access at any time.

SECURITIES TRADING POLICY

Kingfish's Securities Trading Policy details the restrictions on persons nominated by Kingfish (including its directors and employees of the Manager who work on Kingfish matters) ("Nominated Persons") relating to their trading in Kingfish shares and other securities.

Nominated Persons, with the permission of the board of Kingfish, may trade in Kingfish shares only during the trading window commencing immediately after Kingfish's weekly disclosure of its net asset value on NZX Limited's ("NZX") market announcement platform and ending at the close of trading two days following the net asset value disclosure.

Nominated Persons may not trade in Kingfish shares when they have price sensitive information that is not publicly available.

The Securities Trading Policy is available on Kingfish's website.

¹ Kingfish does not have a formal environmental, social and governance (ESG) framework. However, the Manager has a formal ESG framework which governs its stock selection, which the board is fully supportive of and committed to.

² There is no CEO remuneration disclosure as Kingfish delegates its management personnel requirements to Fisher Funds pursuant to an Administration Services Agreement and does not have its own CEO.

CORPORATE GOVERNANCE STATEMENT CONTINUED

CONFLICTS OF INTEREST POLICY

The Company's Conflicts of Interest Policy outlines the board's policy on conflicts of interest. The policy details the processes to be adopted for identifying conflicts of interest and managing any such conflicts.

Principle 2 – Board composition and performance

To ensure an effective board, there should be a balance of independence, skills, knowledge, experience and perspectives.

BOARD CHARTER

Kingfish's board operates under a written charter which defines the respective functions and responsibilities of the board, focusing on the values, principles and practices that provide the Company's corporate governance framework.

The board has overall responsibility for all decision making within Kingfish. The board is responsible for the direction and control of Kingfish and is accountable to shareholders and others for Kingfish's performance and its compliance with the applicable laws and standards. The board has delegated the day-to-day portfolio and administrative management responsibilities relating to Kingfish to the Manager. The responsibilities of the Manager are clear as they are described in the Management Agreement and Administration Services Agreement with Kingfish.

The board uses committees to address certain matters that require detailed consideration. The board retains ultimate responsibility for the function of its committees and determines their responsibilities. The board is assisted in meeting its responsibilities by receiving regular reports and plans from the Manager and through its annual work programme.

Directors have access to key employees of the Manager who are connected to the activities of Kingfish and can request any information they consider necessary for informed decision making.

The Board Charter is available on Kingfish's website.

NOMINATION AND APPOINTMENT OF DIRECTORS

In accordance with Kingfish's constitution and NZX Listing Rules, a director must not hold office without re-election past the third annual meeting following his or her appointment or three years (whichever is the longer). A director appointed by the board must not hold office (without re-election) past the next annual meeting following his or her appointment.

Procedures for the nomination, appointment and removal of directors are contained in Kingfish's constitution and the Board Charter. The Remuneration and Nominations Committee of the board is responsible for identifying and nominating candidates to fill director vacancies for board approval.

WRITTEN AGREEMENT

Kingfish provides a letter of appointment to each newly appointed director setting out the terms of their appointment which they are required to sign. The letter includes information regarding the board's responsibilities, expectations of directors and independence, expected time commitments, indemnity and insurance provisions, obligations to declare relevant conflicting interests and confidentiality. New directors are required to formally consent to act as a director.

DIRECTOR INFORMATION AND INDEPENDENCE

The board comprises four directors with diverse backgrounds, skills, knowledge, experience and perspectives. Information about each director, including a profile of their experience, length of service and attendance at board meetings is available on pages 26 and 29 of this Annual Report and also on Kingfish's website.

The board takes into account guidance provided under the NZX Listing Rules and the factors specified in the NZX Code in determining the independence of directors. Director independence is considered annually. Directors have undertaken to inform the board as soon as practicable if they think their status as an independent director has or may have changed.

As at 31 March 2022, the board considers that each of Alistair Ryan (Chair), Carol Campbell, Andy Coupe and David McClatchy are independent directors and therefore the board has determined that all of the directors on the board are independent directors.

Information in respect of each director's ownership interests in Kingfish shares and warrants is available on page 59.

DIVERSITY

Kingfish has a formal Diversity Policy applicable to the Company's directors. The board views diversity as including, but not being limited to, skills, qualifications, experience, gender, race, age, ethnicity and cultural background. The board recognises that having a diverse board will enhance effectiveness in key areas and that membership of the board is best served by having a mix of individuals with deep expertise and a breadth of experience. This objective is recognised in the Diversity Policy.

All appointments to the board are based on merit, and include consideration of the board's diversity needs, including gender diversity. The principal measurable diversity objective adopted by the board is to embed gender diversity as an active consideration in all succession planning for board positions. The board assesses annually both the objective set out in the Diversity Policy and the Company's progress in achieving that objective. During the financial year to 31 March 2022, Carmel Fisher retired from the board (6 August 2021) after serving as a director since 2004 and David McClatchy was appointed as an independent director effective 1 July 2021.

Alistair Ryan (Chair since 2012) announced his retirement in January 2022, with effect from 1 June 2022. Andy Coupe, a director on the Kingfish board since 2013, and current Chair of Kingfish's Investment Committee, will succeed Alistair Ryan as Chair of the Board. The board has appointed Fiona Oliver as an independent director effective 1 June 2022.

The board's gender composition as at the two most recent annual balance dates was as follows:

	Number		Proportion	
	Female	Male	Female	Male
31 March 2022				
Directors	1	3	25%	75%
	Number		Proportion	
	Female	Male	Female	Male
31 March 2021				
Directors	2	2	50%	50%

The Diversity Policy is available on the Kingfish website.

DIRECTOR TRAINING

All directors are responsible for ensuring they remain current in understanding how best to perform their duties as directors. To ensure ongoing education, directors are regularly informed of developments that affect the Company's industry and business environment.

ASSESSMENT OF DIRECTOR PERFORMANCE

The Remuneration and Nominations Committee conducts a formal review of director, committee and board performance annually. The review includes an assessment of whether appropriate training has been undertaken by directors. Appropriate strategies for improvement are recommended to the board as and when required. The Chair of the Board also has discussions with directors on individual performance as considered appropriate.

INDEPENDENT CHAIR AND SEPARATION OF THE CHAIR AND CHIEF EXECUTIVE

The current Chair of the Board is an independent director and Andy Coupe, who will become Chair on 1 June 2022, is also an independent director. Kingfish does not have a Chief Executive as it delegates its management personnel requirements to the Manager pursuant to an Administration Services Agreement. The Chair of the Board is a different person to the Chief Executive of the Manager.

Principle 3 – Board committees

The board should use committees where this will enhance its effectiveness in key areas, while still retaining board responsibility.

The board has three standing committees: the Audit and Risk Committee, the Remuneration and Nominations Committee and the Investment Committee.

Each committee operates under a charter approved by the board. The charter of each committee is reviewed annually.

DIRECTOR MEETING ATTENDANCE

A total of eight board meetings, two Audit and Risk Committee meetings, two Remuneration and Nominations Committee meeting and two Investment Committee meetings were held in the financial year ended 31 March 2022. Director attendance at board meetings and committee meetings is shown below.

Director	Board	Audit and Risk Committee	Remuneration and Nominations Committee	Investment Committee
Carol Campbell	8/8	2/2	2/2	2/2
Andy Coupe	8/8	2/2	2/2	2/2
Carmel Fisher [#]	3/3	1/1	1/1	1/1
David McClatchy [#]	5/5	1/1	1/1	1/1
Alistair Ryan	8/8	2/2	2/2	2/2

[#] The meeting attendance for Carmel Fisher and David McClatchy pertain to the meetings that were held while they were directors.

AUDIT AND RISK COMMITTEE

The Audit and Risk Committee Charter sets out the objectives of the Audit and Risk Committee, which are to provide assistance to the board in fulfilling its responsibilities in relation to the Company's financial reporting, internal controls structure, risk management systems and the external audit function. The Audit and Risk Committee Charter is available on Kingfish's website.

The Audit and Risk Committee focuses on audit and risk management and specifically addresses responsibilities relative to financial reporting and regulatory compliance.

The Audit and Risk Committee is accountable for ensuring the performance and independence of the Company's external auditor, including that the external auditor or lead audit partner is changed at least every five years.

The Audit and Risk Committee also reviews the appropriateness of any non-audit services and recommends to the board which services, other than the statutory audit, may be provided by PricewaterhouseCoopers as external auditor.

The external auditor has a clear line of direct communication at any time with either the Chair of the Audit and Risk Committee or the Chair of the Board, both of whom are independent directors.

CORPORATE GOVERNANCE STATEMENT CONTINUED

During the financial year ended 31 March 2022, the Audit and Risk Committee held private sessions with the external auditor.

The Audit and Risk Committee currently comprises all of the directors and is chaired by Carol Campbell.

The Audit and Risk Committee may invite the Corporate Manager and/or other employees of the Manager and such other persons, including the external auditor, to attend meetings, as it considers necessary to provide appropriate information and explanations.

REMUNERATION AND NOMINATIONS COMMITTEE

The Remuneration and Nominations Committee Charter sets out the objectives of the Remuneration and Nominations Committee, which are to set and review the level of directors' remuneration, ensure a formal rigorous and transparent procedure for the appointment of new directors to the board and evaluate the balance of skills, knowledge and experience on the board. The Remuneration and Nominations Committee also assesses the performance of directors, the board and board committees.

The Remuneration and Nominations Committee comprises all of the directors and was chaired by Alistair Ryan. Andy Coupe will take over as Chair of the Remuneration and Nominations Committee with effect from 1 June 2022.

The Remuneration and Nominations Committee may invite the Corporate Manager and/or other employees of the Manager and such other persons, including the external auditor, to attend meetings as it considers necessary to provide appropriate information and explanations.

The Remuneration and Nominations Committee Charter is available on Kingfish's website.

INVESTMENT COMMITTEE

The Investment Committee Charter sets out the objective of the Investment Committee, which is to oversee the investment management of Kingfish to ensure the portfolio is managed in accordance with the investment mandate and with the long-term performance objectives of Kingfish. The Investment Committee Charter is available on Kingfish's website.

The Investment Committee currently comprises all of the directors and was chaired by Andy Coupe. David McClatchy will take over as Chair of the Investment Committee with effect from 1 June 2022.

TAKEOVER RESPONSE PROTOCOLS

The board has adopted a formal Takeover Response Protocol as an internal framework that sets out the process to be followed if there is a takeover offer for Kingfish.

Principle 4 – Reporting and disclosure

The board should demand integrity in financial and non-financial reporting, and in the timeliness and balance of corporate disclosures.

CONTINUOUS DISCLOSURE

Kingfish is committed to promoting investor confidence by providing complete and equal access to information in accordance with the NZX Listing Rules. Kingfish has a Continuous Disclosure Policy designed to ensure this occurs and a copy of the policy is available on Kingfish's website. The Corporate Manager is responsible for overseeing and co-ordinating required disclosures to the market.

CHARTERS AND POLICIES

Kingfish's key corporate governance documents, including its Code of Ethics & Standards of Professional Conduct, board and committee charters and other policies, are available on Kingfish's website under the "About Kingfish" and "Policies" sections.

FINANCIAL REPORTING

Kingfish believes its financial reporting is balanced, clear and objective. Kingfish is committed to ensuring integrity and timeliness in its financial and non-financial reporting and ensuring the market and shareholders are provided with an objective view on the performance of the Company.

The Audit and Risk Committee oversees the quality and integrity of external financial reporting, including the accuracy, completeness and timeliness of financial statements. The Audit and Risk Committee reviews half-yearly and annual financial statements and makes recommendations to the board concerning accounting policies, areas of judgement, compliance with accounting standards, stock exchange and legal requirements and the results of the external audit.

As at 31 March 2022, Kingfish did not have a formal environmental, social and governance (ESG) framework. Kingfish considers that, given the nature of its operations (as an investment company), it is not appropriate to maintain an ESG framework due to the lack of available metrics relevant to its business against which it could report on such matters. Kingfish will continue to assess the relevance of adopting an ESG framework. However, the Manager has a formal ESG framework which governs its stock selection, which the Kingfish board is fully supportive of. Details of the Manager's ESG framework can be seen on the Manager's website, www.fisherfunds.co.nz/about-us/responsible-investing

The Financial Sector (Climate-related Disclosures and Other Matters) Amendment Act 2021 received royal assent in October 2021. This legislation introduces a new financial reporting requirement which requires certain entities, to be known as Climate Reporting Entities (CREs), to produce annual climate statements that identify and report on the impact of climate change on their organisations and disclose greenhouse gas emissions. The new legislation is based on the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD), which brings the New Zealand financial reporting regarding climate risk into line with similar reporting requirements already being adopted around the world. It will impact the reporting of most NZX listed issuers such as Kingfish.

The New Zealand External Reporting Board (XRB) is developing the New Zealand accounting standard for the new climate risk financial reporting, (the Aotearoa New Zealand Climate Standard 1: Climate-related Disclosures (NZ CS 1)). It is currently expected that this standard will be finalised by the end of 2022 and will take effect, as with the new climate statements, for financial periods which commence on or after 1 January 2023.

The Kingfish board will determine the appropriate climate risk reporting for Kingfish, once the new accounting standard has been finalised.

Principle 5 – Remuneration

The remuneration of directors and executives should be transparent, fair and reasonable.

DIRECTORS' REMUNERATION

The Company's Director Remuneration Policy sets out the structure of the remuneration for directors, the review process and reporting requirements. The Director Remuneration Policy is available on Kingfish's website.

Directors' fees are determined by the board on the recommendation of the Remuneration and Nominations Committee within the aggregate amount approved by shareholders. The current directors' fee pool limit of \$157,500 (plus GST if any) was approved by shareholder resolution passed at the 2018 Annual Shareholders' Meeting.

Each year, the Remuneration and Nominations Committee reviews the level of directors' fees. The Remuneration and Nominations Committee considers the skills, performance, experience and level of responsibility of directors when undertaking the review, and is authorised to obtain independent advice on market conditions.

The following table sets out the remuneration received by each director from Kingfish for the financial year ended 31 March 2022. No director received fees or payment for any other services to the Company. No retirement payments have been made or agreed to be made to any director during the financial year ended 31 March 2022.

Directors' remuneration* for the 12 months ended 31 March 2022

Alistair Ryan (chair)	\$50,000 ⁽¹⁾
Carol Campbell	\$37,500 ⁽²⁾
Andy Coupe	\$37,500 ⁽³⁾
Carmel Fisher	\$11,367 ⁽⁴⁾
David McClatchy	\$24,375 ⁽⁵⁾

*excludes GST

⁽¹⁾ \$4,974 of this amount was applied to the purchase of 2,477 shares under the Kingfish Share Purchase Plan. (Alistair Ryan holds in excess of the 50,000 share threshold set out in the Kingfish Share Purchase Plan but has elected to continue in the plan.)

⁽²⁾ Included in this total amount is \$5,000 that Carol Campbell received as Chair of the Audit and Risk Committee. \$3,731 of this amount was applied to the purchase of 1,858 shares under the Kingfish Share Purchase Plan. (Carol Campbell holds in excess of the 50,000 share threshold set out in the Kingfish Share Purchase Plan but has elected to continue in the plan.)

⁽³⁾ Included in this total amount is \$5,000 that Andy Coupe received as Chair of the Investment Committee. \$3,731 of this amount was applied to the purchase of 1,858 shares under the Kingfish Share Purchase Plan.

⁽⁴⁾ Carmel Fisher retired from the Kingfish board 6 August 2021.

⁽⁵⁾ David McClatchy joined the Kingfish board 1 July 2021.

Details of remuneration paid to directors are also disclosed in note 10 to the financial statements for the financial year ended 31 March 2022. The directors' fees disclosed in the financial statements include a portion of non-recoverable GST expensed by Kingfish.

DIRECTORS' SHAREHOLDING - SHARE PURCHASE PLAN

A Share Purchase Plan was introduced by the board in 2012 which requires each director to allocate 10% of their annual director's fee to the purchase (on market) of Kingfish shares. Once an individual director's shareholding reaches 50,000 shares, the director can elect whether to continue in the plan. The intention of the Share Purchase Plan is to further align the interests of directors with those of Kingfish shareholders.

EXECUTIVE REMUNERATION

Kingfish delegates its management personnel requirements to Fisher Funds pursuant to an Administration Services Agreement. For this reason, Kingfish does not have a Chief Executive Officer and it does not consider it appropriate to make disclosures about remuneration for the Manager's personnel or include those personnel in the application of the Company's remuneration policies. Kingfish does not set the remuneration policies applicable to the Manager's personnel. The fees paid to Fisher Funds for administration services are set out in note 10 to Kingfish's financial statements for the financial year ended 31 March 2022.

Principle 6 – Risk management

Directors should have a sound understanding of the material risks faced by the issuer and how to manage them. The board should regularly verify that the issuer has appropriate processes that identify and manage potential and material risks.

RISK MANAGEMENT FRAMEWORK

The board has overall responsibility for Kingfish's system of risk management and internal control. Kingfish has in place policies and procedures to identify areas of significant business risk and implements procedures to manage those risks effectively.

Key risk management tools used by Kingfish include the Audit and Risk Committee function, outsourcing of certain functions to service providers, internal controls, financial and compliance reporting procedures and processes and business continuity planning. Kingfish also maintains insurance policies that it considers adequate to meet its insurable risks.

The board is actively involved in tracking the development of existing risks and the emergence of new risks to Kingfish's business. The Audit and Risk Committee and board receive regular reports on the operation of risk management policies and procedures from the Manager. Significant risks are discussed at each board meeting, and/or as required.

In addition to Kingfish's policies and procedures in place to manage business risks, the Manager has its own comprehensive risk management policy. The board is informed of any changes to the Manager's policy.

The spread of Covid-19 has impacted economies around the globe. In many countries, businesses have been forced to cease or limit operations for extended or indefinite periods of time. Global stock markets have experienced greater than normal volatility and there was significant market weakness during the early stages of the pandemic. There continues to be ongoing Covid-19 uncertainty, more recently in regards to the presence of the Omicron variant and its impact on business activity and economies in general.

During the 2022 financial year, global stock markets experienced renewed market volatility due to ongoing Covid uncertainty, inflationary concerns and political uncertainty in Europe (primarily as a result of the Ukraine/Russia conflict).

The preparation of Kingfish's financial statements for the financial year ended 31 March 2022 has not required the addition of any new judgements or estimates.

Kingfish provides shareholders and warrant holders with regular communications, covering the performance of the Company and the performance of the underlying stocks invested into by the Company. The communications include monthly updates, quarterly newsletters and annual reports. Numerous NZX announcements are also made, including weekly and month end NAV per share, and interim and annual financial statements.

HEALTH AND SAFETY

The Manager operates under a Health and Safety Policy. Under this policy, Fisher Funds assumes responsibility for the health and safety of its employees.

Principle 7 – Auditors

The board should ensure the quality and independence of the external audit process.

Kingfish's Audit and Risk Committee makes recommendations to the board on the appointment of the external auditor. The Audit and Risk Committee monitors the independence and effectiveness of the external auditor and approves and reviews any

non-audit services performed by the external auditor. An External Auditor Independence Policy, which documents the framework of Kingfish's relationship with its external auditor, was adopted by the board in May 2018. This policy includes procedures:

- to sustain communication with Kingfish's external auditor;
- to ensure that the ability of the external auditor to carry out its statutory audit role is not impaired, or could reasonably be perceived to be impaired;
- to address what, if any, services (whether by type or level) other than their statutory audit roles may be provided by the external auditor to Kingfish; and
- to provide for the monitoring and approval by the Audit and Risk Committee of any service provided by the external auditor to Kingfish other than in their statutory audit role.

The Audit and Risk Committee meets with the external auditor, without management present, to approve their terms of engagement, audit partner rotation (at least every five years) and audit fee, and to review and provide feedback in respect of the annual audit plan. The Audit and Risk Committee holds private sessions with the external auditor.

Kingfish's current external auditor, PricewaterhouseCoopers ("PwC"), was appointed by shareholders at the 2007 annual meeting in accordance with the provisions of the Companies Act 1993. PwC is automatically reappointed as auditor under Part 11, Section 207T of the Companies Act at the Annual Shareholders' Meeting, except in the limited circumstances set out in the Act.

The Audit and Risk Committee has assessed PwC to be independent and confirmed that the non-audit services they have provided in relation to confirming the amounts used in the Manager's performance fee calculation have not compromised PwC's independence. Written confirmation of PwC's independence has been obtained by the board.

PwC, as external auditor of the 2022 financial statements, will attend this year's Annual Shareholders' Meeting and will be available to answer questions about the conduct of the audit, preparation and content of the auditor's report, accounting policies adopted by Kingfish and their independence in relation to the conduct of the audit.

Kingfish does not have an internal audit function, however the Company regularly reviews all areas of risk management and focuses on all operating and compliance risk obligations as described above in relation to Principle 6. Kingfish delegates day-to-day portfolio and administrative management responsibilities relating to Kingfish to the Manager and the Corporate Manager is responsible for managing operational and compliance risks across Kingfish's business and reporting on those matters to the board as needed.

Principle 8 – Shareholder rights and relations

The board should respect the rights of shareholders and foster constructive relationships with shareholders that encourage them to engage with the issuer.

INFORMATION FOR SHAREHOLDERS

The board recognises the importance of providing shareholders with comprehensive, timely and equal access to information about its activities. The board aims to ensure that shareholders have available to them all information necessary to assess Kingfish's performance.

Kingfish's website, www.kingfish.co.nz, provides information to shareholders and investors about the Company. Kingfish's 'Investor Centre' part of its website contains a range of information, including periodic and continuous disclosures to NZX, annual reports and content related to the Annual Shareholders' Meeting. The website also contains information about Kingfish's directors, copies of key corporate governance documents and general company information.

The board recognises that other stakeholders may have an interest in Kingfish's activities. While there are no specific stakeholders' interests that are currently identifiable, Kingfish will continue to review policies in consideration of future interests.

COMMUNICATING WITH SHAREHOLDERS

Kingfish communicates regularly with its shareholders through its monthly and quarterly updates. The Company receives questions from shareholders from time to time, and has processes in place to ensure shareholder communications are responded to within a reasonable timeframe. The Company's website sets out Kingfish's appropriate contact details for communications from shareholders. Kingfish also provides options for shareholders to receive and send communications by post or electronically.

SHAREHOLDER VOTING RIGHTS

When required by the Companies Act 1993, Kingfish's Constitution and the NZX Listing Rules, Kingfish will refer decisions to shareholders for approval. Kingfish's policy is to conduct voting at its shareholder meetings by way of poll and on the basis of one share, one vote.

NOTICE OF ANNUAL MEETING

The 2022 Kingfish Notice of Annual Shareholders' Meeting will be sent to shareholders at least 20 working days prior to the meeting and will be published on Kingfish's website.

Subject to any Covid-19 restrictions which prevent the Company from holding a physical meeting, this year's Annual Shareholders' Meeting will be held at 10.30am on 5 August 2022, at the Ellerslie Event Centre in Auckland. Full participation of shareholders is encouraged at the Annual Shareholders' Meeting and shareholders are also encouraged to submit questions in writing prior to the meeting.

MANAGEMENT AGREEMENT RENEWAL

The Management Agreement between Kingfish and Fisher Funds is subject to renewal every five years. The Management Agreement is next subject to renewal in 2024.

NZX WAIVERS

There were no waivers granted by NZX or relied upon by the Company in the financial year ended 31 March 2022.

CAPITAL RAISINGS*Kingfish Warrant Issue (KFLWF)*

On 15 November 2021, Kingfish issued 79,075,168 warrants to eligible shareholders (being shareholders with a registered address in New Zealand on the record date of 12 November 2021). Kingfish shareholders were issued one warrant for every four shares held on the record date. Each warrant entitles an eligible shareholder to subscribe for one additional share in Kingfish on the exercise date (18 November 2022).

The exercise price will be \$2.03 less any cash dividends declared on the shares by the Company with a record date between 15 November 2021 and the announcement of the exercise price. The final exercise price will be calculated and advised to warrant holders at least six weeks before the exercise date.

Further information in relation to the Kingfish warrant issue can be found in the Warrant Terms Offer Document dated 18 October 2021, at the following link: <https://kingfish.co.nz/assets/Investor-Centre/KFLWG-Warrant-Terms-Offer-Doc-2021.pdf>.

DIRECTORS' STATEMENT OF RESPONSIBILITY

FOR THE YEAR ENDED 31 MARCH 2022

We present the financial statements for Kingfish Limited for the year ended 31 March 2022.

We have ensured that the financial statements for Kingfish Limited present fairly the financial position of the Company as at 31 March 2022 and its financial performance and cash flows for the year ended on that date.

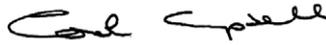
We have ensured that the accounting policies used by the Company comply with generally accepted accounting practice in New Zealand and believe that proper accounting records have been kept. We have ensured compliance of the financial statements with the Financial Markets Conduct Act 2013.

We also consider that adequate controls are in place to safeguard the Company's assets and to prevent and detect fraud and other irregularities.

The Kingfish board authorised these financial statements for issue on 23 May 2022.



Andy Coupe



Carol Campbell



David McClatchy



Alistair Ryan

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KINGFISH LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 \$000	2021 \$000
Interest income		75	49
Dividend income		7,809	5,410
Net changes in fair value of investments	2	(19,951)	150,504
Other income		1,413	3
Total (loss)/income		(10,654)	155,966
Operating expenses	3	6,632	13,233
Operating (loss)/profit before tax		(17,286)	142,733
Total tax expense	4	20	20
Net operating (loss)/profit after tax attributable to shareholders		(17,306)	142,713
Total comprehensive (loss)/income after tax attributable to shareholders		(17,306)	142,713
Basic earnings per share	6	(5.49c)	56.28c
Diluted earnings per share	6	(5.49c)	54.65c

The accompanying notes form an integral part of these financial statements.

KINGFISH LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Attributable to shareholders of the Company			
		Share Capital	Performance Fee Reserve	Retained Earnings	Total Equity
		\$000	\$000	\$000	\$000
Balance at 31 March 2020		278,854	0	66,550	345,404
Comprehensive income					
Net operating profit after tax		0	0	142,713	142,713
Total comprehensive income for the year ended 31 March 2021		0	0	142,713	142,713
Transactions with shareholders					
Dividends paid	5	0	0	(33,895)	(33,895)
New shares issued under dividend reinvestment plan	5	12,402	0	0	12,402
Shares issued for warrants exercised		84,823	0	0	84,823
Total transactions with shareholders for the year ended 31 March 2021		97,225	0	(33,895)	63,330
Balance at 31 March 2021		376,079	0	175,368	551,447
Comprehensive income					
Net operating (loss) after tax		0	0	(17,306)	(17,306)
Total comprehensive income for the year ended 31 March 2022		0	0	(17,306)	(17,306)
Transactions with shareholders					
Dividends paid	5	0	0	(45,207)	(45,207)
New shares issued under dividend reinvestment plan	5	16,505	0	0	16,505
Costs relating to warrants issued or exercised		(30)	0	0	(30)
Total transactions with shareholders for the year ended 31 March 2022		16,475	0	(45,207)	(28,732)
Balance at 31 March 2022		392,554	0	112,855	505,409

The accompanying notes form an integral part of these financial statements.

KINGFISH LIMITED

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 \$000	2021 \$000
SHAREHOLDERS' EQUITY			
Represented by:			
ASSETS			
Current Assets			
Cash and cash equivalents	9	8,006	33,528
Trade and other receivables	7	3,519	369
Investments at fair value through profit or loss	2	494,850	526,523
Total Current Assets		506,375	560,420
TOTAL ASSETS		506,375	560,420
LIABILITIES			
Current Liabilities			
Trade and other payables	8	966	8,973
Total Current Liabilities		966	8,973
TOTAL LIABILITIES		966	8,973
NET ASSETS		505,409	551,447

These financial statements have been authorised for issue for and on behalf of the Board by:



A B Ryan / Chair
23 May 2022



C A Campbell / Chair of the Audit and Risk Committee
23 May 2022

The accompanying notes form an integral part of these financial statements.

KINGFISH LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 \$000	2021 \$000
Operating Activities			
Sale of listed equity investments		78,856	81,493
Interest received		75	49
Dividends received		7,795	5,612
Other income received		1,414	1
Purchase of listed equity investments		(69,786)	(129,235)
Operating expenses		(15,124)	(6,195)
Taxes paid		(20)	(20)
Net cash inflows/(outflows) from operating activities	9	3,210	(48,295)
Financing Activities			
Proceeds from warrants exercised		0	84,823
Warrant issue and exercise costs		(30)	0
Dividends paid (net of dividends reinvested)		(28,702)	(21,493)
Net cash inflows/(outflows) from financing activities		(28,732)	63,330
Net increase/(decrease) in cash and cash equivalents held		(25,522)	15,035
Cash and cash equivalents at beginning of the year		33,528	18,493
Cash and cash equivalents at end of the year	9	8,006	33,528

The accompanying notes form an integral part of these financial statements.

NOTE 1 BASIS OF ACCOUNTING**Reporting Entity**

Kingfish Limited ("Kingfish" or "the Company") is listed on the NZX Main Board, is registered in New Zealand under the Companies Act 1993 and is an FMC Reporting Entity under the Financial Markets Conduct Act 2013.

The Company's registered office is Level 1, 67-73 Hurstmere Road, Takapuna, Auckland.

Basis of Preparation

These financial statements have been prepared in accordance with the requirements of Part 7 of the Financial Markets Conduct Act 2013, the NZX Main Board listing rules and New Zealand Generally Accepted Accounting Practice (NZ GAAP). They comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) as appropriate to for-profit entities, and International Financial Reporting Standards (IFRS).

The financial statements have been prepared on the historical cost basis, except for investment assets at fair value through profit or loss.

The functional and reporting currency used to prepare the financial statements is New Zealand dollars, rounded to the nearest one thousand dollars. Where relevant, prior year comparatives have been reclassified to confirm with current year financial statement presentation. Where there has been a material restatement of comparative information the nature of, and the reason for the restatement is disclosed in the relevant notes.

The operating expenses include GST where it is charged by other parties as it cannot be reclaimed.

Accounting Policies

Accounting policies that summarise the recognition and measurement basis used and are relevant to an understanding of the financial statements, are provided throughout the notes to the financial statements and are designated by a  symbol.

The accounting policies adopted have been consistently applied to all years presented, unless otherwise stated.

There are no new accounting standards, amendments to standards and interpretations that have a material impact on these financial statements. The same applies for any new standards, amendments to standards and interpretations that have been issued but are not yet effective.

Financial Reporting by Segments

The Company operates in the New Zealand investment industry.

The Company is managed as a whole and is considered to have a single operating segment. There is no further division of the Company or internal segment reporting used by the Directors when making strategic, investment or resource allocation decisions.

There has been no change to the operating segments during the year.

Critical Judgements, Estimates and Assumptions

The preparation of financial statements requires the directors to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Judgements are designated by a  symbol in the notes to the financial statements. There were no material estimates or assumptions required in the preparation of these financial statements.

Authorisation of Financial Statements

The Kingfish Board of Directors authorised these financial statements for issue on 23 May 2022.

No party may change these financial statements after their issue.

NOTE 2 INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

j Given that the investment portfolio is managed, and performance is evaluated, on a fair value basis in accordance with a documented investment strategy, Kingfish has classified all its investments at fair value through profit or loss.

i Investments are initially recognised at fair value and are subsequently revalued to reflect changes in fair value. Net changes in the fair value of investments are recognised in the Statement of Comprehensive Income.

Investments at fair value through profit or loss comprise New Zealand listed equity investment assets.

All purchases and sales of investments are recognised at trade date, which is the date the Company commits to purchase or sell the investment and transaction costs are expensed as incurred. When an investment is sold, any gain or loss arising on the sale is included in the Statement of Comprehensive Income. Realised gains or losses are calculated as the difference between the sale proceeds and the carrying amount of the item.

The fair value of listed equity investments traded in active markets are based on last sale prices at balance date, except where the last sale price falls outside the bid-ask spread for a particular investment, in which case the bid price will be used to value the investment.

Dividend income from investments is recognised in the Statement of Comprehensive Income when the Company's right to receive payments is established (ex-dividend date).

Investments recognised at fair value are categorised according to a fair value hierarchy that shows the extent of judgement used in determining their fair value. Where unadjusted quoted prices are used, the investments are categorised as Level 1. When significant inputs derived from observable market data are used, the investments are categorised as Level 2. If significant inputs are not based on observable market data, they are categorised as Level 3.

j All listed equity investments held by Kingfish are categorised as Level 1. There have been no transfers between levels of the fair value hierarchy during the year (2021: none). There were no financial instruments classified as Level 2 or 3 at 31 March 2022 (2021: none).

Investments at fair value through profit or loss

	2022 \$000	2021 \$000
New Zealand listed equity investments	494,850	526,523
Total financial assets at fair value through profit or loss	494,850	526,523

FOR THE YEAR ENDED 31 MARCH 2022

NOTE 3 OPERATING EXPENSES

	2022 \$000	2021 \$000
Management fees (note 10(a))	5,344	5,671
Performance fees (note 10(a))	0	6,291
Administration services (note 10(a))	159	159
Directors' fees (note 10(b))	185	176
Custody, accounting and brokerage	489	594
Investor relations and communications	190	150
NZX fees	70	64
Professional fees	54	19
Fees paid to the auditor:		
Statutory audit and review of financial statements	53	41
Non assurance services ¹	5	3
Other operating expenses	83	65
Total operating expenses	6,632	13,233

¹ Non-assurance services relate to agreed upon procedures performed in respect of the performance fee calculation. The current year figure relates to the procedures performed for the 2021 year which were underaccrued and paid for during the 2022 financial year. There have been no procedures performed in the 2022 financial year. No other fees were paid to the auditor.

NOTE 4 TAXATION

Kingfish is a Portfolio Investment Entity ("PIE") for tax purposes.

 Taxation expense comprises both current and deferred tax. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at balance date, and any adjustment to tax payable in respect of previous years. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable). Deferred tax (if any) is recognised as the difference between the carrying amounts of assets and liabilities in the financial statements and the amounts used for taxation purposes. A deferred tax asset is only recognised to the extent it is probable it will be utilised.

 A deferred tax asset of \$12,761,635, resulting largely from tax losses of \$45,005,418, at 31 March 2022 (2021: tax asset of \$11,943,247, tax losses of \$42,138,868) has not been recognised, as the tax structure of the Company is unlikely to lead to the utilisation of a deferred tax asset. This unrecognised deferred tax asset is reviewed annually.

NOTE 4 TAXATION CONTINUED

	2022 \$000	2021 \$000
Taxation expense is determined as follows:		
Operating (loss)/profit before tax	(17,286)	142,733
Non-taxable realised gain on investments	(22,405)	(24,146)
Non-taxable unrealised (gain)/loss on investments	42,362	(126,351)
Imputation credits	2,306	1,499
Non-deductible expenditure	407	513
Taxable income/(loss)	5,384	(5,752)
Tax at 28%	1,508	(1,611)
Imputation credits	(2,306)	(1,499)
Deferred tax not recognised	818	3,130
Total tax expense	20	20
<i>Taxation expense comprises:</i>		
Current tax	20	20
	20	20
Current tax balance		
Opening balance	0	0
Current tax expense	(20)	(20)
Tax paid	20	20
Current tax receivable	0	0

Imputation credits

The imputation credits available for subsequent reporting periods total \$261,652 (2021: \$226,561). This amount represents the balance of the imputation credit account at the end of the reporting period, adjusted for imputation credits that will arise from the receipt of dividends recognised as a receivable at 31 March 2022.

NOTE 5 SHAREHOLDERS' EQUITY

Share Capital



Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares and warrants are shown in equity as a deduction.

When shares are acquired by the Company, the amount of consideration paid is recognised directly in equity. Acquired shares are classified as treasury stock and presented as a deduction from share capital. When treasury stock is subsequently sold or reissued, the cost of treasury stock is reversed and the realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs, is recognised within share capital.

NOTE 5 SHAREHOLDERS' EQUITY CONTINUED

Kingfish has 320,875,194 fully paid ordinary shares on issue (2021: 312,037,141). All ordinary shares are classified as equity, rank equally and have no par value. All shares carry an entitlement to dividends and one vote is attached to each fully paid ordinary share.

Buybacks

Kingfish maintains an ongoing share buyback programme. For the year ended 31 March 2022, Kingfish did not acquire any shares (2021: nil) under the programme which allows up to 5% of the ordinary shares on issue (as at the date 12 months prior to the acquisition) to be acquired. Shares acquired under the buyback programme are held as treasury stock and subsequently reissued to shareholders under the dividend reinvestment plan. There were no shares held as treasury stock at balance date (2021: nil).

Warrants

On 15 November 2021, 79,075,168 new Kingfish warrants were allotted and quoted on the NZX Main Board. One new warrant was issued to all eligible shareholders for every four shares held on record date (12 November 2021).

There were no warrants allotted in the prior year.

Dividends

Dividend distributions to the Company's shareholders are recognised as a liability in the financial statements in the period in which the dividends are declared by the Kingfish board.

Kingfish has a distribution policy where 2% of average NAV is distributed each quarter. Dividends paid during the year comprised:

	2022 \$000	Cents per share		2021 \$000	Cents per share
25 Jun 2021	11,234	3.60	26 Jun 2020	7,607	3.06
24 Sep 2021	11,059	3.52	25 Sep 2020	8,139	3.25
17 Dec 2021	11,608	3.67	18 Dec 2020	8,729	3.46
25 Mar 2022	11,306	3.55	26 Mar 2021	9,420	3.71
	45,207	14.34		33,895	13.48

Dividend Reinvestment Plan

Kingfish has a dividend reinvestment plan which provides ordinary shareholders with the option to reinvest all or part of any cash dividends in fully paid ordinary shares at a 3% discount to the five-day volume weighted average share price from the date the shares trade ex-entitlement. During the year ended 31 March 2022, 8,838,053 ordinary shares totalling \$16,504,860 (2021: 7,163,600 ordinary shares totalling \$12,401,697) were issued in relation to the plan for the quarterly dividends paid. To participate in the dividend reinvestment plan, a completed participation notice must be received by Kingfish before the next record date.

NOTE 6 EARNINGS PER SHARE



Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares on issue during the year. Diluted earnings per share assumes conversion of all dilutive potential ordinary shares in determining the denominator. Potential ordinary shares include outstanding warrants.

	2022	2021
Basic earnings per share		
Net operating (loss)/profit after tax attributable to shareholders (\$'000)	(17,306)	142,713
Weighted average number of ordinary shares on issue net of treasury stock ('000)	315,429	253,583
Basic earnings per share	(5.49c)	56.28c
Diluted earnings per share		
Net operating (loss)/profit after tax attributable to shareholders (\$'000)	(17,306)	142,713
Weighted average number of ordinary shares on issue net of treasury stock ('000)	315,429	253,583
Diluted effect of warrants ('000) ¹	0	7,570
	315,429	261,153
Diluted earnings per share	(5.49c)	54.65c

¹ The warrants were not assumed to be exercised because they were antidilutive in the period as the warrant exercise price (less dividends paid) of \$1.96 was greater than the average share price of \$1.87 between the date of issue and 31 March 2022.

FOR THE YEAR ENDED 31 MARCH 2022

NOTE 7 TRADE AND OTHER RECEIVABLES

 Trade and other receivables are classified as financial assets at amortised cost and are initially recognised at fair value, and subsequently measured at amortised cost less any provision for impairment. Receivables are assessed on a case-by-case basis for impairment.

 The trade and other receivables' carrying values are a reasonable approximation of fair value.

	2022 \$000	2021 \$000
Dividends receivable	341	327
Unsettled investment sales	1,433	0
Related party receivable (note 10(a)(ii))	1,688	0
Prepayments	57	42
Total trade and other receivables	3,519	369

NOTE 8 TRADE AND OTHER PAYABLES

 Trade and other payables are classified as other financial liabilities and are initially recognised at fair value, and subsequently measured at amortised cost.

 The trade and other payables' carrying values are a reasonable approximation of fair value.

	2022 \$000	2021 \$000
Related party payable (note 10(a)(i))	547	7,345
Unsettled investment purchases	268	1,487
Other payables and accruals	151	141
Total trade and other payables	966	8,973

NOTE 9 CASH AND CASH FLOW RECONCILIATION

Cash and Cash Equivalents



Cash and cash equivalents are classified as financial assets at amortised cost and comprise cash on deposit at banks and short-term money market deposits.

	2022 \$000	2021 \$000
Cash - New Zealand	8,006	33,528
Cash and Cash Equivalents	8,006	33,528
Reconciliation of Net Operating Profit/(Loss) after Tax to Net Cash Flows from Operating Activities		
Net operating (loss)/profit after tax	(17,306)	142,713
Items not involving cash flows		
Unrealised losses/(gains) on revaluation of investments	42,362	(126,351)
	42,362	(126,351)
Impact of changes in working capital items		
Increase/(decrease) in trade and other payables	(8,007)	8,544
Decrease/(increase) in trade and other receivables	(3,150)	2,018
	(11,157)	10,562
Items relating to investments		
Amounts paid for purchases of investments	(69,786)	(129,235)
Amounts received from sales of investments net of realised gains/losses	56,445	57,340
Movements in unsettled purchases of investments	1,219	(1,487)
Movements in unsettled sales of investments	1,433	(1,837)
	(10,689)	(75,219)
Net cash inflows/(outflows) from operating activities	3,210	(48,295)

FOR THE YEAR ENDED 31 MARCH 2022

NOTE 10 RELATED PARTY INFORMATION



Parties are considered to be related if one party has the ability to control or exercise significant influence over the other party in making financial or operational decisions.

a. Fisher Funds Management Limited

Fisher Funds Management Limited ("Fisher Funds" or "the Manager") is an entity that provides key management personnel services to Kingfish by virtue of its management agreement.

In return for the performance of its duties as Manager, Fisher Funds is paid the following fees:

Management fee: 1.25% (plus GST) per annum of the gross asset value, calculated weekly and payable monthly in arrears. The fee reduces if the Manager underperforms, thereby aligning the Manager's interests with those of the Kingfish shareholders. For every 1% underperformance (relative to the change in the NZ 90 Day Bank Bill Index) the management fee percentage is reduced by 0.1%, subject to a minimum 0.75% per annum management fee.

Performance fee: Fisher Funds may earn an annual performance fee of 10% plus GST of excess returns over and above the performance fee hurdle return (being the change in the NZ 90 Day Bank Bill Index plus 7%) subject to achieving the High Water Mark ("HWM"). The total performance fee amount is subject to a cap of 1.25% of the adjusted net asset value (prior to performance fees) and is settled fully in cash.

The HWM is the dollar amount by which the net asset value per share exceeds the highest net asset value per share (after adjustment for capital changes and distributions) at the end of any previous calculation period in which a performance fee was payable, multiplied by the number of shares at the end of the period.

In accordance with the terms of the Management Agreement, when a performance fee is earned, it is paid within 60 days of the balance date.



Performance fees paid to the Manager are recognised as an expense in the Statement of Comprehensive Income and are treated in line with a typical operating expense.

Administration fee: Fisher Funds provides corporate administration services and a fee is payable monthly in arrears.

	2022 \$000	2021 \$000
(i) Fees earned and payable:		
Fees earned by the Manager for the year ended 31 March		
Management fees	5,344	5,671
Performance fees	0	6,291
Administration services	159	159
Operating expenses	5,503	12,121

For the year ended 31 March 2022, the Manager did not achieve a return in excess of the performance fee hurdle return and the HWM (2021: excess returns of \$125,658,709 were generated). Accordingly, the Company has not expensed a performance fee (2021: Performance fee of \$6,290,731 was expensed).

	2022 \$000	2021 \$000
Fees payable to the Manager at 31 March		
Management fees	534	1,028
Performance fees	0	6,291
Administration services	13	26
Related party payables	547	7,345

NOTE 10 RELATED PARTY INFORMATION CONTINUED

(ii) Other income earned and credit note

Income received from the Manager for the year ended 31 March

GST refund

On 30 April 2021, Fisher Funds received a GST refund plus use of money interest (UOMI) from the Inland Revenue Department ("IRD"). The refund relates to the period 1 April 2004 to 31 July 2009 when the Manager applied 15% GST on management fees, when a subsequent assessment confirmed the Manager was entitled to charge only 1.5% GST on management fees. The total GST refund received by the Manager on behalf of Kingfish was \$1,413,475, being overcharged GST refunded of \$1,385,125 plus UOMI of \$28,350.

The GST refund was received by Kingfish in May 2021. The GST refund and UOMI are excluded from any performance fee calculation, consistent with how they have been treated in the past given they are not performance related income for the year.

Fees receivable from the Manager 31 March

Management fee credit note	1,688	0
Related party receivable	1,688	0

Fisher Fund's management fee was calculated and invoiced at 1.25% of gross asset value, with a balance date adjustment to reduce the management fee to 0.95% of gross asset value (31 March 2021: no adjustment) as the gross return underperformed the NZ 90 Day Bank Bill Index by 3.5%. As a result of the management fee adjustment, Fisher Funds raised a credit note for \$1,687,584 at balance date which will be used by the Company to cover future monthly management fees until used up.

(iii) Investment transactions with related parties

Off-market transactions between Kingfish and other funds managed by Fisher Funds take place for the purposes of rebalancing portfolios without incurring brokerage costs. These transactions are conducted after the market has closed at last sale price (on an arm's length basis). Purchases for the year ended 31 March 2022 totalled \$3,097,605 (2021: nil) and sales totalled \$1,458,243 (2021: nil).

b. Directors

Kingfish considers its Board of Directors ("Directors") key management personnel. Kingfish does not have any employees.

During the financial year the Directors earned fees for their services of \$184,725 (2021: \$176,248). The directors' fee pool is \$157,500 (plus GST, if any) for the year ended 31 March 2022 (2021: \$157,500 + GST). There were no Director fees payable at the end of the period (31 March 2021: nil). Directors' fees exceeded the pool due to the Company temporarily having five directors during the year between the appointment of David McClatchy (1 July 2021) and the retirement of Carmel Fisher (6 August 2021).

The directors held shares in the Company at 31 March 2022 which total 0.06% of total shares on issue (31 March 2021: 4.50%). The reduction in Director Shareholding is a result of changes in Directors during the financial year. The Directors held warrants in the company as at 31 March 2022 which total 0.06% of total warrants on issue. The Directors did not hold warrants in the company as at 31 March 2021, as there were none on issue.

Dividends of \$525,429 (2021: \$1,513,160) were also received by directors or their associates as a result of their shareholding.

NOTE 11 FINANCIAL RISK MANAGEMENT

The Company is subject to a number of financial risks which arise as a result of its investment activities, including market risk, credit risk and liquidity risk.

The Management Agreement between Kingfish and Fisher Funds details permitted investments. Financial instruments currently recognised in the financial statements also comprise cash and cash equivalents, trade and other receivables and trade and other payables.

Market Risk

All equity investments present a risk of loss of capital, often due to factors beyond the Company's control such as competition, regulatory changes, commodity price changes and changes in general economic climates domestically and internationally. The Manager moderates this risk through careful stock selection, diversification and daily monitoring of the market positions. For corporate governance purposes there is also regular reporting to the Board of Directors. In addition, the Manager has to meet the criteria of authorised investments within the prudential limits defined in the Management Agreement.

The maximum market risk resulting from financial instruments is determined as their fair value.

Price Risk

Price risk is the risk of gains or losses from changes in the market price of investments. The Company is exposed to the risk of fluctuations in the underlying value of its listed portfolio companies. The following companies individually comprise more than 10% of Kingfish's total assets at 31 March 2022, and therefore fluctuations in the value of these portfolio companies will have a greater impact on the overall investments balance.

	2022	2021
Mainfreight Limited	20%	18%
Infratil Limited	18%	14%
Fisher and Paykel Healthcare Corporation Limited	14%	16%
Summerset Group Ltd	10%	8%

Interest Rate Risk

Interest rate risk is the risk of movements in local interest rates. The Company is exposed to the risk of gains or losses or changes in interest income from movements in local interest rates. There is no hedge against the risk of movements in interest rates.

The Company may use short-term fixed rate borrowings to fund investment opportunities. There were no borrowings at 31 March 2022 (2021: nil).

Currency Risk

Currency risk is the risk that the fair value or future cash flows of an investment will fluctuate because of changes in foreign exchange rates. The Company generally holds assets denominated in New Zealand dollars and is therefore not directly exposed to currency risk. The portfolio companies that Kingfish invests in may be affected by currency risk that may impact on the market value of the underlying portfolio company.

Sensitivity Analysis

The table below summarises the impact on net operating profit after tax and shareholders' equity to reasonably possible changes in the carrying value of financial instruments to market risk exposure at 31 March as follows:

NOTE 11 FINANCIAL RISK MANAGEMENT CONTINUED

	2022 \$000	2021 \$000
Price risk¹		
Investments at fair value through profit or loss (listed)		
Carrying value	494,850	526,523
Impact of a 20% change in market prices: +/-	98,970	105,305
Interest rate risk²		
Cash and cash equivalents		
Carrying value	8,006	33,528
Impact of a 1% change in interest rates: +/-	80	335

¹ A variable of 20% is considered appropriate for market price risk sensitivity analysis based on historical price movements.

² A variable of 1% was selected as this is a reasonably expected movement based on historical volatility. The percentage movement for the interest rate sensitivity relates to an absolute change in interest rate rather than a percentage change in interest rate.

Credit Risk

Credit risk is the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. In the normal course of its business, the Company is exposed to credit risk from transactions with its counterparties.

Listed securities are held by an independent custodian, Trustees Executors Limited. All transactions in listed securities are paid for on delivery according to standard settlement instructions and are normally settled within three business days. Dividends receivables are due from listed New Zealand companies and are normally settled within a month after the Ex-Dividend date.

The Company measures credit risk and expected credit losses using probability of default, exposure at default and loss given default. Management considers both historical analysis and forward looking information in determining any expected credit loss. At balance date, cash at bank was held with counterparties with a credit rating of S&P AA- or equivalent. Trade and other receivables are normally settled within three business days. Management considers the probability of default to be close to zero as the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12 month expected credit losses as any such impairment would be wholly insignificant to the Company.

The maximum credit risk of financial assets is deemed to be their carrying amount as reported in the Statement of Financial Position.

Other than cash at bank, short term unsettled trades and dividends receivable, there are no significant concentrations of credit risk. The Company does not expect non-performance by counterparties, therefore no collateral or security is required.

Liquidity Risk

Liquidity risk is the risk that the assets held by the Company cannot readily be converted to cash in order to meet the Company's financial obligations as they fall due. The Company endeavours to invest the proceeds from the issue of shares in appropriate investments while maintaining sufficient liquidity (through daily cash monitoring) to meet working capital and investment requirements. All trade and other payables have contractual maturities of 3 months or less.

Liquidity to fund investment requirements can be augmented through the procurement of a debt facility from a registered bank to a maximum value of 20% of the gross asset value of the Company. There were no such debt facilities at 31 March 2022 (2021: nil).

There have been no subsequent events to suggest any issues with satisfying working capital and investment requirements.

NOTE 11 FINANCIAL RISK MANAGEMENT CONTINUED**Capital Risk Management**

The Company's objective is to prudently manage shareholder capital (share capital, reserves, retained earnings) and borrowings (if any).

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, undertake share buybacks, issue new shares and secure borrowings in the short term.

The Company was not subject to any externally imposed capital requirements during the year.

Since announcing a long-term distribution policy in June 2009, the Company continues to pay 2% of average net asset value each quarter.

NOTE 12 NET ASSET VALUE

The audited net asset value of Kingfish as at 31 March 2022 was \$1.58 per share (2021: \$1.77) calculated as the net assets of \$505,409,400 divided by the number of shares on issue of 320,875,194 (2021: net assets of \$551,446,689 and shares on issue of 312,037,141).

NOTE 13 COMMITMENTS AND CONTINGENT LIABILITIES

There were no unrecognised contractual commitments or contingent liabilities as at 31 March 2022 (2021: nil).

NOTE 14 SUBSEQUENT EVENTS

On 23 May 2022, the Board declared a dividend of 3.16 cents per share. The record date for this dividend is 9 June 2022 with a payment date of 23 June 2022.

As at 18 May 2022 the Kingfish unaudited new asset value (NAV) had reduced to \$461.8 million, down 8.6% from 31 March 2022, due to market movements. Kingfish reports its unaudited NAV to the NZX on a weekly and monthly basis.

There were no other events which require adjustment to or disclosure in these financial statements.

Independent auditor's report

To the shareholders of Kingfish Limited

Our opinion

In our opinion, the accompanying financial statements of Kingfish Limited (the Company) present fairly, in all material respects, the financial position of the Company as at 31 March 2022, its financial performance and its cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and International Financial Reporting Standards (IFRS).

What we have audited

The financial statements comprise:

- the statement of financial position as at 31 March 2022;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* (PES 1) issued by the New Zealand Auditing and Assurance Standards Board and the *International Code of Ethics for Professional Accountants (including International Independence Standards)* issued by the International Ethics Standards Board for Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Other than in our capacity as auditor we have no relationship with, or interests in, the Company.

Key audit matter

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. Given the nature of the Company, we have one key audit matter: Valuation and existence of investments at fair value through profit or loss. The matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on the matter.

Description of the key audit matter	How our audit addressed the key audit matter
<p>Valuation and existence of investments at fair value through profit or loss</p> <p>Investments at fair value through profit or loss (the investments) are valued at \$495 million and represent 98% of total assets.</p> <p>Further disclosures on the investments are included in note 2 to the financial statements.</p> <p>This was an area of focus for our audit and an area where a significant proportion of audit effort was directed.</p> <p>As at 31 March 2022, all investments were in companies that were listed on the NZX Main Board and were actively traded with readily available, quoted market prices.</p> <p>All investments are held by Trustees Executors Limited (the Custodian) on behalf of the Company. Trustees Executors Limited also provides administration services for the Company.</p>	<p>Our audit procedures included updating our understanding of the business processes employed by the Company for accounting for, and valuing, its investment portfolio.</p> <p>We obtained confirmation from the Custodian that the Company was the recorded owner of all the recorded investments.</p> <p>We obtained copies of and assessed Trustees Executors Limited's Internal Controls Reports for Custody, Superannuation Member Administration, Investment Administration and Registry for the period from 1 April 2021 to 31 March 2022.</p> <p>We agreed the price for all investments held at 31 March 2022 to independent third-party pricing sources.</p>

Our audit approach

Overview

Materiality	<p>Overall materiality: \$2,527,000, which represents approximately 0.5% of the net assets.</p> <p>We used this benchmark because, in our view, the objective of the Company is to provide investors with a total return on its assets, taking account of both capital and income returns.</p>
Key audit matters	<p>As reported above, we have one key audit matter, being:</p> <ul style="list-style-type: none"> Valuation and existence of investments at fair value through profit or loss.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which the Company operates.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance about whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out above. These, together with qualitative considerations, helped us to determine the scope of our audit, the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual report, but does not include the financial statements and our auditor's report thereon. The Annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other information not yet received, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Directors and use our professional judgement to determine the appropriate action to take.

Responsibilities of the Directors for the financial statements

The Directors are responsible, on behalf of the Company, for the preparation and fair presentation of the financial statements in accordance with NZ IFRS and IFRS, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the External Reporting Board's website at:

<https://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-2/>

This description forms part of our auditor's report.



Who we report to

This report is made solely to the Company's shareholders, as a body. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders, as a body, for our audit work, for this report or for the opinions we have formed.

The engagement partner on the audit resulting in this independent auditor's report is Philip Taylor.

For and on behalf of:

A handwritten signature in cursive script that reads 'PricewaterhouseCoopers'.

Chartered Accountants
23 May 2022

Auckland

SHAREHOLDER INFORMATION

SPREAD OF SHAREHOLDERS AS AT 20 MAY 2022

Holding Range	# of Shareholders	# of Shares	% of Total
1 to 999	478	202,497	0.06
1,000 to 4,999	1,197	3,187,588	0.99
5,000 to 9,999	1,067	7,374,175	2.30
10,000 to 49,999	2,785	64,901,191	20.23
50,000 to 99,999	713	49,316,707	15.37
100,000 to 499,999	564	106,188,633	33.09
500,000 +	66	89,704,403	27.96
TOTAL	6,870	320,875,194	100%

20 LARGEST SHAREHOLDERS AS AT 20 MAY 2022

Holder Name	# of Shares	% of Total
ASB NOMINEES LIMITED <ACCOUNT 340941 - ML>	13,859,697	4.32
CUSTODIAL SERVICES LIMITED <A/C 4>	10,713,973	3.34
STEPHEN JAMES THORNTON & BERNARDINA ALEIDA MARIA SCHOLTEN & MACALISTER MAZENGARB TRUST COMPANY LIMITED <THE THORNTON-SCHOLTEN FAMILY A/C>	4,335,383	1.35
NEW ZEALAND DEPOSITORY NOMINEE LIMITED <A/C 1 CASH ACCOUNT>	3,786,884	1.18
FNZ CUSTODIANS LIMITED	3,237,688	1.01
LEVERAGED EQUITIES FINANCE LIMITED	3,035,866	0.95
DAVID HUGH BROWN & SUSANNA LLEWELLYN BROWN	2,922,000	0.91
CUSTODIAL SERVICES LIMITED <A/C 6>	2,138,801	0.67
FORSYTH BARR CUSTODIANS LIMITED <1-CUSTODY>	2,010,376	0.63
ENE TRUSTEES LIMITED	1,776,245	0.55
LLOYD JAMES CHRISTIE	1,639,850	0.51
SEATON STUART JAMES BENNY	1,607,360	0.50
NEIL BARRY ROBERTS	1,457,000	0.45
MURRAY JOHN LOMBARD ALDRIDGE & LESLEY ANN ALDRIDGE & ALDRIDGE TRUSTEE 2019 LIMITED <ALDRIDGE FAMILY A/C>	1,389,732	0.43
DAVID ROBERT APPLEBY & PRUDENCE JANE COTTER <DAVID APPLEBY INVESTMENT A/C>	1,320,000	0.41
COLIN DAVID CRAIG BENNETT	1,304,257	0.41
STEPHEN THOMAS WRIGHT & JANICE ALISON WRIGHT	1,289,736	0.40
ALBERT JOHN HARWOOD & MARLENE MARY HARWOOD	1,288,307	0.40
ASB NOMINEES LIMITED <146873 A/C>	1,125,585	0.35
COLIN DAVID CRAIG BENNETT & CLARICE AI LING BENNETT <C D C & C A L BENNETT FAMILY A/C>	1,112,693	0.35
TOTAL	61,351,433	19.12

SHAREHOLDER INFORMATION

SPREAD OF WARRANT HOLDERS AS AT 20 MAY 2022

Holding Range	# of Shareholders	# of Warrants	% of Total
1 to 999	1,380	567,947	0.72
1,000 to 4,999	2,456	6,317,259	7.99
5,000 to 9,999	1,090	7,693,464	9.73
10,000 to 49,999	1,294	26,656,168	33.71
50,000 to 99,999	145	9,813,265	12.41
100,000 to 499,999	87	15,526,778	19.64
500,000 +	11	12,500,287	15.80
TOTAL	6,463	79,075,168	100%

20 LARGEST WARRANT HOLDERS AS AT 20 MAY 2022

Holder Name	# of Warrants	% of Total
ASB NOMINEES LIMITED <ACCOUNT 340941 - ML>	3,464,925	4.38
CUSTODIAL SERVICES LIMITED <A/C 4>	2,570,714	3.25
STEPHEN JAMES THORNTON & BERNARDINA ALEIDA MARIA SCHOLTEN & MACALISTER MAZENGARB TRUST COMPANY LIMITED <THE THORNTON-SCHOLTEN FAMILY A/C>	1,050,869	1.33
FNZ CUSTODIANS LIMITED	752,861	0.95
LEVERAGED EQUITIES FINANCE LIMITED	751,868	0.95
NEW ZEALAND DEPOSITORY NOMINEE LIMITED <A/C 1 CASH ACCOUNT>	741,649	0.94
DAVID HUGH BROWN & SUSANNA LLEWELLYN BROWN	725,000	0.92
RONALD PAUL VINK	713,070	0.90
PAUL HUGHES & TAJRENA ALEXI & CR TRUSTEES LIMITED <PHTA INVESTMENT A/C>	638,388	0.81
FORSYTH BARR CUSTODIANS LIMITED <1-CUSTODY>	556,241	0.70
CUSTODIAL SERVICES LIMITED <A/C 6>	534,702	0.68
ENE TRUSTEES LIMITED	444,062	0.56
BETH RITA STEWART	414,000	0.52
LAM PUT YIM	410,000	0.52
LLOYD JAMES CHRISTIE	409,963	0.52
SEATON STUART JAMES BENNY	386,052	0.49
HAN SOL CHUNG	357,142	0.45
MURRAY JOHN LOMBARD ALDRIDGE & LESLEY ANN ALDRIDGE & ALDRIDGE TRUSTEE 2019 LIMITED <ALDRIDGE FAMILY A/C>	333,783	0.42
DAVID ROBERT APPLEBY & PRUDENCE JANE COTTER <DAVID APPLEBY INVESTMENT A/C>	330,000	0.42
JOHN ALBERT GALT	325,000	0.41
TOTAL	15,910,289	20.12

STATUTORY INFORMATION

DIRECTORS' RELEVANT INTERESTS IN EQUITY SECURITIES AT 31 MARCH 2022

Interests Register

Kingfish is required to maintain an interests register in which the particulars of certain transactions and matters involving the directors must be recorded. The interests register for Kingfish is available for inspection at its registered office. Particulars of entries in the interests register as at 31 March 2022 are as follows:

	Shares		Warrants	
	Held Directly	Held by Associated Persons	Held Directly	Held by Associated Persons
A B Ryan ⁽¹⁾	6,114	78,303	1,469	18,807
C A Campbell ⁽²⁾	56,697		13,618	
R A Coupe ⁽³⁾	52,714		12,661	
D M McClatchy ⁽⁴⁾	Nil	Nil	Nil	Nil

⁽¹⁾ A B Ryan received 2,477 shares in the year ended 31 March 2022, purchased on market as per the terms of the share purchase plan (issue price \$2.00). A B Ryan received 6,178 shares in the year ended 31 March 2022, issued under the dividend reinvestment plan (average issue price \$1.88). A B Ryan and associated persons were allocated 20,276 warrants in the year end 31 March 2022.

⁽²⁾ C A Campbell received 1,858 shares in the year ended 31 March 2022, purchased on market as per the terms of the share purchase plan (issue price \$2.00). C A Campbell received 4,149 shares in the year ended 31 March 2022, issued under the dividend reinvestment plan (average issue price \$1.88). C A Campbell was allocated 13,618 warrants in the year end 31 March 2022.

⁽³⁾ R A Coupe received 1,858 shares in the year ended 31 March 2022, purchased on market as per the terms of the share purchase plan (issue price \$2.00). R A Coupe received 3,857 shares in the year ended 31 March 2022, issued under the dividend reinvestment plan (average issue price \$1.88). R A Coupe was allocated 12,661 warrants in the year end 31 March 2022.

⁽⁴⁾ D M McClatchy joined the Kingfish board after the share purchase plan had been actioned for the year and therefore he did not hold any Kingfish shares or warrants as at 31 March 2022.

DIRECTORS HOLDING OFFICE

Kingfish's directors as at 31 March 2022 were:

- » A B Ryan (Chair)
- » C A Campbell
- » R A Coupe
- » D M McClatchy

During the year, David McClatchy was appointed as an independent director (effective 1 July 2021) and Carmel Fisher retired as a director (effective 6 August 2021).

On 18 January 2022, Alistair Ryan (Chair of Kingfish since 2012) announced that he would not be seeking re-election at this year's annual meeting and retired from the board, effective 1 June 2022. Andy Coupe, an independent director of Kingfish since 2013, succeed Alistair Ryan as Chair from 1 June 2022.

On 14 March 2022, the board of Kingfish announced the appointment of Fiona Oliver as an independent director, effective 1 June 2022. In accordance with the Kingfish constitution and NZX Listing Rules, Fiona Oliver will stand for election at the 2022 Annual Shareholders' Meeting.

In accordance with the Kingfish constitution and NZX Listing Rules, David McClatchy was elected as a director at the 2021 Annual Shareholders' Meeting and Carol Campbell was re-elected as a director at the meeting.

DIRECTORS' INDEMNITY AND INSURANCE

Kingfish has arranged Directors' and Officers' liability insurance covering directors acting on behalf of Kingfish. Cover is for damages, judgements, fines, penalties, legal costs awarded and defence costs arising from wrongful acts committed while acting for Kingfish. The types of acts that are not covered include dishonest, fraudulent, malicious acts or omissions, wilful breach of statute or regulations.

Kingfish has granted an indemnity in favour of all current directors of the Company in accordance with its constitution.

EMPLOYEE REMUNERATION

Kingfish does not have any employees. Corporate management services are provided to Kingfish by Fisher Funds Management Limited.

DIRECTORS' RELEVANT INTERESTS

The following were relevant interests of Kingfish's directors as at 31 March 2022:

A B Ryan	Barramundi Limited Marlin Global Limited	Chair Chair
C A Campbell	Barramundi Limited Marlin Global Limited T&G Global Limited Hick Bros Holdings Limited & subsidiary companies Woodford Properties 2018 Limited alphaXRT Limited New Zealand Post Limited Key Assets Foundation Key Assets NZ Limited Kiwibank Limited Asset Plus Limited NZME Limited Nica Consulting Limited Cord Bank Limited T&G Insurance Limited Bankside Chambers Limited Chubb Insurance New Zealand Limited	Director Director Director Director Director Director Director Trustee Director Director Director Director Director Director Director Director Director Director Director Director
R A Coupe	Barramundi Limited Marlin Global Limited Coupe Consulting Limited Briscoe Group Limited Television New Zealand Limited	Director Director Director Director Chair
D M McClatchy	Barramundi Limited Marlin Global Limited Guardians of NZ Superannuation	Director Director Director

AUDITOR'S REMUNERATION

During the 31 March 2022 year, the following amounts were paid/payable to the auditor, PricewaterhouseCoopers New Zealand.

	\$000
Statutory audit and review of financial statements	53
Other assurance services	0
Non assurance services	5

PricewaterhouseCoopers New Zealand is a registered audit firm and its audit partners are licensed auditors under the Auditor Regulation Act 2011.

DONATIONS

Kingfish did not make any donations during the year ended 31 March 2022.

DIRECTORY

REGISTERED OFFICE

Kingfish Limited
Level 1
67 – 73 Hurstmere Road
Takapuna
Auckland 0622

DIRECTORS

Independent Directors
Andy Coupe (Chair)
Carol Campbell
David McClatchy
Fiona Oliver

CORPORATE MANAGEMENT TEAM

Wayne Burns
Beverley Sutton

NATURE OF BUSINESS

The principal activity of Kingfish is investment in quality, growing New Zealand companies.

MANAGER

Fisher Funds Management Limited
Level 1
67 – 73 Hurstmere Road
Takapuna
Auckland 0622

SHARE REGISTRAR

Computershare Investor Services Limited
Level 2
159 Hurstmere Road
Takapuna
Auckland 0622
Private Bag 92119
Auckland 1142

Phone: +64 9 488 8777
Email: enquiry@computershare.co.nz

AUDITOR

PricewaterhouseCoopers New Zealand
Level 27
PwC Tower
15 Custom Street West
Auckland 1010

SOLICITOR

Bell Gully
Level 21
48 Shortland Street
Auckland 1010

BANKER

ANZ Bank New Zealand Limited
23-29 Albert Street
Auckland 1010

FOR MORE INFORMATION

For enquiries about transactions, changes of address and dividend payments, contact the share registrar above. Alternatively, to change your address, update your payment instructions and to view your investment portfolio including transactions online, please visit: www.investorcentre.com/NZ

FOR ENQUIRIES ABOUT KINGFISH CONTACT

Kingfish Limited, Level 1, 67 – 73 Hurstmere Road, Takapuna, Auckland 0622
Private Bag 93502, Takapuna, Auckland 0740

Phone: +64 9 489 7094 | Email: enquire@kingfish.co.nz

The information contained in this annual report is provided for information purposes only and does not constitute an offer, invitation, basis for a contract, financial advice, other advice or recommendation to conclude any transaction for the purchase or sale of any security, loan or other instrument. In particular, the information contained in this annual report is not financial advice for the purposes of the Financial Markets Conduct Act 2013, as amended and should not be relied upon when making an investment decision. Professional financial advice from a financial adviser should be taken before making an investment.



KINGFISH

LANDING TOMORROW'S TROPHIES