



KINGFISH Update

December 2007 Quarter

At a Glance

Performance for period 31 March '04 to 31 Dec '07 (since listing)

	31 Dec '07	Movement
Net Asset Value	\$1.86	91.7%
Diluted Net Asset Value		
Asset Value	\$1.50	54.4%
Share Price	\$1.24	24.0%
Warrant Price	\$0.20	20.0%

Performance for the December Quarter

Net Asset Value	-2.8%
Diluted Net Asset Value	-2.1%
Share Price	-8.8%
Warrant Price	-44.4%

Notable December Quarter share price gains/(falls), including dividends

Opus International	19.4%
Michael Hill	10.6%
Comvita	-10.0%
Pumpkin Patch	-13.3%
Rakon	-16.8%

Portfolio Holdings Summary, as at 31 Dec '07

Listed Companies	%Holding
Ryman Healthcare	15.6%
Metlifecare	13.3%
Michael Hill	12.9%
Mainfreight	12.8%
Pumpkin Patch	10.2%
Freightways	8.2%
Rakon	7.6%
Delegats	4.4%
NZ Exchange	4.3%
Comvita	1.8%
Sealegs	0.8%
Opus International	0.7%
Non-listed Companies	
Waterman Holdings	0.6%
Equity Total	93.3%
Cash Total	6.7%
TOTAL	100.0%

Dear Shareholders

Welcome to our December 2007 quarter shareholders' newsletter. The Board and Management of Kingfish trust that you had a safe and happy holiday season.

The December quarter saw volatility in the financial markets continue. The uncertainty spurred on by the deterioration of the global credit markets, the strong NZ dollar and further finance company collapses in NZ, have knocked market confidence and our Kingfish share price is reflecting this sentiment. The share price discount to diluted Net Asset Value grew from 1.3% at 30 June 2007 to 17.1% at 31 December 2007. Although this discount greatly concerns us, we are reassured that Fisher Funds is optimally managing the portfolio and remains confident in the long term growth potential of the companies in the portfolio. Commentary from our Manager regarding the general market outlook and performance of the portfolio is provided later in this newsletter.

Other significant events during the last three months include:

- 1) Publication of the September 2007 Interim Report;
- 2) The Company's continuation of the share buyback program for the period 7 November 2007 to 31 October 2008, and the continuation of its warrant buyback program for the period 7 November 2007 to 31 March 2008 (the final exercise date);
- 3) 99,000 warrants were acquired and subsequently cancelled and 797,793 shares were acquired under the buyback and held as treasury stock;

The past few months of 2007 and so far in 2008 have been very difficult for share market investors with widespread uncertainty and nervousness prevailing.

Your Board and Manager remain diligent in this challenging environment and believe that the investment landscape should improve over 2008.

With best wishes,

Rob Challinor
Chairman
Kingfish Limited
25 January 2008

FISHER FUNDS QUARTERLY REVIEW

Nervousness in worldwide financial markets increased in November as the ongoing credit squeeze raised the risk of economic recession in the USA.

NZ was not immune to the global jitters with the NZ50 index falling 5% in the December quarter making 2007 the worst year since 2000. At a company level, there was consistency amongst the results releases and annual meeting comments suggesting that earnings growth remains sluggish in most sectors. Analyst downgrades continued through the quarter. Not surprisingly, the better performing sectors in the December quarter were Telecommunications, Healthcare, Property and Energy, most of which are defensive in nature. The high-profile takeovers of 2007 ended the year in limbo: The Warehouse takeover is before the courts essentially ruling on the legality of the Commerce Commission's earlier decision to block a takeover. The Board of Auckland International Airport advised shareholders to reject an offer from the Canadian Pension Plan Investment Board and Sky City Entertainment Group shares fell to pre-takeover levels as potential acquirers failed to deliver a concrete takeover offer.

PORTFOLIO REVIEW

During the December quarter, the Kingfish NAV per share decreased 2.8% to \$1.86. The main culprits were the 13% and 17% falls respectively in Pumpkin Patch and Rakon share prices, more than offsetting the 11% gain posted by Michael Hill.

Many of the portfolio stocks reported results or held annual meetings during the December quarter. The market mood currently tends to take the negative side of every news item and we have seen at best flat share prices (Michael Hill really the only exception) in the wake of the abovementioned updates.

At its annual meeting **Pumpkin Patch** commented that its Australia and NZ operations are currently trading very well although the US consumer slow-down is affecting sales there. Head of design, Chrissy Conyngham was appointed Group General Manager enabling Managing Director, Maurice Prendergast to focus on the UK and USA retail strategy. Success in the Northern Hemisphere is the core of the investment case for Pumpkin

