

Monthly Update

April 2019

BRM NAV

\$0.65

SHARE PRICE

\$0.57

WARRANT PRICE

\$0.01

DISCOUNT¹

12.2%

as at 31 March 2019

A word from the Manager

Market Overview

The ASX 200 returned +0.7% (in A\$) in March. With global interest rates falling during the month, yield sensitive sectors such as Real Estate (+5.5%) and Communication Services (+4.0%) led the index higher, with strong support from Consumer Staples (+3.9%) and the Materials sector (+3.5%) which continues to benefit from the Vale-driven disruption to the iron ore market. Energy (-4.1%) and Financials (-2.7%) sectors were the only two sectors closing the month in the red. The former was weighed down by poor performances from oil focussed companies, while the latter was impacted by the banks which gave up a portion of their Royal Commission relief rally.

Portfolio News

Following the end to reporting season, March proved to be a relatively quiet month on the news flow front for our portfolio companies.

After falling a few percent in February, **Wisetech (+20% in A\$ for the month)** rebounded strongly in March. The company raised \$300m in an equity placement during the month. Prior to this, Wisetech's cash balance was running low. The company does have undrawn debt facilities at its disposal. However, management has been clear that they are still focussed on their strategy of investing heavily in organic growth as well as through acquisitions (which they have signalled will be bigger than the acquisitions in recent years). The market is pleased that balance sheet flexibility and funding optionality has been replenished through this capital raising. Wisetech re-affirmed full year guidance during the month as well.

Ooh Media! (+11.9%) rose strongly during the month. Outdoor Media Association industry data released in March showed double digit increases in growth across the December quarter in 2018 in a number of key outdoor advertising categories for Ooh Media! including roadside billboards and street furniture/buses. Retail, which was down -1.7% was the one notable laggard. The company faces some nearer term headwinds given outdoor advertising spending

can be adversely affected by the uncertainty in the run up to elections, (a general election is expected in Australia in May). However this industry data released in March provided further reinforcement of the longer term positive structural trends for the outdoor advertising industry.

Ansell (+3.3%) announced an orderly re-organisation of some of its senior leadership team in March with the heads of its two major business units (industrial and healthcare) both departing to make way for internally appointed successors. The successors' existing roles (CFO, and VP of Global Operations respectively) are being filled by two external appointments. CEO Magnus Nicolin is scheduled to retire in 2021 and the company has flagged that these changes are being made to further strengthen the executive team ahead of the CEO succession. There is speculation that the new business unit appointments are both potential candidates to replace him and are being tested for suitability through being given line management experience in the interim.

Our bank shareholdings gave up a meaningful portion of their Royal Commission relief rally in March with **CBA** (-4.5%) and **WBC** (-3.9%) both falling. **NAB** (+0.6%) rose during the month but underperformed the index. Operating conditions are showing few signs of improving with soft house price and credit lending data, and the prospect of higher capital requirements in their NZ subsidiaries all continuing to weigh on performance.

Portfolio Changes

In a key change during the month we sold our BHP position because we deemed it to be in contravention of our Responsible Investing Policy by virtue of being a significant producer of thermal coal.

One of our core investment beliefs at Fisher Funds is to only invest in companies that act responsibly. As articulated in our Responsible Investing Policy, this means that we will not maintain an investment in a company that engages in behaviour that compromises acceptable environmental, social or governance standards. This includes companies that are significant producers of thermal coal.

¹ Share Price Discount to NAV (including warrant price on a pro-rated basis).

When we built our positions in BHP and Rio Tinto in 2016, both companies were producers of thermal coal. At the time it looked to us as if they were actively exiting their thermal coal operations. For this reason, we felt both companies were permissible holdings under our Responsible Investing Policy.

Since then, Rio Tinto has exited thermal coal completely, selling its last mine in 2018 and we continue to maintain a shareholding in the company.

While BHP had exited a number of thermal coal assets when it de-merged the South32 operation in 2015, it has however, hung onto its remaining assets in Colombia and Australia. Recent commentary from the company indicates that it is happy with its remaining thermal coal exposure. This was a big red flag for us.

So, notwithstanding that we still regard BHP's portfolio of businesses and management team highly, we have drawn a line in the sand. Until the remaining thermal coal assets are disposed of, we will no longer be investing in BHP's shares.

Robbie Urquhart
Senior Portfolio Manager
Fisher Funds Management Limited



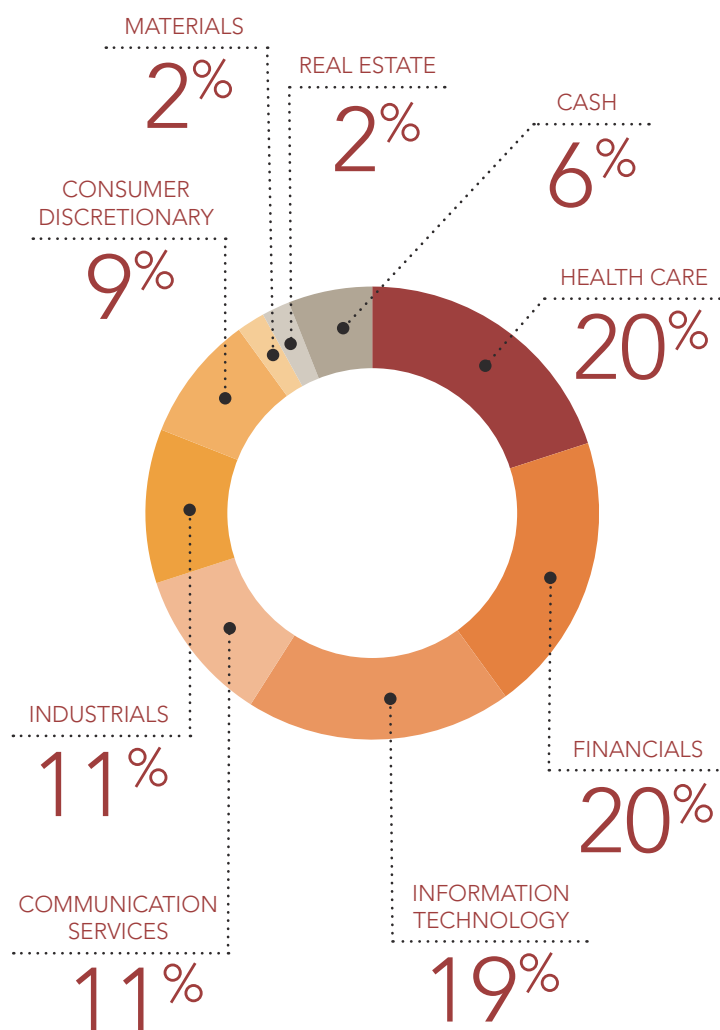
Key Details

as at 31 March 2019

FUND TYPE	Listed Investment Company
INVESTS IN	Growing Australian companies
LISTING DATE	26 October 2006
FINANCIAL YEAR END	30 June
TYPICAL PORTFOLIO SIZE	25-35 stocks
INVESTMENT CRITERIA	Long-term growth
PERFORMANCE OBJECTIVE	Long-term growth of capital and dividends
TAX STATUS	Portfolio Investment Entity (PIE)
MANAGER	Fisher Funds Management Limited
MANAGEMENT FEE RATE	1.25% of gross asset value (reduced by 0.10% for every 1% of underperformance relative to the change in the NZ 90 Day Bank Bill Index with a floor of 0.75%)
PERFORMANCE BENCHMARK	Changes in the NZ 90 Day Bank Bill Index + 7%
PERFORMANCE FEE HURDLE	15% of returns in excess of benchmark and high water mark
HIGH WATER MARK	\$0.67
SHARES ON ISSUE	171m
MARKET CAPITALISATION	\$97m
GEARING	None (maximum permitted 20% of gross asset value)

Sector Split

as at 31 March 2019



March's Biggest Movers in Australian dollar terms

Typically the Barramundi portfolio will be invested 90% or more in equities.

WISETECH

+20%

OOH MEDIA!

+12%

TECHNOLOGY ONE

+8%

RIO TINTO

+8%

AUB GROUP

+7%

5 Largest Portfolio Positions as at 31 March 2019

SEEK

7%

CSL LIMITED

7%

CARSALES.COM

7%

COMMONWEALTH
BANK OF AUSTRALIA

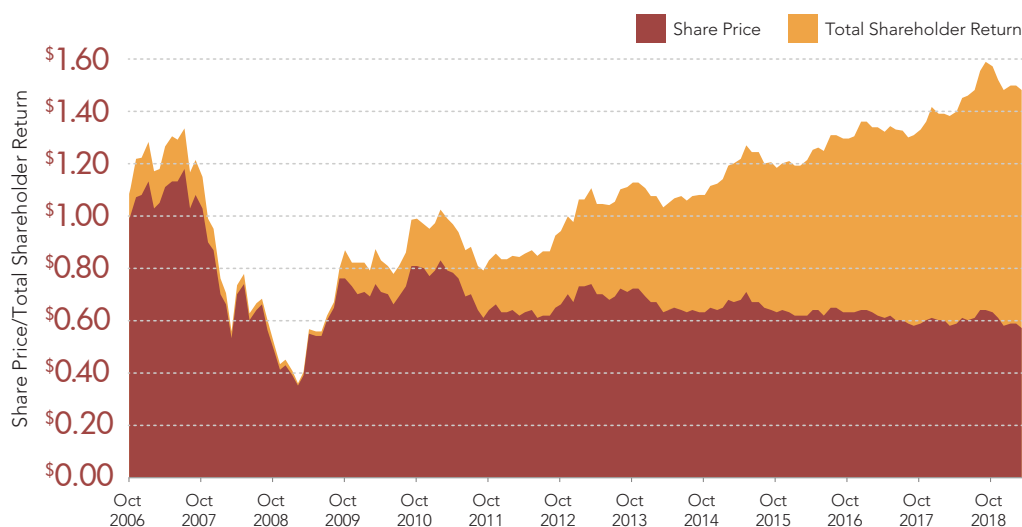
5%

XERO LIMITED

5%

The remaining portfolio is made up of another 20 stocks and cash.

Total Shareholder Return to 31 March 2019



Performance to 31 March 2019

	1 Month	3 Months	1 Year	3 Years (annualised)	Since Inception (annualised)
Company Performance					
Total Shareholder Return	(1.4%)	+0.3%	+7.9%	+7.0%	+3.2%
Adjusted NAV Return	+1.5%	+10.9%	+8.7%	+7.4%	+4.0%
Portfolio Performance					
Gross Performance Return	+1.9%	+11.9%	+13.3%	+10.9%	+7.3%
Benchmark Index [^]	+0.7%	+10.6%	+11.5%	+11.2%	+3.1%

[^]Benchmark Index: S&P/ASX Small Ords Industrial Gross Index until 30 September 2015 & S&P/ASX 200 Index (hedged 70% to NZD) from 1 October 2015

Non-GAAP Financial Information

Barramundi uses non-GAAP measures, including adjusted net asset value, adjusted NAV return, gross performance return and total shareholder return. The rationale for using such non-GAAP measures is as follows:

- » adjusted net asset value – the underlying value of the investment portfolio adjusted for capital allocation decisions,
- » adjusted NAV return – the return to an investor after fees and tax,
- » gross performance return – the Manager's portfolio performance in terms of stock selection and currency hedging before fees and tax, and
- » total shareholder return – the return to an investor who reinvests their dividends, and if in the money, exercises their warrants at warrant maturity date for additional shares.

All references to adjusted net asset value, adjusted NAV return, gross performance return and total shareholder return in this monthly update are to such non-GAAP measures. The calculations applied to non-GAAP measures are described in the Barramundi Non-GAAP Financial Information Policy. A copy of the policy is available at <http://barramundi.co.nz/about-barramundi/barramundi-policies/>

About Barramundi Management Board

Barramundi is an investment company listed on the New Zealand Stock Exchange. The company gives shareholders an opportunity to invest in a diversified portfolio of between 25 and 35 quality growing Australian companies through a single, professionally managed investment. The aim of Barramundi is to offer investors competitive returns through capital growth and dividends.

Barramundi's portfolio is managed by Fisher Funds Management Limited. Robbie Urquhart (Senior Portfolio Manager), Terry Tolich (Senior Investment Analyst) and Delano Gallagher (Investment Analyst) have prime responsibility for managing the Barramundi portfolio. Together they have significant combined experience and are very capable of researching and investing in the quality Australian companies that Barramundi targets. Fisher Funds is based in Takapuna, Auckland.

The Manager has authority delegated to it from the Board to invest according to the Management Agreement and other written policies. The Board of Barramundi comprises independent directors Alistair Ryan (Chair), Carol Campbell, Andy Coupe and Carmel Fisher.

Capital Management Strategies

Regular Dividends

- » Quarterly distribution policy introduced in August 2009
- » Under this policy, 2% of average NAV is targeted to be paid to shareholders quarterly
- » Dividends paid by Barramundi may include dividends received, interest income, investment gains and/or return of capital
- » Shareholders who prefer to have increased capital rather than a regular income stream have the opportunity to participate in the company's dividend reinvestment plan (DRP)
- » Shares issued to DRP participants are at a 3% discount to market price
- » Barramundi became a portfolio investment entity on 1 October 2007. As a result, dividends paid to New Zealand tax resident shareholders have not been subject to further tax

Share Buyback Programme

- » Barramundi has a buyback programme in place allowing it (if it elects to do so) to acquire up to 8.4m of its shares on market in the year to 31 October 2019
- » Shares bought back by the company are held as treasury stock
- » Shares held as treasury stock are available to be re-issued for the dividend reinvestment plan and to pay performance fees

Warrants

- » On 16 October 2018, a new issue of warrants (BRMWE) was announced
- » The warrants were issued 1 November 2018 at no cost to eligible shareholders and in the ratio of one warrant for every four Barramundi shares held
- » Exercise Price = \$0.64 per warrant, to be adjusted down for dividends declared during the period up to the Exercise Date
- » Exercise Date = 25 October **2019**
- » The final Exercise Price will be announced and an Exercise Form will be posted to warrant holders in September **2019**

Disclaimer: The information in this update has been prepared as at the date noted on the front page. The information has been prepared as a general summary of the matters covered only, and it is by necessity brief. The information and opinions are based upon sources which are believed to be reliable, but Barramundi Limited and its officers and directors make no representation as to its accuracy or completeness. The update is not intended to constitute professional or investment advice and should not be relied upon in making any investment decisions. Professional financial advice from an authorised financial adviser should be taken before making an investment. To the extent that the update contains data relating to the historical performance of Barramundi Limited or its portfolio companies, please note that fund performance can and will vary and that future results may have no correlation with results historically achieved.



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