

Kingfish Limited KFL

Manager Fisher Funds Management Limited

Morningstar Category™

Equity Region NZ

Market Index

NZX 50 TR NZD

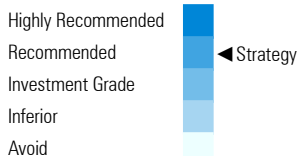
Net Assets 31/01/12

\$98.0 M

Listing Date

31/03/04

Morningstar Recommendation



NTA Information (31/01/12)

NTA (Pre-Tax)	\$1.03
NTA (Post-Tax)	NAv
Premium/Discount (Pre-Tax)	-9.64
Premium/Discount (Post-Tax)	NAv

Trading Information (15/02/12)

Closing Market Price	\$0.93
52-Week Range	\$0.85 - 1.08
% Below 52-Week High	13.89
Average Daily Shares Traded (1 Yr)	44,809
Shares Outstanding (14/02/12)	94,568,727
Avg 4-Week Buy/Sell Spread %	1.24
Exchange	NZE

Fee Information

Management Fee % pa	1.25
Performance Fee Applicable	No

Role In Portfolio

Supporting Player. Fisher's index-agnostic, mid-cap focus makes this best-suited as a Supporting Player in New Zealand equities.

Bulls Case

Index-unaware approach provides access outside the NZX top 10

Team has impressive track record and deep local market knowledge

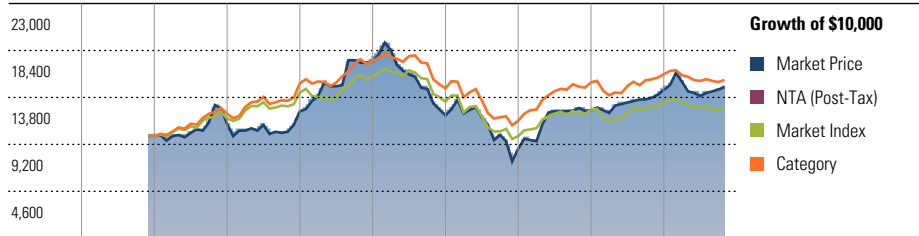
Comparable unlisted vehicle has long and strong performance track record

Bears Case

Highly-concentrated portfolio courts stock-specific risk

Small-caps can be volatile and illiquid

New Zealand sharemarket is a narrow investment universe



	Mar-03	Mar-04	Mar-05	Mar-06	Mar-07	Mar-08	Mar-09	Mar-10	Mar-11	Jan-12	Performance
Market Return %	-	-	11.96	11.03	39.24	-30.47	-27.23	43.07	15.95	1.91	Market Return %
NTA (Pre-Tax) %	-	-	18.22	15.95	27.37	-14.14	-28.96	32.05	4.38	0.52	NTA (Pre-Tax) %
NTA (Post-Tax) %	-	-	NAv	NAv	NAv	NAv	NAv	NAv	NAv	NAv	NTA (Post-Tax) %
Market Index %	-	-	17.20	21.83	10.93	-15.50	-25.36	26.16	5.26	-4.18	Market Index %
Category Index %	-	-	22.03	24.35	14.40	-15.43	-21.66	32.81	5.16	-3.48	Category Index %

Morningstar Take

Kingfish offers investors a New Zealand all-cap equities option worth consideration. Carmel Fisher of Fisher Funds has managed this vehicle since its listing, and has a lengthy and sound history of outperforming the market in the unlisted version. She's supported by equally highly-experienced equities analyst Murray Brown, who joined the firm in 2008 after 10 years on the sellside as Director of Research at Credit Suisse First Boston/First New Zealand Capital. Brown's presence is a real positive, given that Fisher is also focused on looking after her expanding business, adding another set of eyes to the portfolio and mitigating some of the key person risk here. We have strong conviction in the team and the proven process, but there are still risks investors must bear in mind. This is a highly-concentrated small- to mid-cap strategy with chunky positions in a few key firms, engendering stock-specific risks and possible liquidity problems. Kingfish is therefore a vehicle to add a bit of spice to a portfolio rather than suitable as a core allocation. The performance fee hurdle of the NZX 90-Day Bank Bill Index plus seven percent is competitive compared to unlisted funds and tough to consistently beat. However, for equity funds, an equity benchmark is generally more appropriate. For Kingfish a New Zealand equity index plus an outperformance margin would be preferable. Despite a reasonable performance fee the total costs to shareholders can be excessive once all the expenses are taken into account. The total effective fee for shareholders was 2.09 percent of Gross Asset

Arne Hilke

Morningstar Analyst 26/09/11

Value in the 31 March 2011 year-end. Carmel Fisher has a significant investment in this vehicle. This is pleasing, as is the co-investment by all Kingfish's directors. Kingfish is a quality offering for investors after a punchy portfolio of mostly mid-cap Kiwi companies, although it's best used in a supporting capacity.

Portfolio Construction: Kingfish seeks out New Zealand stocks, primarily mid- to small-caps, with long-term growth potential. The target is stocks with a strong earnings history and a sustainable competitive advantage with a focus on where earnings will be in the next three to five years. The portfolio is a near mirror image of the unlisted Fisher New Zealand Growth Fund, holding 10 – 20 names. Long-term high-conviction holdings typically dominate the portfolio, commanding individual positions of well over 10.0 percent. Kingfish aims to outperform the NZX 90-Day Bank Bill Index plus seven percent.

Fees: The 1.25 percent management fee is reduced by 0.10 percent for every one percent underperformance of the NZX 90-Day Bank Bill Index, with a 0.75 percent floor. Additional fees are regularly charged. There's a performance fee of 15.0 percent above the bank bill index plus seven percent.

