



11<sup>th</sup> September 2013

## KAML MEDIA STATEMENT

### **KAML CONTINUES POSITIVE RESULTS FOR THE FIRST HALF YEAR.**

Kina Asset Management Limited (KAML) has announced an investment gain of K2.2 million for the first half of 2013 representing an investment return of 5.1%.

The investment return further increased, to 11.9% or K5.6 million in the period from 30 June to 31 August. The subsequent increase in return was due largely to an increase in equity prices, realization of these higher prices, a fall in the value of the Kina and dividends received. To date the investment portfolio stands at K45.6 million.

“Given the uncertain conditions in the global economic marketplace, the results are significant and reflect continuing growth by KAML,” Sir Rabbie said.

He said that KAML continued to strongly support domestic equities with 40-50% of its investment target range in PNG based enterprises with 50-60% invested in international equities.

Commenting on the global economy, Sir Rabbie said the second quarter of this year showed signs of improving, however troubling events kept getting in the way of positive stories.

“Growth in most mature economies was stalled by headwinds that emerged from fiscal consolidation, high unemployment and household balance sheet adjustment,” he said.

Sir Rabbie said that Australian economy was projected to grow at a moderate rate through 2013 at an average rate of 3% real GDP which was slightly lower than the 2012 forecast for a 3.5% growth.

He said that lower expectation of future growth was due to weak domestic outlook and slower growth in Europe and China that were likely to drag on the Australian economy.

Sir Rabbie said PNG inflation was 1.6% in 2012, in spite of increased economic activity driven by the construction of the PNG LNG project and was due to the appreciation of the Kina in the first half of the year, low imported inflation and easing in domestic demand pressures. The projected GDP for 2013 is 5.6% as reported recently by the Bank of Papua New Guinea.

“The depreciation of the Kina since the second half of 2012, high fuel prices and increased import tariffs are contributing to a rise in inflation and the annual headline inflation to the end of the June quarter, 2013 was 3.2%,” he said.



Sir Rabbie said that the KAML would continue with its investment strategy guide to its manager, Kina Funds Management, for its investment activities to continue to achieve a positive return for the investment portfolio based on the current geographical split of the investment portfolio of 40-50% domestic equities and 50 to 60% international equities.

**END**

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