



22<sup>nd</sup> September 2011

## **KAML MEDIA STATEMENT**

### **GLOBAL UNCERTAINTY IMPACTING ON KINA ASSET MANAGEMENT LIMITED'S INVESTMENT OUTCOMES**

The continuing uncertainty in global markets has impacted adversely on Kina Asset Management Limited's (KAML's) half yearly results for 2011.

KAML reported a small investment loss of K2.7m for the half year period ending on June 30 2011. The loss was due to falls in Australian and global shares compounded by the appreciation of the Kina over this period.

Mr Yates said the portfolio decreased by K5.1m from K49.43m at the end of December 2010 to K44.33m on 30 June this year. KAML Chief Executive Officer Syd Yates said that the decrease in the portfolio value was attributed to major adverse global issues and the provision of a dividend return to shareholders.

"The continued uncertainty in the northern hemisphere markets has continued to plague the investment market despite positive signs in the domestic and Australian markets, which unfortunately suffer from the globalisation of the market investments," he said.

While KAML's domestic equities recorded positive gains, the performance fell short of the KSI Home Index benchmark due to KAML being relatively underweight in New Britain Palm Oil (NBO) equities compared to the KSI Home index (given NBO dominates the KSI Home index).

Mr Yates also said that "As the portfolio is nearly fully invested, the Investment Manager's strategy going forward will be to monitor and realign the portfolio where necessary".

"The Investment Manager will trade on opportunities that are available in domestic and international equities whilst being mindful of global economic conditions.

"Cash will only be held for either operational purposes and we expect to remain fully invested over time," he said.

Mr Yates said that whilst the continued spending by the Government, financial institutions, superannuation funds and foreign exchange inflows from the high commodity prices will continue to provide growth in the economy, it will continue to drive inflation across the board. These factors will also continue to support the value of the Papua New Guinea Kina, which is a negative for international assets.

**END**



# KINA

ASSET MANAGEMENT  
LIMITED

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