



ANNUAL REPORT

31 MARCH

2023



Management commentary
(no financial statements)

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CALENDAR

Next Dividend Payable

23 JUNE 2023


Annual Shareholders' Meeting
Ellerslie Event Centre, Auckland

4 AUGUST 2023, 10:30AM

Interim Period End (1H24)

30 SEPTEMBER 2023

This report is dated 26 June 2023 and is signed on behalf of the Board of Kingfish 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 the ‘STEEPP’ investment criteria (see pages 18 and 19).

AT A GLANCE

FOR THE 12 MONTHS ENDED 31 MARCH 2023

AS AT 31 MARCH 2023

-\$19.5m

Net loss

-2.7%

Gross performance return

\$1.40

NAV per share

-18.8%

Total shareholder return

-3.6%

Adjusted NAV return

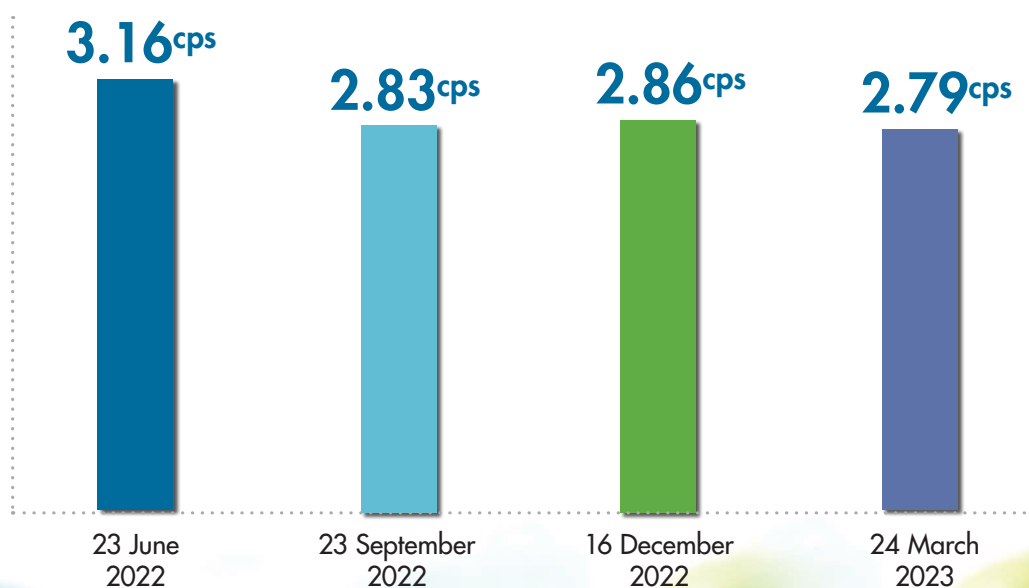
\$1.32

Share price

DIVIDENDS PAID

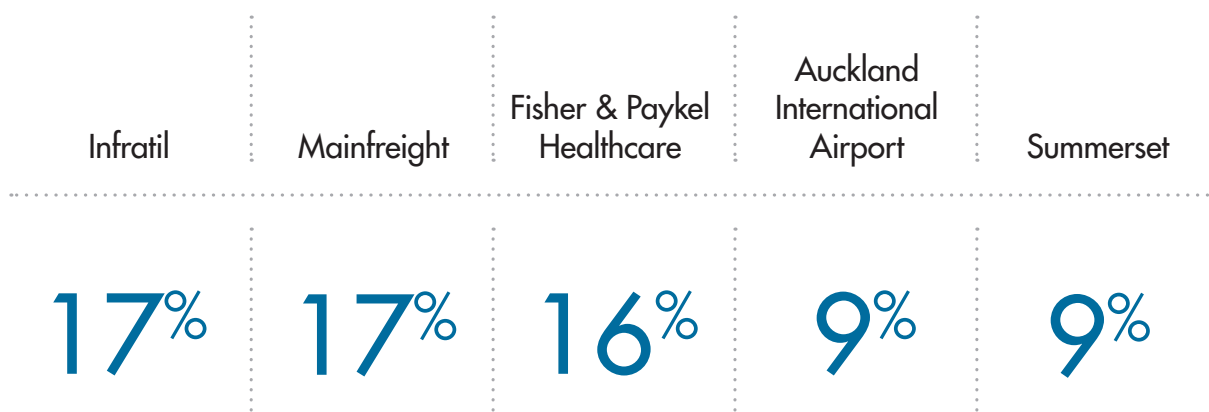
DIVIDENDS PAID DURING THE YEAR ENDED 31 MARCH 2023 (CENTS PER SHARE)

Total dividends of 11.64 cps were paid during the financial year (2022: 14.34 cps)



LARGEST INVESTMENTS

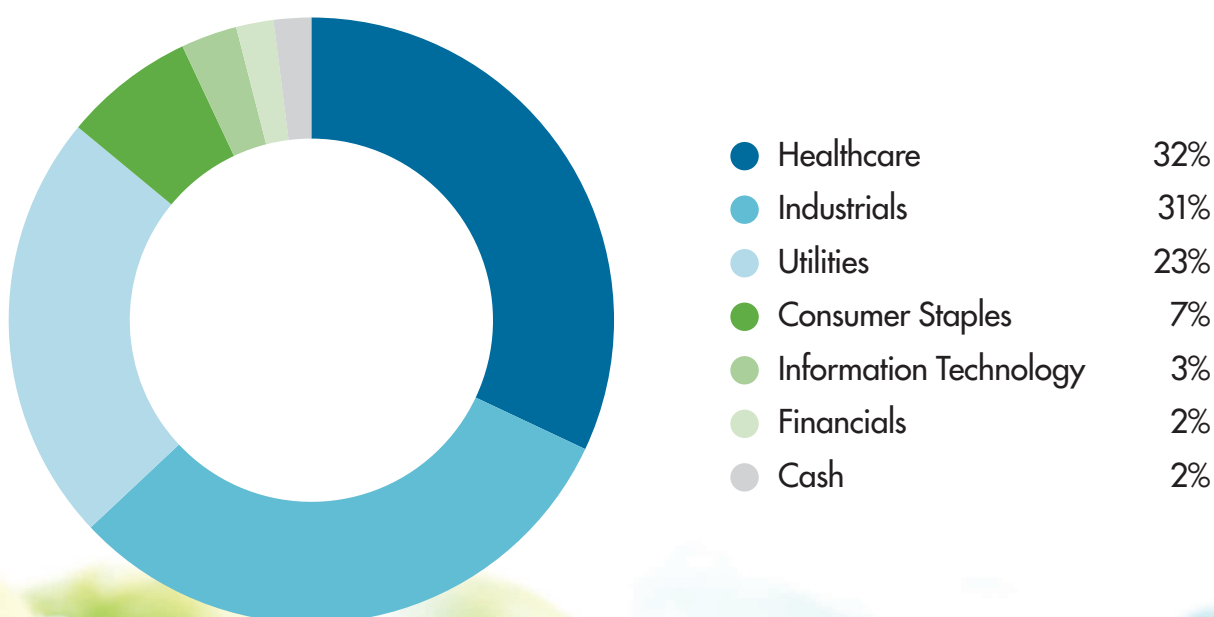
AS AT 31 MARCH 2023



These are the five largest percentage holdings in the Kingfish portfolio. The full Kingfish portfolio and percentage holding data as at 31 March 2023 can be found on page 17.

SECTOR SPLIT

AS AT 31 MARCH 2023



DIRECTORS' OVERVIEW



Andy Coupe
Chair

“It has been a challenging year for the New Zealand listed equities market, which disappointingly has resulted in a net loss for Kingfish (after expenses, fees and tax) of \$19.5m.”

Investors have experienced another tough year, with markets being driven by a myriad of factors. These included recession concerns, rapidly rising interest rates in response to inflation, the geo political uncertainty in Europe, and the ongoing normalisation of conditions post COVID induced irregularities. In March, just before the end of the Kingfish financial year, we saw both US and European central banks undertake action to avoid a banking liquidity crisis, which in turn led to a further fall in global investor and consumer confidence.

During these periods of macro-economic change and uncertainty we often see equity markets become driven by sentiment towards short-term events and earnings risk, rather than longer-term fundamentals, leading to increased volatility. Some high quality, established and profitable companies have seen their shares sold down alongside their more speculative counterparts, while their longer-term prospects are unchanged. The Manager believes that Kingfish remains well-placed, by virtue of the quality of the portfolio companies' business models and their attractive long-term runways for earnings growth. These factors, when combined with more favourable valuations, means the current environment presents an attractive opportunity for patient investors.

Notwithstanding these share market challenges, the directors are disappointed to report a reduction in Kingfish Limited's Net Asset Value (NAV) for the year, from \$505 million to \$462 million. The Kingfish portfolio recorded a negative 2.7% Gross Performance Return¹ and a negative 3.6% Adjusted Net Asset Value (NAV) Return². It is always disappointing to record a negative return for any reporting period, however we note that the Kingfish performance was broadly in-line with the S&P/NZX50 benchmark which was negative 1.9% for the same period. It is also relevant to note that the Kingfish annualised adjusted NAV performance over the longer term of three and five years, being 9.5% and 9.1%, are 2.8 and 1.7 percentage points above the S&P/NZX50G index for those same three and five-year periods of 6.7% and 7.4%.

Revenues and Expenses

The 2023 net loss result comprised losses on investments of \$23.7m, operating expenses and tax of \$4.8m, less dividend and interest income of \$9.0m.

Overall operating expenses were \$1.9m lower than the corresponding period, mainly due to lower management fees.

The management agreement fee rebate formula has reduced the Kingfish annual management fee from 1.25%pa to 0.75%pa, a saving of \$2.3m. This adjustment occurred because the gross performance return of the Kingfish portfolio for the year was 6.1 percentage points below the change in the S&P/NZX Bank Bill 90day index for the year (3.2%)³.

Dividends

Kingfish continues to distribute 2.0% of average net asset value per quarter, as shareholders consistently express the attraction of receiving the regular distributions. Over the 12-month period to 31 March 2023, Kingfish paid 11.64 cents per share in dividends (2022:14.34 cps). The next dividend will be 2.82 cents per share, payable on 23 June 2023 with a record date of 8 June 2023.

Kingfish has a dividend reinvestment plan which provides 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

The most recent warrant issued by Kingfish (KFLWG) was out-of-the-money on its exercise date of 18 November 2022, and therefore only 133,568 (0.17%) of the 79 million warrants were exercised. Warrants continue to be a part of the overall capital management programme.

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. Subject to a minimum 0.75% pa management fee.

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

DIRECTORS' OVERVIEW CONTINUED

Share Buybacks

The share buyback programme⁵ is another part of Kingfish's capital management. During the 12 months to 31 March 2023, the share price was never at a discount of greater than 6% when compared to the adjusted NAV, and therefore there were no buybacks, (FY22:Nil). Subsequent to 31 March 2023, the company has bought back 379,378 shares in the period to 31 May 2023.

Annual Shareholders' Meeting

The 2023 annual shareholders' meeting will be held on Friday 4 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.

Conclusion

The year ended 31 March 2023 was yet another challenging period for the New Zealand share market. Notwithstanding the changeable market conditions over the period, your directors remain confident in the 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 4 August.

On behalf of the Board,



Andy Coupe / Chair
Kingfish Limited
26 June 2023

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

FIGURE 1: FIVE-YEAR PERFORMANCE SUMMARY

Corporate Performance

For the year ended 31 March	2023	2022	2021	2020	2019	5 years (annualised)
Total Shareholder Return	(18.8%)	0.02%	65.1%	7.2%	13.5%	10.3%
Adjusted NAV Return	(3.6%)	(3.5%)	41.1%	0.4%	17.6%	9.1%
Dividend Return ¹	7.7%	7.4%	7.7%	8.5%	8.6%	
Net (Loss) / Profit	(\$19.5m)	(\$17.3m)	\$142.7m	\$1.7m	\$47.1m	
Basic Earnings per Share	-6.00cps	-5.49cps	56.28cps	0.75cps	24.24cps	
OPEX ratio	0.9%	1.1%	2.9%	1.5%	3.0%	
OPEX ratio (before performance fee)	0.9%	1.1%	1.5%	1.5%	1.5%	
As at 31 March	2023	2022	2021	2020	2019	
NAV (as per financial statements)	\$1.40	\$1.58	\$1.77	\$1.39	\$1.57	
Adjusted NAV	\$6.30	\$6.53	\$6.77	\$4.80	\$4.78	
Share price	\$1.32	\$1.75	\$1.90	\$1.29	\$1.35	
Warrant price	-	\$0.05	-	\$0.03	\$0.06	
Share price discount / (premium) to NAV ²	5.7%	(11.6%)	(7.3%)	6.7%	13.1%	

Manager Performance

For the year ended 31 March	2023	2022	2021	2020	2019	5 years (annualised)
Gross Portfolio Performance (before expenses, fees and tax)	(2.7%)	(2.5%)	46.0%	2.9%	21.2%	11.5%
S&P/NZX50G	(1.9%)	(3.6%)	28.2%	(0.5%)	18.3%	7.4%
Performance fee hurdle / Benchmark Rate ³	10.2%	7.5%	7.3%	8.6%	9.0%	

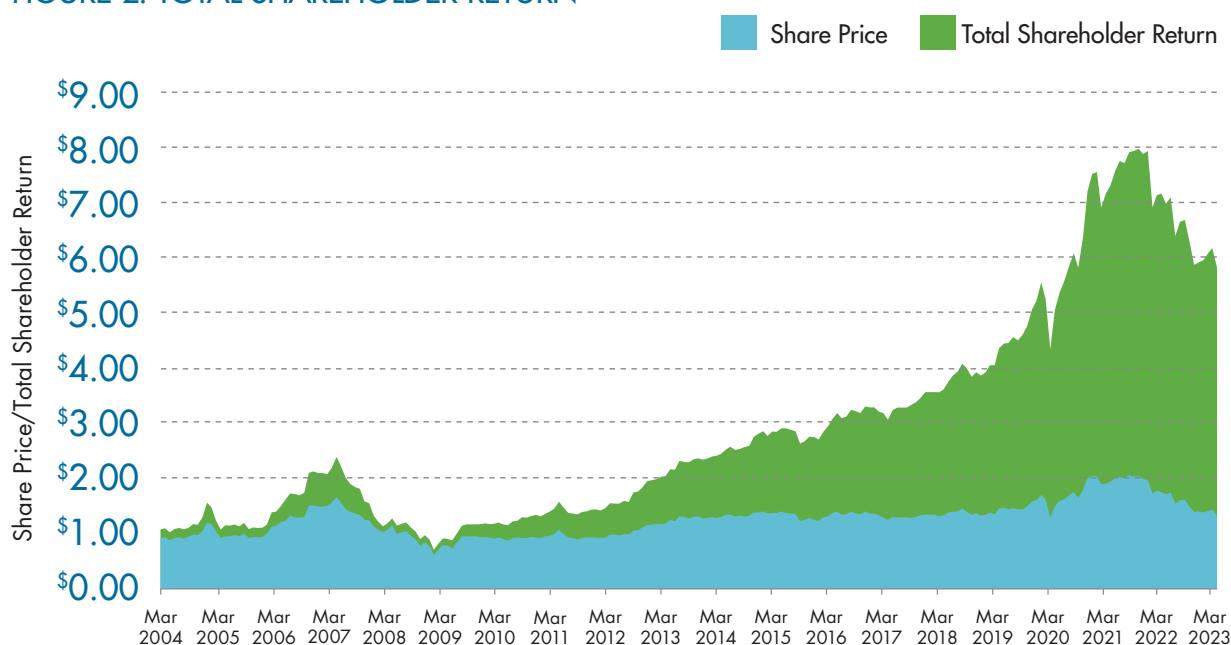
NB: All returns have been reviewed by an independent actuary.

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

³ 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 the following 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 percentage change in the adjusted net asset value,
- » 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 <https://www.kingfish.co.nz/about-kingfish/kingfish-policies>.

MANAGER'S REPORT



Matt Peek
Portfolio Manager

“While it was a challenging year in financial markets, Kingfish’s portfolio companies continued to focus on positioning themselves to create future value for shareholders.”

SUMMARY AND MARKET REVIEW

The last year and a half in global markets has been tough. The New Zealand market has not been immune but has held up better.

During the financial year to 31 March 2023, the New Zealand share market benchmark¹ fell by -1.9%, and Kingfish was slightly lower at -2.7% (gross performance return). By comparison, the MSCI World index, which measures developed world markets, was down -7.0%.

The financial year began with global markets lacking in confidence. Inflation was rising and concerns were growing that it could only be contained by much more restrictive monetary policy by central banks. Higher interest rates impact the markets negatively in two key ways. Firstly, higher interest rate settings tend to weigh on global economic growth, which means a less conducive environment for companies to do business. Secondly, the valuation of most financial assets (shares and bonds) falls as interest rates rise, as the discount rate applied to future cash flows increases.

To add to this, Russia invaded Ukraine in late February 2022. While most thought it would be over relatively quickly, that proved not to be the case and sadly the conflict is still ongoing at the time of writing. This has disrupted global energy markets, pushing the cost of oil up significantly from already elevated levels, adding additional inflationary pressures and a headwind to economic activity.

Domestically, the Reserve Bank of New Zealand moved to address inflation with restrictive monetary policy, hiking the Official Cash Rate more aggressively than expected. Higher interest rates naturally led to concerns that this could precipitate a recession, given New Zealand households are highly indebted. Alongside the prospect of falling house prices, these rising interest rates acted to reduce discretionary spending in the economy.

In the first half of the year, against this backdrop, the NZ market¹ fell -8.6%.

In the second half of the year, data began to show inflation had peaked and was starting to reduce, which saw those key longer-term interest rates stabilise, albeit at considerably higher levels.

Despite continued negative headlines in the second half of the 2023 financial year, the New Zealand share market rose +7.4%¹ due to the improving inflationary backdrop and rising global markets.

THE KINGFISH PORTFOLIO YEAR IN REVIEW

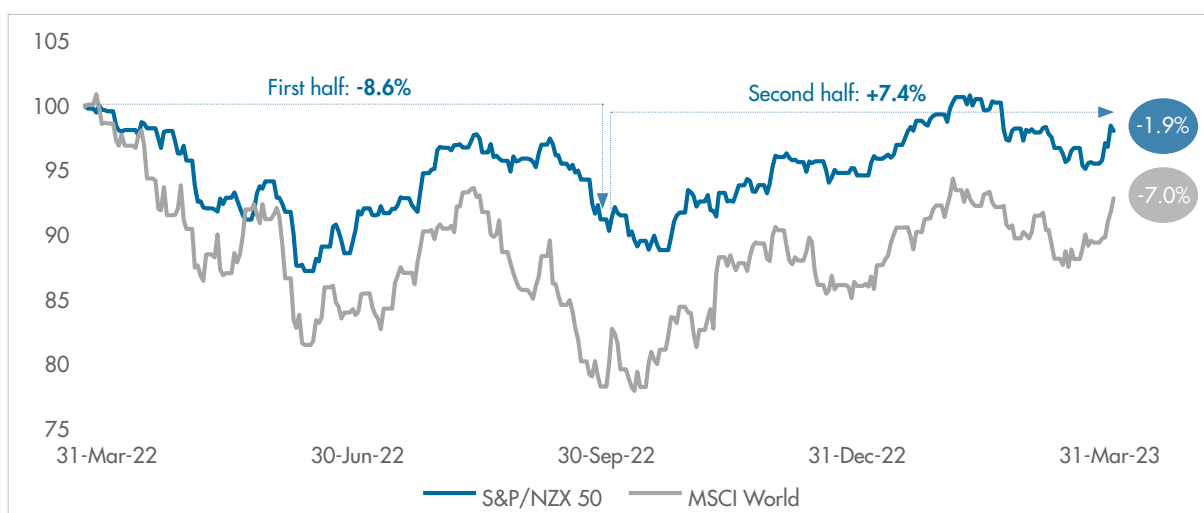
It has been a tricky environment for growth orientated investors, including Kingfish.

In the 2023 financial year, Kingfish's performance was negatively impacted by the interest rate and housing market effect on the retirement village companies and more economically sensitive names like Mainfreight and Freightways.

Positive performers in the portfolio came in three buckets. Firstly, more defensive growth/infrastructure companies such as Infratil and Auckland Airport performed well. Secondly, less economically sensitive healthcare companies EBOS and Fisher & Paykel Healthcare continued to grow as pharmacy volumes and the number of respiratory patients rose with a growing and ageing population. Thirdly, some companies' performance benefited from 'self help' initiatives such as a2 Milk, which is back to growth under its new management team, and Pushpay, which solicited takeover offers during the year.

While it was a challenging year in financial markets, Kingfish's portfolio companies continued to focus on positioning themselves to create future value for shareholders.

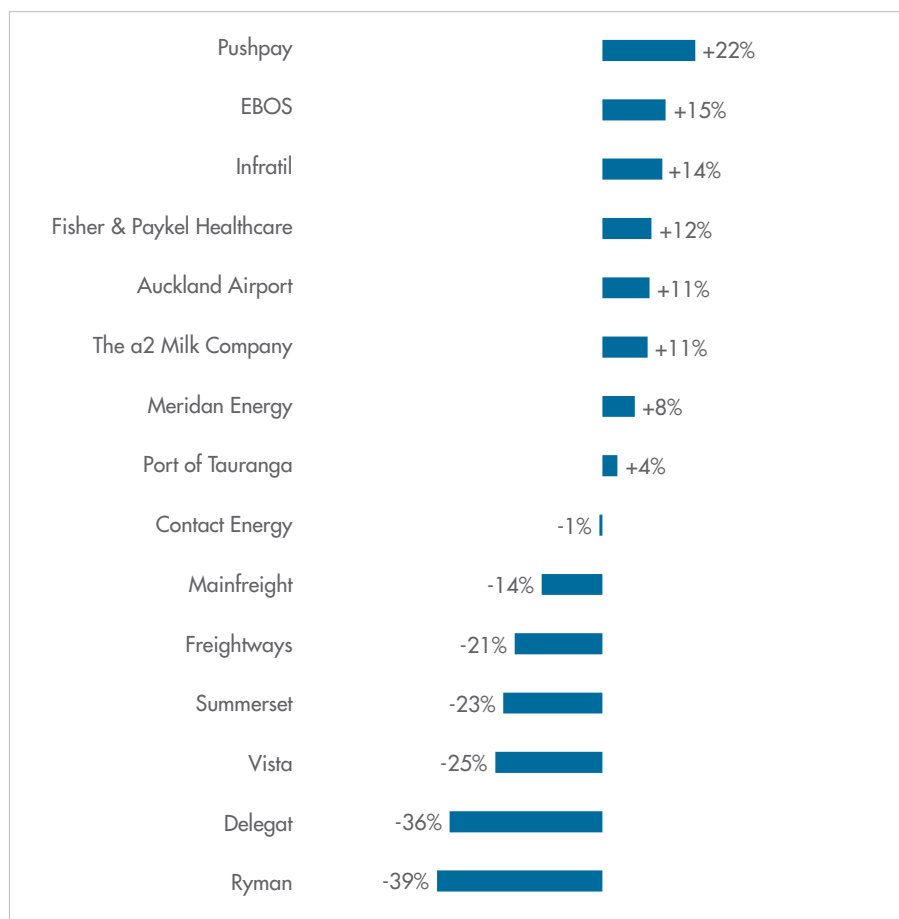
Chart: Despite a tough 2023 financial year, the New Zealand market held up better than global markets



¹ S&P/NZX 50 gross index excluding imputation credits.

MANAGER'S REPORT CONTINUED

Chart: Portfolio Company Total Share Returns (year to 31 March 2023)



PERFORMANCE HIGHLIGHTS

Pushpay

The best performer in the Kingfish portfolio for the year was Pushpay (+22% total share return) after it received a takeover offer during the year, which was subsequently completed in May 2023.

The possibility of a takeover dominated newsflow and share price action for Pushpay over the last year, with the company finally taken private in late May 2023 for \$1.42 per share. It took over a year from the company announcing it had received approaches from interested third parties to shareholders accepting a revised offer.

Pushpay remains the leader in software for churches to manage their congregation and receive donations. The business is still the leader in its sector, though competitors have been catching up in more recent times. The company has further runway for future growth, although this is contingent on successfully gaining traction in the Catholic sector. It was disconcerting through the takeover process to see the board seemingly unwilling to back the business and management to achieve its growth aspirations.

While we rejected the initial takeover bid of \$1.34, we voted in favour of the revised \$1.42 offer with the view it was the best option for Kingfish shareholders.

EBOS

Over the last 12 months, EBOS (+15%) delivered the operating performance you would expect from a high-quality defensive growth business, being solid organic growth. Pleasingly, its significant LifeHealthcare medical device distribution business performed in line with expectations at the time of its acquisition in late 2021 and has improved the diversity and growth options for the business.

The underlying pharmaceutical wholesale market continues to benefit from strong sales of antiviral medicines and high value speciality medicines. Outside of Community Pharmacy, EBOS continues to gain market share in its Contract Logistics business and the company has also successfully brought its pet food manufacturing in house which has allowed it to capture further profit margin in its Animal Care division.

Fisher & Paykel Healthcare

Fisher & Paykel Healthcare (FPH, +12%) recovered from a tough start to the year as operating conditions returned to normal after a couple of years heavily influenced by COVID waves. The company emerged from an ebb in demand in the first half to bounce back strongly in the second as it continues to change clinical practice and sell more of its respiratory equipment globally.

As we have previously discussed, FPH performed exceptionally during COVID, as sales for its high flow nasal oxygen therapy products Airvo (the hardware) and Optiflow (the consumables) exploded in response to the pandemic.

Hardware sales were subsequently expected to be muted for a time as hospitals globally digested 10 years' worth of hardware sales in around two years. However, hardware sales have held up better than expected and remain ahead of pre-COVID levels, supported by new product launches plus equipment upgrades and expansions across the company's large and diverse global customer base.

Consumable sales have been more unpredictable than expected. In the first half of the financial year, hospitals reduced their nasal high flow consumables stocks after later COVID variants proved far less severe which impacted the company's sales. In addition, indirect COVID-induced irregularities such as fatigue and understaffing of medical professions have hampered changing clinical practice. This has tempered hardware utilisation and short-term sales expectations for consumables, as the global healthcare system takes time to settle into more normal conditions.

Despite some greater than expected volatility in earnings in the short term, FPH continues to invest for the future. Its growth aspirations remain to sustainably double every 5-6 years, which translates to growth of around 12-14% annually. During the year, it announced several new products, including Switch & Trace, which solve common headaches for anaesthesiologists. These products facilitate use of FPH's Optiflow high flow nasal oxygen system in this large and underpenetrated market. The anesthesia market is estimated to be around 50 million patients per year which translates to NZ\$5 billion annual sales potential. This further extends FPH's long runway for growth to a total addressable market to over NZ\$25 billion and 250 million patients (and growing) across both its Hospital and Homecare divisions.

Infratil

Infrastructure investment company Infratil (+14%) delivered another significant year of investment and divestment activity, while its key portfolio assets generally continued to grow and perform well regardless of the economic climate.

One NZ (formerly Vodafone) sold its mobile tower assets, realising value equivalent to around 80% of Infratil's original purchase price whilst foregoing only around 10% of the earnings. This provided Infratil with a meaningful cash position at a time when debt levels were a growing headache for many other companies.

Infratil's US-based renewable electricity developer Longroad Energy raised US\$500 million to accelerate its growth plans, at significantly higher valuation to what Infratil paid when it first invested in 2016. With the energy transition in the United States still being in its early stages, and the US Government starting to meaningfully incentivise renewable electricity developments, Longroad Energy has a particularly exciting future ahead of it.

During the year, Infratil also announced the establishment of an Australian renewable energy platform (Mint Renewables) to be chaired by Deion Campbell, former CEO of Tilt Renewables. Like the US, Australia needs to build a large number of renewable energy projects over the next decade to transition towards renewables, which are only around 30% of electricity generation currently, as the country still gets around half its power from burning coal.

Canberra Data Centres (CDC) is still Infratil's largest investment. It's a great example of the investment opportunities within its existing portfolio. Having just completed around \$1 billion of investment in data centres in Western Sydney, CDC expects to invest a similar amount in coming years as it expands its business in Auckland and Melbourne. Demand for data centre capacity is still very strong, with data sovereignty and security trends reinforcing CDC's value proposition to government and critical infrastructure clients.

Auckland Airport

Auckland Airport (+11%) was a positive contributor to returns as it continues to recover financially following the impact of reduced international passenger numbers as a result of COVID border closures.

Travel is back – and it seems this time it's for real. After several years of border restrictions and domestic lockdowns, New Zealand has opened up for unrestricted travel. Airlines have taken time to re-establish their networks, with Air New Zealand bringing back its last plane from the desert in May 2023.

International passengers had recovered to 76% of 2019 levels by March 2023, and airline capacity data suggests this will reach around 90% later in 2023. New Zealand's destination attractiveness remains strong, with many countries' inbound passenger arrivals close to pre-COVID levels. Chinese passenger numbers are finally beginning to pick up, after a prolonged period where the country took a more cautious stance on resuming international travel.

MANAGER'S REPORT CONTINUED

Auckland Airport is beginning the next phase of terminal expansion, announcing a \$3.9 billion capital programme over the next half-decade. This includes \$2.2 billion to replace the domestic terminal which is now over 50 years old! This investment will allow Auckland Airport to significantly lift airport charges to earn an appropriate return on the capital invested.

The a2 Milk Company

The a2 Milk Company (+11%) is back on a growth trajectory under its refreshed management team, primarily off the back of market share gains in the Chinese infant formula sector.

The brand's 'a2 Platinum' English Label brand has always had a fairly strong position in the cross-border e-commerce and daigou segments of the market. However, most of the company's ongoing growth is coming from its Chinese Label 'a2 Zhichu' brand in more traditional channels – that is, high end supermarkets, specialist 'Mother & Baby' stores, and also increasingly domestic e-commerce platforms.

The company's China-based team has continued to raise brand awareness and rate of trial by customers over time to new highs. This has enabled market share to grow at strong rates from low levels. a2 still only has around 3% market share in these channels so there is plenty of scope for further growth, especially as many historically popular international brands are on the wane. Moving forward, the management team is focused on launching entry level and super premium products to supplement the growth of its existing brands.

Meridian Energy

Renewable electricity company Meridian (+8%) benefited from elevated electricity prices during the year. This upward pressure on prices in recent times has been the result of relatively stable national demand for electricity, the higher cost of supply for thermal generators (due to shortages in gas fields and coal prices spiking subsequent to the war in Ukraine), and the lead time for new low-cost renewable generation to come online.

Over time, the country that requires a significant amount of new generation capacity is built to meet demand growth from the progressive electrification of the vehicle fleet and the transition away from other non-renewable energy sources such as thermal heating. In this regard, Meridian has been developing its Harapaki wind farm, which is expected to be commissioned in 2024.

Port of Tauranga

Port of Tauranga (+4%) is slowly emerging from COVID-related supply chain challenges. These challenges included ships skipping some New Zealand ports, storage yards getting clogged with shipping containers, and poor cost and efficiency outcomes due

to the scarcity of labour. New Zealand ports began the re-establishment of berthing windows (fixed schedules for ship arrivals) in March 2023, a significant step towards returning to normal patterns of activity and efficiency.

Port of Tauranga has also seen a move towards more rational competition from Ports of Auckland, which has lifted its charges in a long overdue move to address its poor financial performance. The Port of Tauranga also lifted charges to recover increased labour and rail costs. The company's pricing power is an important feature of its investment case, and is helping it continue to grow earnings in an environment where cargo volume growth is subdued.

PERFORMANCE LOWLIGHTS

Summerset and Ryman Healthcare

It was a challenging year for retirement villages Summerset (-23%) and Ryman Healthcare (-39%).

The headwinds from the slower housing market persisted through the year. REINZ data shows that by the end of the 2023 financial year, New Zealand's housing market index had fallen around -17% from its November 2021 peak, with the Auckland market down around -22%. This saw a halt to the operators' ability to continue to increase unit prices, although overall the sector has not had to reduce prices as they did not increase as rapidly as the broader housing market in recent years.

In addition, sales volumes have fallen to levels last seen back in the Global Financial Crisis (2008-2009) as many would-be buyers wait on the sidelines and vendors are reluctant to drop their asking price. This environment meant that prospective retirement village residents struggled to sell their houses and generally took longer to settle on units.

Ryman in particular felt the acute impact of this, as it came into the year with a higher level of debt, and more apartments in urban locations. As cash proceeds took longer to be realised, Ryman saw its debt levels rise higher and faster than expected. In January 2023, the company raised around \$900 million to restore its balance sheet and re-calibrate its growth plans. We reduced Kingfish's shareholding in Ryman as the situation deteriorated.

Summerset remains confident in its balance sheet, with a diversified build programme focused on less capital-intensive broadacre sites. It also expects to deliver its first Australian units for sale by the end of the calendar year.

Despite the challenge at present, the retirement village business model is still attractive. The operators are still seeing strong levels of interest from prospective residents. Underlying demand is set to increase strongly over coming decades as the population ages. The

companies' reputations have been reinforced through COVID and the support they provided residents in recent weather events here in New Zealand. The companies have recently been valued at the cheapest valuations that they ever have on account of poor sentiment around the housing market. Overall, both companies are well positioned for the future.

Delegat Group

Oyster Bay owner Delegat (-36%) continues to grow its premium wine business off the back of continued strong growth in the North American market. However, during the year, it has had to contend with cost pressures and work through the impact from a lower than expected harvest in 2021, which reduced profit margins.

The US market is still seeing consumers migrate towards 'premium' wines (US\$10+ price point), which only have about half the representation of other similar markets. Also, the American consumer is coming from a legacy position of having a large historical exposure to Californian chardonnay. However, the consumer is continuing to shift more towards different varietals to what they have traditionally consumed, and from other regions. So, while it is well established here in New Zealand, overall Oyster Bay's range including sauvignon blanc and pinot gris continue to have significant runway for further growth in the US.

Meanwhile, the company has continued to invest ahead of time to be able to grow production to match its future demand projections. This includes acquiring land to convert to vineyards and expanding its wineries as volumes scale up. While the company is currently selling around 3.5 million 12-bottle cases per year, this positions it well for growth towards 5 million over time.

Vista

Movie theatre software provider Vista (-25%) has had to contend with escalating costs of software developers, ahead of benefiting from the increased revenues its transition to a software subscription based model will bring.

During the year, Vista made progress against its key medium-term objective of signing up customers to its upgraded Cloud and Digital products, which replace its legacy 'on premise' systems. The new products provide customers with a solution that overall has more functionality and requires less in-house IT resources to support.

Early adopters have signed on to upgrade to the new platform including the largest Canadian chain, Cineplex, an existing Vista customer.

The transition to a fully cloud-based software-as-a-service model over the coming years will see the company significantly grow its revenue and profitability as more customers adopt the new products.

Freightways

Freightways (-21%) is one of the two largest players in the New Zealand courier market. Over the last couple of years, the company has grown volumes from the tailwind of consumers increasingly embracing shopping online and having purchases delivered by courier. However, this tailwind turned to a headwind during the year.

The retail sector only comprises around a quarter of the company's network courier volumes, with large exposures to more resilient sectors including automotive and pharmaceutical. The resilience of these sectors plus gains in market share from other providers mean that Freightways has held volumes steady despite the tougher economic climate.

Mainfreight

Whatever part of the economic cycle we are in, the Mainfreight (-14%) team is focused on customer service and long term growth from network expansion and market share gains.

The company is growing and intensifying its network through adding new branches across all products and in all regions. Investment into new facilities is improving service quality which assists in customer wins and retention and efficiency which boosts profitability. This includes purpose-built Transport cross-docks and larger Warehouses, including in Europe and the US.

Australia is a key region where Mainfreight has matured as a company over recent years, as the company has improved its service offering and gained traction with customers. Rewinding to put the company's progress in context, in the 2017 financial year, the Australian business had 51 branches and its operating profit was only 53% of that of the New Zealand business. Over the next 5 years this had grown to 66 branches and 84%. In that time, operating profits have roughly tripled. But the growth runway remains significant as the business is still smaller than the New Zealand business despite the market opportunity being about five times the size. At its investor day in late 2022, the company outlined its plans to take the number of branches to close to 100.

The company saw growth slow over the course of the 2023 financial year as economic headwinds have intensified. However, it is well placed to navigate softer conditions and come out the other side stronger. Its team possess the mentality of a 'business owner', because of the company's strong performance culture that feeds down from its senior leadership team, who have significant 'skin in the game' from their meaningful shareholdings. The company pays its team members a percentage of branch profits, so they are incentivised to manage costs tightly and work hard for new business whatever the conditions. The company operates a

MANAGER'S REPORT CONTINUED

decentralised structure, where branch managers and their teams are empowered to make decisions quickly to respond to changing conditions. This saw the New Zealand business perform creditably even during the sharp downturn of the Global Financial Crisis in 2009.

Contact Energy

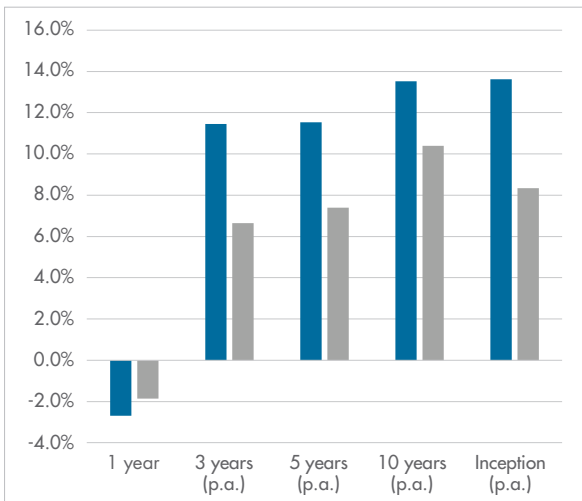
Contact Energy (-1%) is particularly well placed to benefit from the development of renewable electricity in New Zealand over time. Contact has a significant pipeline of new generation projects split between geothermal, wind, and solar power.

Contact expects first power from its Tauhara geothermal plant in mid-2023. This power plant will produce 1.4 terrawatt hours of electricity per year, which is enough to power around 200,000 households. It also has plans to add the same amount of generation again on the steamfield, including announcing a smaller power station at Te Huka and the receipt of consents to replace its legacy Wairākei power stations with an upsized power station at Te Mihi.

CONCLUSION

The last couple of years has seen weaker market and Kingfish performance. However, it is also worth remembering progress is not linear. We have experienced other periods of weak market performance, and periods where Kingfish's performance has lagged the benchmark, such as during the Global Financial Crisis in 2008-2009. However, Kingfish's gross portfolio has outperformed the New Zealand market¹ over longer term periods including the last three, five, and ten years, and since inception.

Chart: Kingfish's long-term gross performance return (compared to benchmark) has weathered short-term volatility



OUTLOOK

Despite the doom and gloom around the New Zealand economy, there are many reasons to remain optimistic about the outlook.

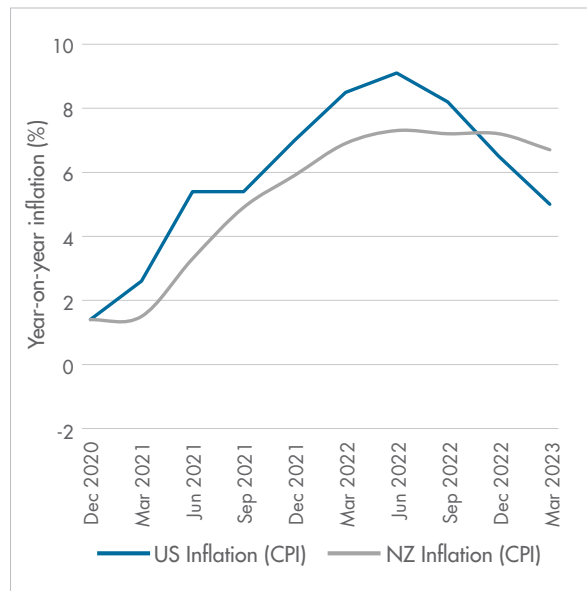
The key force that caused the downturn in the first place has improved: globally and locally inflation certainly looks to have peaked.

Interest rates are higher than they have been recently, but we are likely near the end of the RBNZ hiking cycle.

Economic cycles will continue to ebb and flow, but companies with competitive advantages, sound balance sheets, and highly credible management teams are better placed to weather any storms along the way and emerge stronger.

Those attributes are exactly what we look for when selecting companies for Kingfish, so needless to say we remain constructive on the outlook for the portfolio. I look forward to updating you on progress.

Chart: NZ and US inflation peaked in mid 2022, around the time the New Zealand share market reached its recent low point



Matt Peek / Portfolio Manager
Fisher Funds Management Limited
 26 June 2023

PORTFOLIO HOLDINGS SUMMARY AS AT 31 MARCH 2023

Listed Companies	% Holding
Auckland International Airport	8.6%
Contact Energy	4.0%
Delegat Group	2.2%
EBOS Group	4.0%
Fisher & Paykel Healthcare	16.0%
Freightways	3.4%
Infratil	17.1%
Mainfreight	16.9%
Meridian Energy	2.0%
Port of Tauranga	2.4%
Pushpay Holdings	2.1%
Ryman Healthcare	3.6%
Summerset Group	8.5%
The a2 Milk Company	4.7%
Vista Group	3.1%
Equity Total	98.6%
New Zealand dollar cash	1.4%
TOTAL	100.0%

The information in this Manager's Report (including all text, data and charts) has been prepared as at late-May 2023. 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.

**Management commentary
(no financial statements)**

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 2023.



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

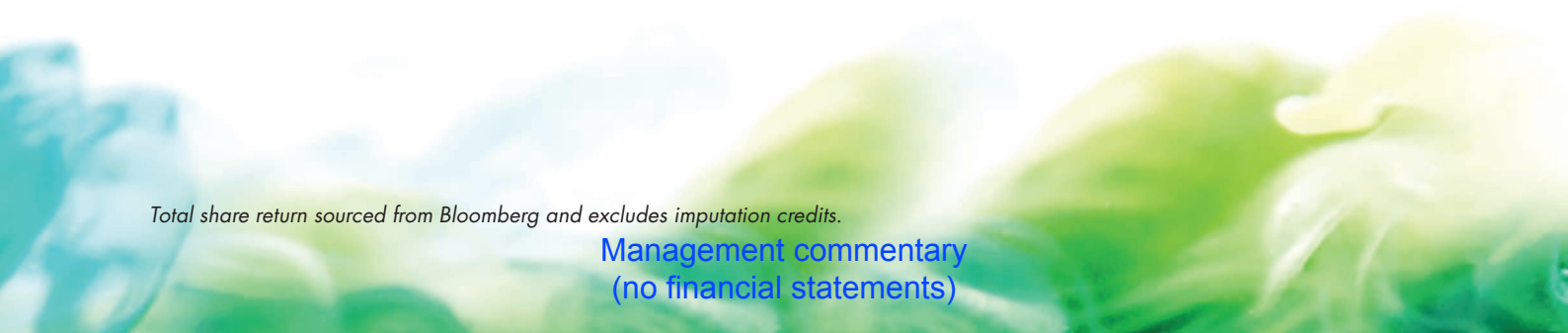


The following is a brief introduction to each of your portfolio companies, with a description of why Fisher Funds believes they deserve a position in the Kingfish portfolio. Total share return is for the year to 31 March 2023 and is based on the closing price for each company plus any dividends received. For companies that are new to the portfolio in the year, total shareholder return is from the first purchase date to 31 March 2023.



Total share return sourced from Bloomberg and excludes imputation credits.

Management commentary
(no financial statements)



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 a large electricity generator, producing approximately 20-25% of New Zealand'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 has an attractive pipeline of generation projects from a variety of renewable sources including geothermal in the near term, plus wind and solar longer term.

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 continuous growth in case sales. A large part of the growth is likely to be driven by the US market, which remains relatively immature.

Total Share Return

+11%

Total Share Return

-1%

Total Share Return

-36%

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 mean 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 illness and other health issues 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 in New Zealand with brands including NZ Couriers, Post Haste and Big Chill, as well as Allied Express in Australia. The company has also developed ancillary business on both sides of the Tasman encompassing document storage, data services, secure destruction, and waste renewal.

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 Share Return

+15%

Total Share Return

+12%

Total Share Return

-21%



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 Share Return

+14%

Total Share Return

-14%

Total Share Return

+8%

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 close 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, its Ruakura hub, and a long-term strategic agreement with Kotahi (a joint venture between leading exporters).



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 a 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 (approximately US\$90 billion) and digital giving remains under-penetrated but growing.

**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 been the industry pioneer in retirement living. 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 Share Return

+4%

Total Share Return

+22%

Total Share Return

-39%



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. Summerset has entered Australia and is in the process of building out a portfolio of villages from its land bank there too.

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 35% 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) supplements this by providing valuable insights to exhibitors and studios.

Total Share Return

-23%

Total Share Return

+11%

Total Share Return

-25%



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

BOARD OF DIRECTORS

Andy Coupe LLB, CMIInstD

Chair of the Board

Chair of Remuneration and Nominations Committee

Independent Director

Andy Coupe is a professional company director with a wide range of governance experience. Prior to that he held senior roles in investment banking, with a particular focus on equity capital markets. Andy is Chair of Barramundi, Marlin Global, and Television New Zealand, and is also a director of Briscoe Group. Andy was formerly Chair of Farmright, Solid Energy New Zealand and the New Zealand Takeovers Panel. 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 and the First Gas Group. She is also a director of Freightways Limited, Summerset Holdings Limited, the New Zealand Superannuation Fund 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 2021 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, CFInstD

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 both Chartered Accountants Australia and New Zealand and the Institute of Directors. 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 extensive investment management experience across New Zealand and international markets over the last 35 years. David is a director of Barramundi, Marlin Global, Trust Investment Management and on the Board of 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.

**Management commentary
(no financial statements)**

CORPORATE GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 MARCH 2023 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").

This Corporate Governance Statement reports against the NZX Code which came into effect on 17 June 2022. A revised NZX Code recently came into effect for financial years commencing on or after 1 April 2023 and Kingfish will report on that basis in its next Annual Report.

Over the financial year ended 31 March 2023, 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 Limited ("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.

Compliance with the Code of Ethics & Standards of Professional Conduct is monitored through education and notification by individuals who become aware of any breach.

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 new employees of the Manager, and there is regular training on the requirements of the Code of Ethics & Standards of Professional Conduct for existing directors and relevant employees of the Manager.

The Code of Ethics & Standards of Professional Conduct is 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.

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.

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's 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.

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 shareholders' 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 shareholders' 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, independence 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 including 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 2023, the board considers that each of Andy Coupe (Chair), Carol Campbell, David McClatchy, and Fiona Oliver 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 is available on page 58.

DIVERSITY AND INCLUSION

Kingfish has a formal Diversity and Inclusion 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 and inclusive board will enhance effectiveness in key areas and that membership of the board is best served by having a mix of individuals with appropriate expertise and a breadth of experience, who are each encouraged to regularly contribute their views. This objective is recognised in the Diversity and Inclusion 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 and Inclusion Policy and the Company's progress in achieving that objective. During the financial year to 31 March 2023, Alistair Ryan (Chair since 2012) retired from the board with effect from 1 June 2022. Andy Coupe, a director on the Kingfish board since 2013, and previous Chair of Kingfish's Investment Committee, succeeded Alistair Ryan as Chair of the board. The board 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 2023				
Directors	2	2	50%	50%
31 March 2022				
Directors	1	3	25%	75%

The board is comprised of four individuals who have a wide range of skills, knowledge and corporate experience in the financial services sector. The board recognises that having a diverse board will assist it in effectively carrying out its role and that its membership is best served by having a mix of individuals with appropriate expertise and a breadth of experience.

The board reviews its diversity in terms of, skills, qualifications, experience, gender, race, age, ethnicity and cultural background. The Remuneration and Nominations Committee's annual assessment of the board's diversity concluded that the board had met the diversity objectives set out in the Diversity and Inclusion Policy.

The Diversity and Inclusion Policy is available on Kingfish's 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 BOARD AND 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. Kingfish does not have a Chief Executive Officer 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 Officer 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 nine board meetings, two Audit and Risk Committee meetings, one Remuneration and Nominations Committee meeting, and two Investment Committee meetings were held in the financial year ended 31 March 2023. 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	9/9	2/2	1/1	2/2
Andy Coupe	8/9	2/2	1/1	2/2
David McClatchy	9/9	2/2	1/1	2/2
Alistair Ryan #	2/2	1/1	1/1	0/0
Fiona Oliver # *	7/7	1/1	0/0	2/2

The meeting attendance for Alistair Ryan and Fiona Oliver pertain to the meetings that were held while they were directors.

* Fiona Oliver also attended an Investment Committee meeting and a board meeting during May 2022 as an observer shortly before her appointment became effective.

CORPORATE GOVERNANCE STATEMENT CONTINUED

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. During the financial year ended 31 March 2023, the Audit and Risk Committee held private sessions with the external auditor.

The Audit and Risk Committee currently comprises all of the directors, each of whom are considered to be independent, 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 individual directors, the board, and board committees.

The Remuneration and Nominations Committee currently comprises all of the directors, each of whom are considered to be independent. Andy Coupe took over as Chair of the Remuneration and Nominations Committee with effect from 1 June 2022 when Alistair Ryan resigned as a director.

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, each of whom are considered to be independent. David McClatchy took over as Chair of the Investment Committee with effect from 1 May 2022. Andy Coupe was the previous Chair of the Investment Committee.

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.

ESG FRAMEWORK

The NZX Code recommends that environmental, economic and social sustainability factors and practices are included in its non-financial disclosures. As at 31 March 2023, 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 and committed to. Details of the Manager's ESG framework can be seen on the Manager's website at www/fisherfunds.co.nz/responsible-investing.

CLIMATE-RELATED DISCLOSURES

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, 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. It will impact the reporting of most NZX listed issuers such as Kingfish.

The New Zealand External Reporting Board (XRB) has developed the Aotearoa New Zealand Climate Standards, which were finalised at the end of 2022 and apply to Kingfish's current financial year (being the financial year ending 31 March 2024) because it commenced after 1 January 2023. These standards are based on the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD) and are consistent with international developments. Kingfish is committed to reporting on a basis consistent with the new standards to the extent applicable to its business.

The Kingfish board will determine the appropriate climate risk reporting for Kingfish, in accordance with the new standards.

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 2023. No director received fees or payment for any other services to the Company. No retirement payments were made or agreed to be made to any director during the financial year ended 31 March 2023.

Directors' remuneration* for the 12 months ended 31 March 2023

Andy Coupe (Chair)	\$47,500 ⁽¹⁾
Carol Campbell	\$37,500 ⁽²⁾
David McClatchy	\$37,083 ⁽³⁾
Alistair Ryan	\$8,333 ⁽⁴⁾
Fiona Oliver	\$27,083 ⁽⁵⁾

*excludes GST

⁽¹⁾ Included in this total amount is \$417 that Andy Coupe received as Chair of the Investment Committee, (for one month). \$4,978 of this amount was applied to the purchase of 2,830 shares under the Kingfish Share Purchase Plan. (Andy Coupe 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. \$3,750 of this amount was applied to the purchase of 2,120 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 \$4,583 that David McClatchy received as the Chair of the Investment Committee. \$3,690 of this amount was applied to the purchase of 2,120 shares under the Kingfish Share Purchase Plan.

⁽⁴⁾ Alistair Ryan retired as Chair of the Kingfish board on 1 June 2022.

⁽⁵⁾ Fiona Oliver joined the Kingfish board on 1 June 2022.

Details of remuneration paid to directors are also disclosed in note 10 to the financial statements for the financial year ended 31 March 2023. The directors' fees disclosed in the financial statements include a portion of non-recoverable GST expensed by Kingfish.

CORPORATE GOVERNANCE STATEMENT CONTINUED

DIRECTORS' SHAREHOLDING - SHARE PURCHASE PLAN

The Kingfish Share Purchase Plan was introduced by the board in 2012 which requires each director to allocate 10% of their annual director's fees to the purchase (on market) of Kingfish shares. Once an individual director's shareholding reaches 50,000 shares, the director can elect whether or not 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 2023.

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. As part of the robust risk assessment process, significant risks are discussed at each board meeting, and/or as required. A full risk assessment report, including the action plan for mitigating risks, is provided at all Audit and Risk Committee meetings.

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 risk management policies.

During Kingfish's 2023 financial year, global stock markets (including the NZX equities market in which Kingfish invests) experienced renewed market volatility due to recession concerns, rapidly rising interest rates in response to inflation and the ongoing political uncertainty in Europe (Ukraine/Russia conflict).

The preparation of Kingfish's financial statements for the financial year ended 31 March 2023 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 of the underlying stocks invested in by the Company. These types of communications include monthly updates, quarterly newsletters, and annual reports. Numerous NZX announcements are also made, including weekly and month end NAV per share updates, as well as 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 its 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 its statutory audit role.

The Audit and Risk Committee meets with the external auditor, without representatives of the Manager present, to approve its terms of engagement, audit partner rotation (at least every five years), and the audit fee, as well as to review and provide feedback in respect of the annual audit plan.

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 it has provided in relation to confirming the amounts used in the Manager's performance fee calculation (in prior years) have not compromised PwC's independence. Written confirmation of PwC's independence has been obtained by the board.

PwC, as external auditor of Kingfish's 2023 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 its 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 2023 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 or similar restrictions which prevent the Company from holding a physical meeting, this year's Annual Shareholders' Meeting will be held at 10.30am on 4 August 2023, at the Ellerslie Event Centre in Auckland, and online. 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 if they are unable to attend either form of 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 March 2024.

NZX WAIVERS

There were no waivers granted by NZX or relied upon by the Company in the financial year ended 31 March 2023.

CAPITAL RAISINGS

Kingfish Warrant Issue (KFLWG)

On 15 November 2021, Kingfish issued 79,075,168 warrants to eligible shareholders. On 18 November 2022 (the "Exercise Date"), Kingfish warrant holders had the option to convert their warrants into ordinary Kingfish shares at an exercise price of \$1.90 per warrant. On the Exercise Date, 133,568 warrants were converted into Kingfish ordinary shares, with new shares being allotted to the relevant warrant holders on 23 November 2022.

The remaining 78,941,600 warrants which were not exercised lapsed, and all rights in regards to them expired.

The funds received through the exercise of the warrants were invested in Kingfish's then current investment portfolio of stocks.

DIRECTORS' STATEMENT OF RESPONSIBILITY

FOR THE YEAR ENDED 31 MARCH 2023

We present the financial statements for Kingfish Limited for the year ended 31 March 2023.

We have ensured that the financial statements for Kingfish Limited present fairly the financial position of the Company as at 31 March 2023 and its financial performance and cash flows for the year ended on that date.

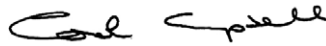
We have ensured that the accounting policies used by the Company comply with generally accepted accounting practice in New Zealand and believe that proper accounting records have been kept. We have ensured compliance of the financial statements with the Financial Markets Conduct Act 2013.

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 22 May 2023.



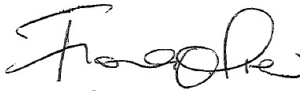
Andy Coupe



Carol Campbell



David McClatchy



Fiona Oliver

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KINGFISH LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 \$000	2022 \$000
Interest income		471	75
Dividend income		8,551	7,809
Net changes in fair value of investments	2	(23,693)	(19,951)
Other income		0	1,413
Total (loss)		(14,671)	(10,654)
Operating expenses	3	4,775	6,632
Net (loss) before tax		(19,446)	(17,286)
Total tax expense	4	23	20
Net (loss) after tax attributable to shareholders		(19,469)	(17,306)
Total comprehensive (loss) after tax attributable to shareholders		(19,469)	(17,306)
Basic (losses) per share	6	(6.00c)	(5.49c)
Diluted (losses) per share	6	(6.00c)	(5.49c)

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

Financial statements

KINGFISH LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Attributable to shareholders of the Company		
		Share Capital	Retained Earnings	Total Equity
		\$000	\$000	\$000
Balance at 31 March 2021		376,079	175,368	551,447
Comprehensive income				
Net (loss) after tax		0	(17,306)	(17,306)
Total comprehensive (loss) for the year ended 31 March 2022		0	(17,306)	(17,306)
Transactions with shareholders				
Dividends paid	5 (d)	0	(45,207)	(45,207)
New shares issued under dividend reinvestment plan	5 (e)	16,505	0	16,505
Shares issued for warrants exercised (net of exercise costs)	5 (c)	(1)	0	(1)
Warrant issue costs	5 (c)	(29)	0	(29)
Total transactions with shareholders for the year ended 31 March 2022		16,475	(45,207)	(28,732)
Balance at 31 March 2022		392,554	112,855	505,409
Comprehensive income				
Net (loss) after tax		0	(19,469)	(19,469)
Total comprehensive (loss) for the year ended 31 March 2023		0	(19,469)	(19,469)
Transactions with shareholders				
Dividends paid	5 (d)	0	(37,730)	(37,730)
New shares issued under dividend reinvestment plan	5 (e)	13,134	0	13,134
Shares issued for warrants exercised (net of exercise costs)	5 (c)	243	0	243
Warrant issue costs	5 (c)	(3)	0	(3)
Total transactions with shareholders for the year ended 31 March 2023		13,374	(37,730)	(24,356)
Balance at 31 March 2023		405,928	55,656	461,584

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

Financial statements

KINGFISH LIMITED

STATEMENT OF FINANCIAL POSITION

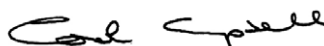
AS AT 31 MARCH 2023

	Notes	2023 \$000	2022 \$000
SHAREHOLDERS' EQUITY			
Represented by:			
ASSETS			
Current Assets			
Cash and cash equivalents	9	6,396	8,006
Trade and other receivables	7	2,652	3,519
Investments at fair value through profit or loss	2	453,179	494,850
Total Current Assets		462,227	506,375
TOTAL ASSETS		462,227	506,375
LIABILITIES			
Current Liabilities			
Trade and other payables	8	643	966
Total Current Liabilities		643	966
TOTAL LIABILITIES		643	966
NET ASSETS		461,584	505,409

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



R A Coupe / Chair
22 May 2023



C A Campbell / Chair of the Audit and Risk Committee
22 May 2023

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

Financial statements

KINGFISH LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 \$000	2022 \$000
Operating Activities			
Sale of listed equity investments		91,992	78,856
Interest received		471	75
Dividends received		8,620	7,795
Other income received		0	1,414
Purchase of listed equity investments		(72,849)	(69,786)
Operating expenses		(5,465)	(15,124)
Taxes paid		(23)	(20)
Net cash inflows from operating activities	9	22,746	3,210
Financing Activities			
Shares issued for warrants exercised (net of exercise costs)		243	(1)
Warrant issue costs		(3)	(29)
Dividends paid (net of dividends reinvested)		(24,596)	(28,702)
Net cash (outflows) from financing activities		(24,356)	(28,732)
Net (decrease) in cash and cash equivalents held		(1,610)	(25,522)
Cash and cash equivalents at beginning of the year		8,006	33,528
Cash and cash equivalents at end of the year	9	6,396	8,006

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

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 financial 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 conform 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 segment 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. Deferred tax is the key area where estimates and related assumptions are applied (Refer to Note 4).

Authorisation of Financial Statements

The Kingfish Board of Directors authorised these financial statements for issue on 22 May 2023.

No party may change these financial statements after their issue.

NOTE 2 INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

i 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 (which may have been prior to balance date) falls outside the bid-ask spread at close of business on balance date 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.

i 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 (2022: none). There were no financial instruments classified as Level 2 or 3 at 31 March 2023 (2022: none).

Investments at fair value through profit or loss	2023 \$000	2022 \$000
New Zealand listed equity investments	453,179	494,850
Total investments at fair value through profit or loss	453,179	494,850
Net changes in fair value of investments		
New Zealand listed equity investments	(23,693)	(19,951)
Net changes in fair value of investments through profit or loss	(23,693)	(19,951)

FOR THE YEAR ENDED 31 MARCH 2023

NOTE 3 OPERATING EXPENSES

	2023 \$000	2022 \$000
Management fees (note 10(a)(i))	3,499	5,344
Administration services (note 10(a)(i))	159	159
Directors' fees (note 10(b))	181	185
Custody, accounting and brokerage	456	489
Investor relations and communications	174	190
NZX fees	94	70
Professional fees	34	54
Fees paid to the auditor:		
Statutory audit and review of financial statements	56	53
Non assurance services ¹	0	5
Other operating expenses	122	83
Total operating expenses	4,775	6,632

¹ Non-assurance services relate to agreed upon procedures performed in respect of the performance fee calculation. The prior 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 2023 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 \$13,401,607, resulting largely from tax losses of \$47,140,497, at 31 March 2023 (2022: tax asset of \$12,761,635, tax losses of \$45,005,418) 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

	2023 \$000	2022 \$000
Taxation expense is determined as follows:		
Net (loss) before tax	(19,446)	(17,286)
Non-taxable realised gain on investments	(20,957)	(22,405)
Non-taxable unrealised loss on investments	44,681	42,362
Imputation credits	2,668	2,306
Non-deductible expenditure	380	407
Taxable income	7,326	5,384
Tax at 28%	2,051	1,508
Imputation credits	(2,668)	(2,306)
Deferred tax not recognised	640	818
Total tax expense	23	20
<i>Taxation expense comprises:</i>		
Current tax	0	20
	0	20
Current tax balance		
Opening balance	0	0
Current tax expense	0	(20)
Tax paid	0	20
Current tax receivable	0	0

Imputation credits

The imputation credits available for subsequent reporting periods total \$312,173 (2022: \$261,652). 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 2023.

NOTE 5 SHAREHOLDERS' EQUITY

a. 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.

Kingfish has 330,213,075 fully paid ordinary shares on issue (2022: 320,875,194). 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.

NOTE 5 SHAREHOLDERS' EQUITY CONTINUED

b. Buybacks

Kingfish maintains an ongoing share buyback programme. For the year ended 31 March 2023, Kingfish did not acquire any shares (2022: 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 (2022: nil).

c. Warrants

On 18 November 2022, 133,568 new Kingfish warrants valued at \$253,779 less exercise costs of \$11,221 (net \$242,558) were exercised at \$1.90 per warrant, and the remaining 78,941,600 warrants lapsed.

Warrant exercise costs of \$1,205 were incurred in April 2021 relating to the March 2021 warrant exercise.

Warrants issue costs of \$3,094 (2022: \$29,030) were incurred in July 2022 relating to the November 2021 warrant listing.

d. 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:

	2023 \$000	Cents per share		2022 \$000	Cents per share
23 Jun 2022	10,140	3.16	25 Jun 2021	11,234	3.60
23 Sep 2022	9,143	2.83	24 Sep 2021	11,059	3.52
16 Dec 2022	9,304	2.86	17 Dec 2021	11,608	3.67
24 Mar 2023	9,143	2.79	25 Mar 2022	11,306	3.55
	37,730	11.64		45,207	14.34

e. 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 2023, 9,204,313 ordinary shares totalling \$13,133,721 (2022: 8,838,053 ordinary shares totalling \$16,504,860) 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.


	2023	2022
Basic (losses) per share		
Net (loss) after tax attributable to shareholders (\$'000)	(19,469)	(17,306)
Weighted average number of ordinary shares on issue net of treasury stock ('000)	324,446	315,429
Basic (losses) per share	(6.00c)	(5.49c)
Diluted (losses) per share		
Net (loss) after tax attributable to shareholders (\$'000)	(19,469)	(17,306)
Weighted average number of ordinary shares on issue net of treasury stock ('000)	324,446	315,429
Diluted effect of warrants ('000) ¹	0	0
	324,446	315,429
Diluted (losses) per share	(6.00c)	(5.49c)

¹ Warrants on issue during the period were not assumed to be exercised because they were antidilutive. There were no outstanding warrants on issue at 31 March 2023.

FOR THE YEAR ENDED 31 MARCH 2023


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.

	2023 \$000	2022 \$000
Dividends receivable	272	341
Unsettled investment sales	0	1,433
Related party receivable (note 10(a)(ii))	2,333	1,688
Prepayments	47	57
Total trade and other receivables	2,652	3,519

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.

	2023 \$000	2022 \$000
Related party payable (note 10(a)(i))	499	547
Unsettled investment purchases	0	268
Other payables and accruals	144	151
Total trade and other payables	643	966

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.

	2023 \$000	2022 \$000
Cash - New Zealand dollars	6,396	8,006
Cash and cash equivalents	6,396	8,006
Reconciliation of Net (Loss) after Tax to Net Cash Flows		
Net (loss) after tax	(19,469)	(17,306)
Items not involving cash flows		
Unrealised losses on revaluation of investments	44,681	42,362
	44,681	42,362
Impact of changes in working capital items		
(Decrease) in trade and other payables	(323)	(8,007)
Decrease/(increase) in trade and other receivables	867	(3,150)
	544	(11,157)
Items relating to investments		
Amounts paid for purchases of investments	(72,849)	(69,786)
Amounts received from sales of investments net of realised gains/losses	71,004	56,445
Movements in unsettled purchases of investments	268	1,219
Movements in unsettled sales of investments	(1,433)	1,433
	(3,010)	(10,689)
Net cash inflows from operating activities	22,746	3,210

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 when incurred.

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

	2023 \$000	2022 \$000
(i) Fees earned and payable:		
Fees earned by the Manager for the year ended 31 March		
Management fees	3,499	5,344
Administration services	159	159
Operating expenses	3,658	5,503

For the year ended 31 March 2023, the Manager did not achieve a return in excess of the performance fee hurdle return and the HWM (2022: No excess returns were generated). Accordingly, the Company has not expensed a performance fee for the year ended 31 March 2023 (2022: Nil).

	2023	2022
Fees payable to the Manager at 31 March		
Management fees	486	534
Administration services	13	13
Related party payables	499	547

NOTE 10 RELATED PARTY INFORMATION CONTINUED

(ii) Related Party Receivables	2023	2022
	\$000	\$000
Fees receivable from the Manager 31 March		
Management fee credit note	2,333	1,688
Related party receivable	2,333	1,688

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 0.75% of gross asset value as the gross return underperformed the NZ 90 Day Bank Bill Index by 6.1 percentage points (31 March 2022: 3.5 percentage points). As a result of the management fee adjustment which had been accrued during the year, Fisher Funds raised a credit note for \$2,332,665 at balance date (31 March 2022: \$1,687,584) which will be used by the Company to cover future monthly management fees until fully utilised.

(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. There were no purchases for the year ended 31 March 2023 (2022: \$3,097,605) and sales totalled \$3,398,118 (2022: \$1,458,243).

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 \$181,125 (2022: \$184,725). The directors' fee pool is \$181,125 for the year ended 31 March 2023 (2022: \$181,125). There were no Director fees payable at the end of the period (31 March 2022: nil).

The Directors held shares in the Company at 31 March 2023 which total 0.04% of total shares on issue (31 March 2022: 0.06%). The reduction in Director Shareholding is a result of changes in Directors during the financial year. The Directors did not hold warrants in the Company as at 31 March 2023, as there were none on issue (31 March 2022: 0.06%).

Dividends of \$13,949 (31 March 2022: \$525,429) were also received by Directors or their associates as a result of their shareholding during the financial year.

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.

FOR THE YEAR ENDED 31 MARCH 2023

NOTE 11 FINANCIAL RISK MANAGEMENT CONTINUED

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 2023, and therefore fluctuations in the value of these portfolio companies will have a greater impact on the overall investments balance.

	2023	2022
Mainfreight Limited	17%	20%
Infratil Limited	17%	18%
Fisher and Paykel Healthcare Corporation Limited	16%	14%
Summerset Group Holdings Limited	8%	10%

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 2023 (2022: 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:

	2023 \$000	2022 \$000
Price risk¹		
Investments at fair value through profit or loss (listed)		
Carrying value	453,179	494,850
Impact of a 20% change in market prices: +/-	90,636	98,970
Interest rate risk²		
Cash and cash equivalents		
Carrying value	6,396	8,006
Impact of a 1% change in interest rates: +/-	64	80

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 2023 (2022: nil).

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

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 in dividends.

KINGFISH LIMITED

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2023

NOTE 12 NET ASSET VALUE

The net asset value of Kingfish as at 31 March 2023 was \$1.40 per share (2022: \$1.58) calculated as the net assets of \$461,584,438 divided by the number of shares on issue of 330,213,075 (2022: net assets of \$505,409,400 and shares on issue of 320,875,194).

NOTE 13 COMMITMENTS AND CONTINGENT LIABILITIES

There were no unrecognised contractual commitments or contingent liabilities as at 31 March 2023 (2022: nil).

NOTE 14 SUBSEQUENT EVENTS

Dividend: On 22 May 2023, the Board declared a dividend of 2.82 cents per share. The record date for this dividend is 8 June 2023 with a payment date of 23 June 2023.

PushPay Holdings Limited: On 27 April 2023 the shareholders of PushPay Holdings Limited (PPH) voted in favour of a revised scheme of arrangement, which has seen PPH sold to a consortium that includes investment firms Sixth Street and BGH Capital for \$1.42 per share. The takeover transaction settled 19 May 2023. The PPH shares that were held in the Kingfish portfolio as at 31 March 2023 had been valued at \$1.39 per share.

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 2023, 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 2023;
- 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 (investments) are valued at \$453 million and represent 98% of total assets. Further disclosures on the investments are included in note 2 to the financial statements.</p> <p>Due to the size of investments 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 2023, 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 legal owner of all investments recorded as at 31 March 2023.</p> <p>We obtained copies of the Trustees Executors Limited's Internal Controls Reports for Custody, Superannuation Member Administration, Investment Administration and Registry for the period from 1 April 2022 to 31 March 2023 and assessed the impact of any exceptions on the Company's financial statements.</p> <p>We agreed the price for all investments held at 31 March 2023 to independent third-party pricing sources without exception.</p>

Our audit approach

Overview

Materiality	Overall materiality: \$2,307,000, which represents 0.5% of net assets. 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.
Key audit matter	As reported above, we have one key audit matter, being: <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 black ink that reads 'PricewaterhouseCoopers' in a cursive script.

Chartered Accountants
22 May 2023

Auckland

SHAREHOLDER INFORMATION

SPREAD OF SHAREHOLDERS AS AT 19 MAY 2023

Holding Range	# of Shareholders	# of Shares	% of Total
1 to 999	467	198,676	0.06
1,000 to 4,999	1,152	3,047,911	0.92
5,000 to 9,999	1,058	7,468,176	2.26
10,000 to 49,999	2,701	63,093,566	19.11
50,000 to 99,999	714	49,611,037	15.02
100,000 to 499,999	598	113,272,049	34.31
500,000 +	76	93,521,660	28.32
TOTAL	6,766	330,213,075	100%

20 LARGEST SHAREHOLDERS AS AT 19 MAY 2023

Holder Name	# of Shares	% of Total
ASB NOMINEES LIMITED <ACCOUNT 340941 - ML>	9,389,362	2.84
CUSTODIAL SERVICES LIMITED <A/C 4>	6,637,918	2.01
NEW ZEALAND DEPOSITORY NOMINEE LIMITED <A/C 1 CASH ACCOUNT>	5,313,984	1.61
STEPHEN JAMES THORNTON & BERNARDINA ALEIDA MARIA SCHOLTEN & MACALISTER MAZENGARB TRUST COMPANY LIMITED <THE THORNTON-SCHOLTEN FAMILY A/C>	4,641,504	1.41
ASB NOMINEES LIMITED <179669 A/C>	3,347,315	1.01
DAVID HUGH BROWN & SUSANNA LLEWELLYN BROWN	3,026,000	0.92
FNZ CUSTODIANS LIMITED	2,904,707	0.88
LEVERAGED EQUITIES FINANCE LIMITED <DRP>	2,241,539	0.68
CUSTODIAL SERVICES LIMITED <A/C 6>	2,138,801	0.65
FORSYTH BARR CUSTODIANS LIMITED <1-CUSTODY>	1,860,566	0.56
ENE TRUSTEES LIMITED	1,776,245	0.54
SEATON STUART JAMES BENNY	1,707,360	0.52
LLOYD JAMES CHRISTIE	1,639,850	0.50
NEIL BARRY ROBERTS	1,532,600	0.46
MURRAY JOHN LOMBARD ALDRIDGE & LESLEY ANN ALDRIDGE & ALDRIDGE TRUSTEE 2019 LIMITED <ALDRIDGE FAMILY A/C>	1,475,258	0.45
COLIN DAVID CRAIG BENNETT	1,413,278	0.43
DAVID ROBERT APPLEBY & PRUDENCE JANE COTTER <DAVID APPLEBY INVESTMENT A/C>	1,295,000	0.39
STEPHEN THOMAS WRIGHT & JANICE ALISON WRIGHT	1,289,736	0.39
ALBERT JOHN HARWOOD & MARLENE MARY HARWOOD	1,288,307	0.39
SASKIA THORNTON	1,254,197	0.38
TOTAL	56,173,527	17.02

STATUTORY INFORMATION

DIRECTORS' RELEVANT INTERESTS IN EQUITY SECURITIES AT 31 MARCH 2023

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 2023 are as follows:

	Ordinary Shares	
	Held Directly	Held by Associated Persons
R A Coupe ⁽¹⁾	60,187	Nil
C A Campbell ⁽²⁾	63,734	Nil
D M McClatchy ⁽³⁾	2,252	Nil
F A Oliver ⁽⁴⁾	Nil	Nil

⁽¹⁾ R A Coupe received 2,830 shares in the year ended 31 March 2023, purchased on market as per the terms of the share purchase plan (issue price \$1.73). R A Coupe received 4,643 shares in the year ended 31 March 2023, issued under the dividend reinvestment plan (average issue price \$1.4405).

⁽²⁾ C A Campbell received 2,120 shares in the year ended 31 March 2023, purchased on market as per the terms of the share purchase plan (issue price \$1.73). C A Campbell received 4,917 shares in the year ended 31 March 2023, issued under the dividend reinvestment plan (average issue price \$1.4405).

⁽³⁾ D M McClatchy received 2,120 shares in the year ended 31 March 2023, purchased on market as per the terms of the share purchase plan (issue price \$1.73). D M McClatchy received 132 shares in the year ended 31 March 2023, issued under the dividend reinvestment plan (average issue price \$1.3933).

⁽⁴⁾ F A Oliver joined the Kingfish board after the share purchase plan had been actioned for the year and therefore she does not hold any Kingfish shares as at 31 March 2023.

DIRECTORS HOLDING OFFICE

Kingfish's directors as at 31 March 2023 were:

- » R A Coupe (Chair)
- » C A Campbell
- » D M McClatchy
- » F A Oliver

During the year, Fiona Oliver was appointed as an independent director (effective 1 June 2022) and Alistair Ryan retired as a director (effective 1 June 2022).

In accordance with the Kingfish constitution and NZX Listing Rules, Fiona Oliver was elected as a director at the 2022 Annual Shareholders' Meeting. Andy Coupe retires by rotation at the 2023 Annual Shareholders' Meeting and being eligible offers himself for re-election.

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, and 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 are relevant interests of Kingfish's directors as at 31 March 2023:

R A Coupe	Barramundi Limited	Chair
	Marlin Global Limited	Chair
	Coupe Consulting Limited	Director
	Briscoe Group Limited	Director
	Television New Zealand Limited	Chair
C A Campbell	Barramundi Limited	Director
	Marlin Global Limited	Director
	T&G Global Limited	Director
	Hick Bros Holdings Limited & subsidiary companies	Director
	Woodford Properties 2018 Limited	Director
	alphaXRT Limited	Director
	New Zealand Post Limited	Chair
	Asset Plus Limited	Director
	Nica Consulting Limited	Director
	NZME Limited	Director
	Cord Bank Limited	Director
	T&G Insurance Limited	Director
	Bankside Chambers Ltd	Director
	Chubb Insurance New Zealand Limited	Director
Kiwibank Limited	Director	
D M McClatchy	Barramundi Limited	Director
	Marlin Global Limited	Director
	Guardians of NZ Superannuation	Director
	Trust Investment Management	Director
F A Oliver	Barramundi Limited	Director
	Marlin Global Limited	Director
	Gentrack Group Limited	Director
	First Gas Group	Director
	Freightways Limited	Director
	Wynyard Group Limited (in liquidation)	Director
	New Zealand Water Polo	Director
	Summerset Group Holdings Limited	Director
	Guardians of NZ Superannuation	Director

AUDITOR'S REMUNERATION

During the 31 March 2023 year, the following amounts were paid/payable to the auditor, **PricewaterhouseCoopers** New Zealand.

	\$000
Statutory audit and review of financial statements	56
Other assurance services	-
Non assurance services	-

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 2023.

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.

Management commentary
(no financial statements)

