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KINA ASSET MANAGEMENT LIMITED (KAML) POMSoX RELEASE

KAML RECORDS EXCELLENT 16.8 PER CENT FULL YEAR INVESTMENT GAIN

POMSoX listed Investment Company Kina Asset Management Ltd (KAML) has recorded an investment gain of 16.8 per cent for the year ending 31 December 2017.

The total value of the Fund increased by K6.2 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 K2.2 million resulting from strong performances of share prices of CSL Limited, Transurban Group and Oil Search Limited which rose 40.7%, 20.4%, and 19.5% respectively over the period.

Dividend and interest income also contributed to the performance of the Fund totalling K3.5 million. The key contributors to dividend income were Bank South Pacific, Credit Corp and global funds, Vanguard and Blackrock International stocks. The depreciation of the Kina against the Australian dollar by 9.2% per cent over the year also added to the increase in value of the Fund.

Sir Rabbie said the KAML portfolio asset allocation being 36.1 per cent invested in domestic stocks, cash and fixed income; and 63.86 per cent invested in international stocks and cash.

He further stated that Key portfolio holdings at year end were Bank South Pacific at 20.9%, Vanguard International at 12.1%, Mirvac Group at 5.9%, Oil Search at 5.6% and CSL and Transurban at 5.0% each. Cash holdings were at 20.3% as the fund manager Kina Funds Management took a conservative approach to investment of the cash. Towards the end of the year Telstra Corporation was introduced to the portfolio. Telstra in our view is a business with strong defensive qualities, has a strong dividend yield of 6.6%, and the stock trades on a low price earnings ratio.

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 74,265 shares of KAML were traded at an average price of K0.96 per share. The current price of K0.95 per share represented a substantial discount to the net tangible asset backing of K1.31 per share

Sir Rabbie said that markets had generally performed well despite global market volatility 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.

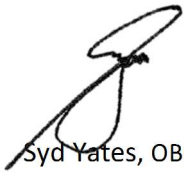
“Given the Fund has 63.86 per cent of its assets invested offshore, the Fund also represents an excellent way for PNG investors to gain an exposure to offshore assets and mitigate the risk of ongoing Kina depreciation, while at the same time diversify investment to other economies in addition to PNG.”

“The forthcoming year will continue to see challenges in global markets resulting from policy and administration 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:



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