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KINA ASSET MANAGEMENT LIMITED (KAML) POMSoX RELEASE

KAML RECORDS EXCELLENT 14.7 PER CENT FULL YEAR INVESTMENT GAIN

POMSoX listed Investment Company Kina Asset Management Ltd (KAML) has recorded an investment gain of 14.7 per cent for the year ending 31 December 2016.

The total value of the Fund increased by K7.0 million after allowing for the beneficial impact of a depreciating Kina against the Australian dollar over the year.

KAML Chairman Sir Rabbie Namaliu said that in local currency terms gains were achieved across a number of areas of the KAML investment portfolio. The Fund recorded a valuation gain of K3.8 million resulting from the strong performance of Bank South Pacific (BSP) share price which rose by 20 per cent over the year. BSP represented 21.9 per cent of the Fund at year end.

Dividend and interest income also contributed to the performance of the Fund with dividends received totalling K3.1 million. The depreciation of the Kina against the Australian dollar by 4.3 per cent over the year also added to the increase in value of the Fund.

Sir Rabbie said the KAML portfolio was within its target asset allocation being 42.5 per cent invested in domestic stocks, cash and fixed income; and 57.5 per cent invested in international stocks and cash.

He further stated that in addition to BSP other key holdings of the KAML portfolio were Vanguard International at 11.4 per cent which returned an investment gain of 18.7 per cent, Oil Search Limited at 8.2 per cent returned 17.3 per cent and Mirvac Group at 5.4 per cent generated an investment gain.

Sir Rabbie said both of the Fund's key investment sectors of domestic and international equities outperformed their respective benchmarks.

He said that during the year, a total of 52,349 shares of KAML were traded at an average price of K0.94 toea per share. The current price of K0.97 per share represented a substantial discount to the net tangible asset backing of K1.18 per share (unaudited).

Sir Rabbie said that although global investment uncertainty continues, markets had generally performed well and KAML continued to perform with stable consistent growth keeping with the long term strategies of the Fund on behalf of investors.

“KAML continues to provide a local investment option for PNG investors to be involved in domestic and international investment markets and has proved consistently to be a sound vehicle in achieving gains and dividend returns on behalf of investors,” he said.

“Given the Fund has 57.5 per cent of its assets invested offshore, the Fund also represents an excellent way for PNG investors to gain an exposure to offshore assets and mitigate the risk of ongoing Kina depreciation, while at the same time diversify investment to other economies in addition to PNG.”

“The forthcoming year will continue to see challenges in global markets resulting from recent political outcomes in the United States which will over time impact global economies, companies and markets.”

“KAML will continue with its measured approach to investment in line with its investment strategy as opportunities arise, for the benefit of our shareholders,” he said.

END

Further Information:

Syd Yates, OBE
Chief Executive Officer and Managing Director
syd.yates@kaml.com.pg
PH: +675 308 3810

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