



MONTHLY UPDATE

February 2025

SHARE PRICE

\$1.35

KFL NAV

\$1.46

DISCOUNT¹

7.3%

as at 31 January 2025

A WORD FROM THE MANAGER

The Kingfish portfolio gross performance return and adjusted NAV return in January were -1.8% and -1.7% respectively, versus the New Zealand shares benchmark S&P/NZX 50 return of -0.9%.

There was limited news flow during the month, in the typically quiet January holiday period ahead of February reporting.

Infratil (-11%) provided an update in relation to the value of its stake in CDC Data Centres at the end of December, versus the last update to the end of September. The value of its stake effectively fell A\$320m (around 7%) over those three months, which it attributed to a lift in global interest rates over the period increasing expected future interest costs. CDC also announced it has completed contracting for 230MW of capacity by year end versus expectations earlier in 2024 that this would reach 400MW. Looking at the big picture, this rate of contracting is still much higher than was anticipated a year ago, however it was disappointing to see expectations for a higher level of contracting not met.

Summerset (-1%) provided its regular quarterly unit sales update for the December quarter. It reported 361 sales, with 169 new sales and 192 resales. This brought its 2024 full-year total to a record 1,238 settlements, up 12% from 2023 and largely in line with market and our own expectations. Despite the ongoing challenges in the housing market and lower contracted stock levels as at June, the quarter saw Summerset's highest-ever resales. This points to demand for its established villages plus the ongoing 'seasoning' from its historic and ongoing growth, as existing villages see more turnover once they have been established for several years, so we expect growth in resales will be ongoing.

Given the tough economic environment in 2024, it was interesting to see several listed retailers (none owned by Kingfish) provide updates for the holiday period trading, to see whether the Reserve Bank of New Zealand's interest rate cuts over prior months and the resulting optimism had translated into increasing consumer spend. In short, discretionary categories appear to remain under pressure, with jewellery retailer Michael Hill (share price -13% in January) seeing New Zealand sales from September through December around -10% on the prior year, a bigger decline than -6% in July and August. Homeware and sporting goods retailer Briscoe Group (-8%) and outdoors retailer Kathmandu (-9%) provided updates that showed local sales broadly in line with the comparable period last year, but large declines in profit that revealed that those results have been achieved by greater depth and frequency of discounting, which has hurt profit margins. It appears the anticipated consumer recovery in New Zealand is yet to take hold.

Matt Peek
Portfolio Manager
Fisher Funds Management Limited



¹ Share Price Discount to NAV (using the net asset value per share, after expenses, fees and tax, to four decimal places).

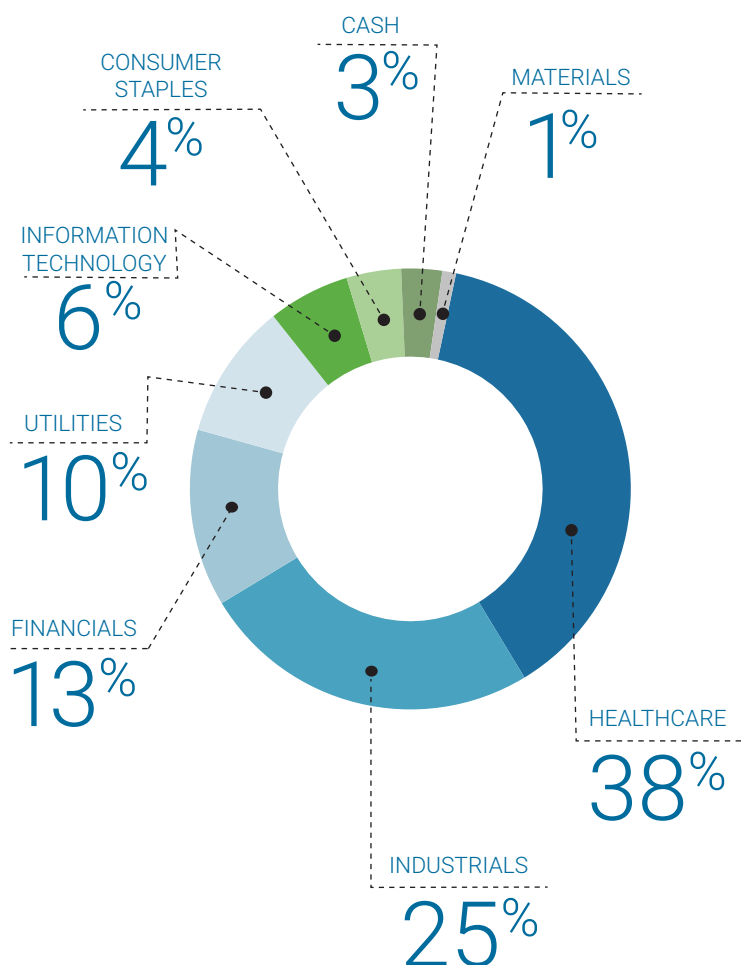
KEY DETAILS

as at 31 January 2025

FUND TYPE	Listed Investment Company
INVESTS IN	Growing New Zealand companies
LISTING DATE	31 March 2004
FINANCIAL YEAR END	31 March
TYPICAL PORTFOLIO SIZE	15-25 stocks
INVESTMENT CRITERIA	Long-term growth
PERFORMANCE OBJECTIVE	Long-term growth of capital and dividends
TAX STATUS	Portfolio Investment Entity (PIE)
MANAGER	Fisher Funds Management Limited
MANAGEMENT FEE RATE	1.25% of gross asset value (reduced by 0.10% for every 1% of underperformance relative to the change in the NZ 90 Day Bank Bill Index with a floor of 0.75%)
PERFORMANCE FEE HURDLE	Changes in the NZ 90 Day Bank Bill Index + 7%
PERFORMANCE FEE	10% of returns in excess of benchmark and high-water mark
HIGH WATER MARK	\$1.26
PERFORMANCE FEE CAP	1.25%
SHARES ON ISSUE	346m
MARKET CAPITALISATION	\$467m
GEARING	None (maximum permitted 20% of gross asset value)

SECTOR SPLIT

as at 31 January 2025



PERFORMANCE as at 31 January 2025

	1 Month	3 Months	1 Year	3 Years (annualised)	5 Years (annualised)
Company Performance					
Total Shareholder Return	+0.7%	+9.6%	+16.2%	+0.4%	+4.7%
Adjusted NAV Return	(1.7%)	+2.5%	+18.5%	+5.0%	+6.1%
Portfolio Performance					
Gross Performance Return	(1.8%)	+3.1%	+21.2%	+6.6%	+7.8%
S&P/NZX50G Index	(0.9%)	+2.8%	+9.5%	+3.0%	+2.1%

Non-GAAP Financial Information

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

- » adjusted net asset value – the underlying value of the investment portfolio adjusted for dividends (and other capital management initiatives) and after expenses, fees and tax,
- » adjusted NAV return – the percentage change in the adjusted NAV,
- » gross performance return – the Manager's portfolio performance in terms of stock selection, before expenses, fees and tax, and
- » total shareholder return – the return combines the share price performance, the warrant price performance, the net value of converting any warrants into shares, and the dividends paid to shareholders. It assumes all dividends are reinvested in the company's dividend reinvestment plan, and that shareholders exercise their warrants, (if they were in the money), at warrant expiry date.

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

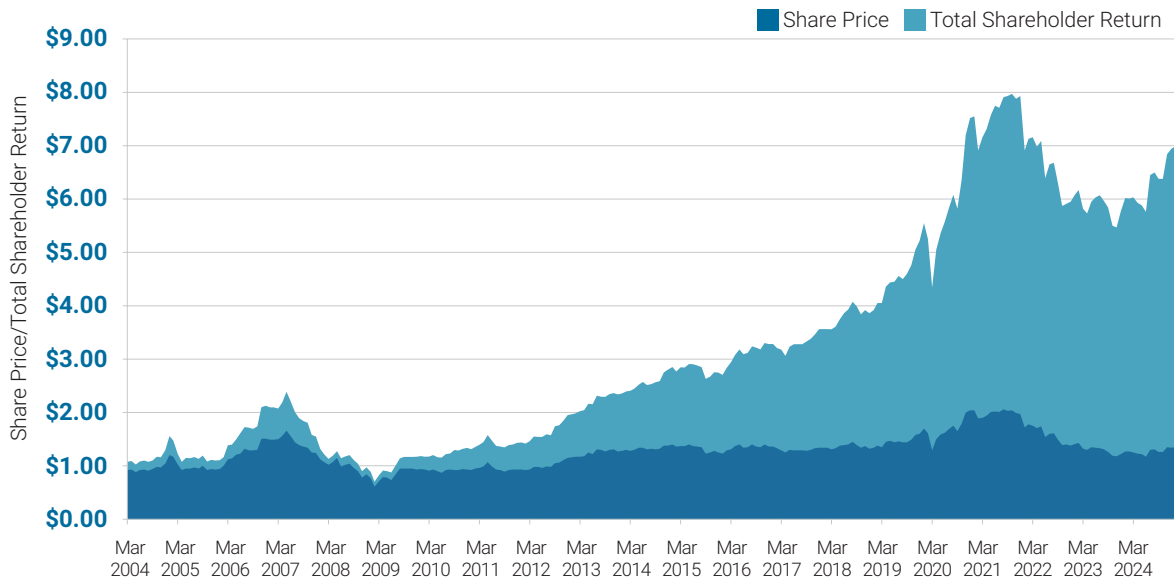
JANUARY'S SIGNIFICANT RETURNS IMPACTING THE PORTFOLIO during the month

EBOS	VISTA GROUP	a2 MILK COMPANY	RYMAN HEALTHCARE	INFRATIL
+8%	+5%	+2%	-7%	-11%

5 LARGEST PORTFOLIO POSITIONS as at 31 January 2025

FISHER & PAYKEL HEALTHCARE	INFRATIL	MAINFREIGHT	SUMMERSET	AUCKLAND INTERNATIONAL AIRPORT
19%	13%	10%	9%	8%

TOTAL SHAREHOLDER RETURN to 31 January 2025



ABOUT KINGFISH

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

MANAGEMENT

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

BOARD

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

CAPITAL MANAGEMENT STRATEGIES

Regular Dividends

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

Share Buyback Programme

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

Warrants

- » 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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