



MONTHLY UPDATE

May 2021

Share Price

\$1.94

KFL NAV

\$1.79

PREMIUM¹

8.2%

as at 30 April 2021

A WORD FROM THE MANAGER

Market Update

In April, Kingfish's gross performance return was +1.7% and the adjusted NAV return was up 1.6%. This compares with the local market benchmark index return which was +1.4% (S&P/NZX50G).

The Portfolio

Auckland Airport (-1%) opened quarantine-free travel with Australia during April. Traffic has been modest so far (around 30% of 2019 levels) with passengers largely being returning residents and those visiting friends and family. The easing of border restrictions with Australia will act as a test case for wider border openings with low-risk countries such as the Pacific Islands and possibly certain Asian nations.

Electricity generator-retailers **Contact Energy (+8%)** and **Meridian (-1%)** have had differing fortunes after being downweighted in the Blackrock renewable energy ETFs during April with a large number of shares trading. Contact is benefiting from its long generation position at the current time of high electricity prices whereas Meridian is generating less due to low hydro lake levels.

Premium wine company **Delegat (+2%)** announced the result of its 2021 harvest. The harvest was 2% lower than the prior vintage due to unseasonal cool spring weather during flowering. However, this result was far better than overall industry estimates of a reduction of 20-30% for the total Marlborough sauvignon blanc industry. The resilient outcome shows good viticulture risk management and was supported by ongoing growth in planted area and the ability to source greater volumes from grower partners. The one-off negative financial impact is largely contained within the 2022 fiscal year and does not affect the company's attractive longer-term growth trajectory.

F&P Healthcare (+12%) shares rose as the acceleration in COVID cases in India drove an increase in global cases to new highs since the pandemic began. The company continues to provide equipment to treat the ongoing wave of COVID patients.

Infratil (+2%) announced the acquisition of Pacific Radiology, New Zealand's largest provider of diagnostic imaging with 46 clinics and 90 radiologists. This is Infratil's second investment in diagnostic imaging, after acquiring Australian business Qscan last year. The investment is based on the strong organic growth outlook for the industry plus scale benefits the combined platform will obtain, such as buying equipment. During the month Infratil also benefited from an increased offer to acquire its shareholding in Tilt Renewables at \$8.10 per share after a competing bid emerged to drive up the original \$7.80 offer. The Pacific Radiology deal is an attractive way to reinvest the proceeds from the Tilt sale.

Summerset (+1%) reported strong first quarter sales metrics, including best-ever resales figures (127 units) and the second-best quarterly unit sales overall (275 units).

Vista (+11%) continued to perform well as Godzilla vs Kong delivered good box office numbers in its first weeks of screening. This is another proof point that audiences will return to cinemas when there is the combination of safety (absence of COVID and/or vaccine rollout) and content (with Hollywood blockbusters a key component for many markets).

Sam Dickie
Senior Portfolio Manager
Fisher Funds Management Limited



¹ Share Price Premium to NAV (using NAV to four decimal places)

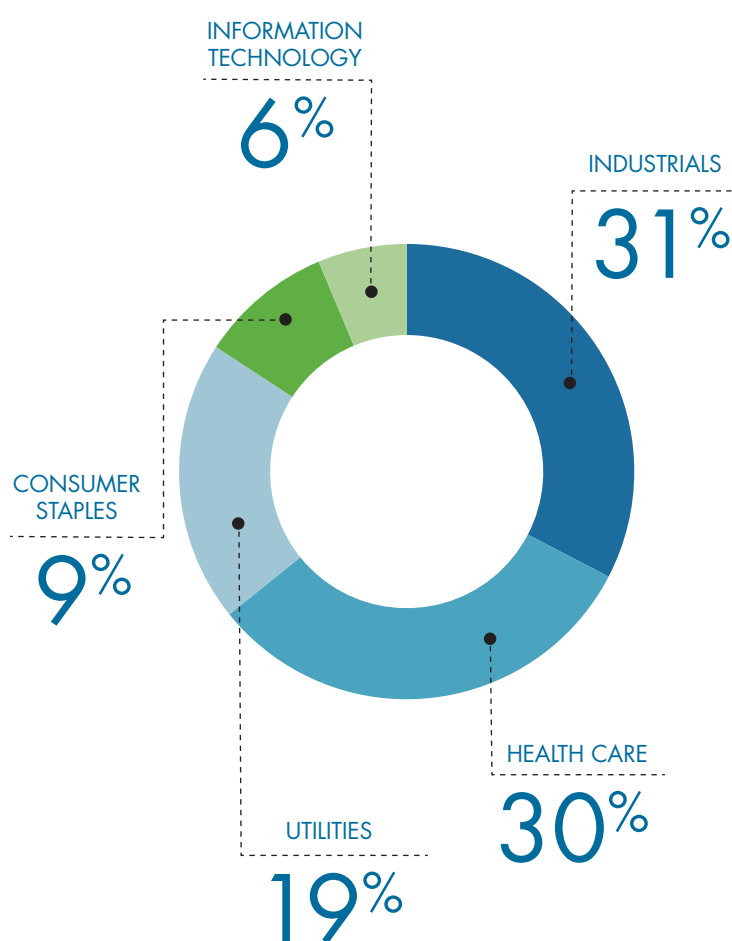
KEY DETAILS

as at 30 April 2021

FUND TYPE	Listed Investment Company
INVESTS IN	Growing New Zealand companies
LISTING DATE	31 March 2004
FINANCIAL YEAR END	31 March
TYPICAL PORTFOLIO SIZE	10-25 stocks
INVESTMENT CRITERIA	Long-term growth
PERFORMANCE OBJECTIVE	Long-term growth of capital and dividends
TAX STATUS	Portfolio Investment Entity (PIE)
MANAGER	Fisher Funds Management Limited
MANAGEMENT FEE RATE	1.25% of gross asset value (reduced by 0.10% for every 1% of underperformance relative to the change in the NZ 90 Day Bank Bill Index with a floor of 0.75%)
PERFORMANCE FEE HURDLE	Changes in the NZ 90 Day Bank Bill Index + 7%
PERFORMANCE FEE	10% of returns in excess of benchmark and high water mark
HIGH WATER MARK	\$1.76
PERFORMANCE FEE CAP	1.25%
SHARES ON ISSUE	312m
MARKET CAPITALISATION	\$605m
GEARING	None (maximum permitted 20% of gross asset value)

SECTOR SPLIT

as at 30 April 2021



The Kingfish portfolio also holds cash

PERFORMANCE to 30 April 2021

	1 Month	3 Months	1 Year	3 Years (annualised)	5 Years (annualised)
Company Performance					
Total Shareholder Return	+2.1%	(3.1%)	+44.7%	+26.4%	+18.9%
Adjusted NAV Return	+1.6%	0.0%	+31.4%	+19.5%	+16.2%
Portfolio Performance					
Gross Performance Return	+1.7%	+0.7%	+35.8%	+23.0%	+19.1%
S&P/NZX50G Index	+1.4%	(3.0%)	+20.9%	+14.7%	+13.3%

Non-GAAP Financial Information

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

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

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

APRIL'S SIGNIFICANT RETURNS IMPACTING THE PORTFOLIO during the month

Typically the Kingfish portfolio will be invested 90% or more in equities.

FISHER & PAYKEL
HEALTHCARE

+12%

VISTA GROUP

+11%

CONTACT ENERGY

+8%

A2 MILK

-11%

PUSHPAY

-12%

5 LARGEST PORTFOLIO POSITIONS as at 30 April 2021

MAINFREIGHT

18%

FISHER & PAYKEL
HEALTHCARE

17%

INFRATIL

14%

SUMMERSET

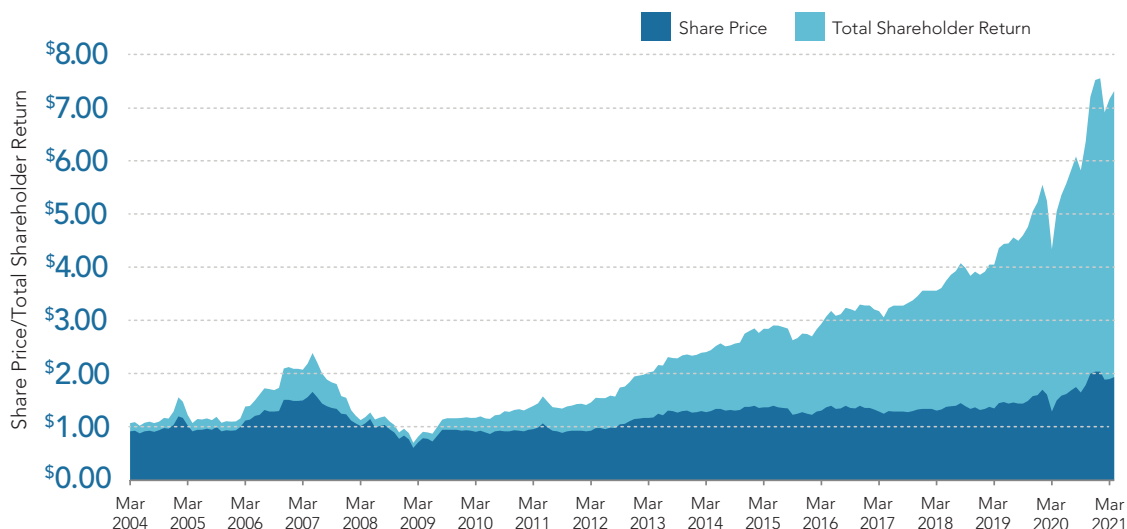
8%

AUCKLAND
INTERNATIONAL AIRPORT

7%

The remaining portfolio is made up of another 9 stocks and cash.

TOTAL SHAREHOLDER RETURN to 30 April 2021



ABOUT KINGFISH

Kingfish is an investment company listed on the New Zealand Stock Exchange. The company gives shareholders an opportunity to invest in a diversified portfolio of between 10 and 25 quality growing New Zealand companies through a single, professionally managed investment. The aim of Kingfish is to offer investors competitive returns through capital growth and dividends.

MANAGEMENT

The Manager has authority delegated to it from the Board to invest according to the Management Agreement and other written policies. Kingfish's portfolio is managed by Fisher Funds Management Limited. Sam Dickie (Senior Portfolio Manager), Matt Peek and Michael Bacon (Senior Investment Analysts) have prime responsibility for managing the Kingfish portfolio with the assistance of Luke O'Donovan (Quantitative Analyst). Together they have around 50 years combined experience and are very capable of researching and investing in the quality New Zealand companies that Kingfish targets. Fisher Funds is based in Takapuna, Auckland.

BOARD

The Board of Kingfish comprises independent directors Alistair Ryan (Chair), Carol Campbell, Andy Coupe and Carmel Fisher.

CAPITAL MANAGEMENT STRATEGIES

Regular Dividends

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

Share Buyback Programme

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

Warrants

- » Warrants put Kingfish in a better position to grow further, operate efficiently, and pursue other capital structure initiatives as appropriate.
- » A warrant is the right, not the obligation, to purchase an ordinary share in Kingfish at a fixed price on a fixed date.
- » There are currently no Kingfish warrants on issue.

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



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