MONTHLY UPDATE
August 2025

Barramundi
LANDING TOMORROW'S TROPHIES

SHARE PRICE
$0.73

BRM NAV
$0.73

DISCOUNT[1]
0.6%

as at 31 July 2025

A WORD FROM THE MANAGER

Barramundi's gross performance return for July was +4.2% and the adjusted NAV return was +4.0%. This compares to the S&P/ASX200 Index (70% hedged into NZ$) which was +2.7% over the month.

Market Backdrop

The Australian share market continued rising in July as tariff and trade war concerns abated further (albeit significant uncertainty on global trade still remains). The share market rally was broad based with 10 out of 11 sectors ending the month in positive territory.

Financials (-1%) proved to be the laggard in the month. Improving investor sentiment towards the mining heavy materials sector (+4%) helped lift the share prices of the large, diversified miners such as BHP (+6.8%) and Rio Tinto (+4.3%). Conversely this weighed on the banks' share prices as investors likely sold banks to fund purchases of the miners.

Pleasingly, Healthcare (+9%) was also one of the better performing sectors in the month. Bellwether healthcare company **CSL** (+13%) rose strongly despite no significant developments or news from the company during the month. CSL, **Resmed** (+8%) and **Cochlear** (+6%) are all core positions for our portfolio. Their strong share price performances contributed meaningfully to portfolio returns in the month.

Portfolio Commentary

Private equity firm PEP entered an agreement to acquire **Johns Lyng** (+23%) for $4 per share. The board has unanimously recommended that shareholders vote in favour of the deal. The transaction has been structured to enable management (including CEO Scott Didier) to retain their shares post deal. Management remains strongly incentivised to drive further value for PEP should they be successful in closing the deal.

PWR Engineering (+13%) rebounded strongly on the news that founder Kees Weel would be returning to the business after being on medical leave since April. He will share executive responsibilities with Acting CEO Matthew Bryson until the AGM in October at which time Kees will move into the role of Non-Executive Chairman. The current Chairman Roland Dane will not seek re-election. The Board has commenced a global search for a permanent CEO, which will include internal and external candidates.

On the last day of the month, US time, Resmed reported a very good Q4 FY25 result. This continued a run of solid quarterly performances. Revenue for the quarter was up by a healthy 10% in constant currency terms. This, along with ongoing gross margin expansion and leveraging of operating expenses, drove a 22% increase in earnings for the quarter. The improvement in gross margin was particularly notable and has been a theme for the last two years. Gross margin in Q4 was 61.4% and 60.0% for the full year. This is a creditable improvement over the last two years from a trough of 55.8% in Q4 FY23. The company has a pipeline of initiatives to deliver further gross margin gains and has guided to a range of 61-63% for the coming year. When combined with current good top line momentum this suggests FY26 should be another year of double-digit earnings growth.

Car Group (+2%) surprised the market with the announcement that longstanding CEO Cameron McIntyre is stepping down as CEO. Mr McIntyre has done a great job leading CAR over the years, and we wish him well. This paves the way for Will Elliott, the CFO, to step into the CEO position. Alongside the announcement CAR also provided a high-level trading update for the FY25 year just completed. It has largely met market expectations in delivering underlying revenue growth of ~12% and profit growth of ~11% (constant currency) in the year. Qualitative outlook commentary suggests this earnings growth is likely to continue with CAR starting FY26 'with good momentum'.

Macquarie (-5%) held its Annual General Meeting ("AGM") in the month at which it provided a modestly soft (vs market expectations) trading update after the first three months of its financial year. It retained its earnings guidance and there was nothing untoward in the AGM update itself. After rising strongly recently, the share price subsided on the news. The AGM included the surprise announcement that longstanding CFO, Alex Harvey, would step down at the end of the year. In a well-trodden path for succession planning at Macquarie, he is being replaced by the deputy CFO, Frank Kwok.

Macquarie received a large (non-binding) protest vote against its remuneration report at the AGM. Shareholders evidently used this as an avenue to express displeasure at the fact that Macquarie has tripped up over its regulatory responsibilities in a number of global jurisdictions. Regulatory obligations are very important, and this clearly needs to be addressed, and executives held accountable. However, there is a delicate balance between accountability on one hand and employee compensation (retention) and shareholder alignment on the other.

[1] Share Price Discount to NAV (using the net asset value per share, after expenses, fees and tax, to four decimal places).

At the beginning of July **Domino's** (-5%) delivered a negative surprise with the news that its CEO Mark van Dyck was stepping down after only eight months in the role. During this time Mr van Dyck oversaw the closure of underperforming Japanese stores, implemented a range of cost cuts, and made some senior management changes. He developed a strategic plan to return Domino's to earnings growth from the combination of better store-level performance and improved efficiency and execution within Domino's itself. We suspect that while the Domino's Board accepted the plan, it was pushing for a faster turnaround, particularly with respect to cost savings, than Mr van Dyck was comfortable with. Domino's Chair Jack Cowin has assumed the role of Executive Chair until a new CEO is appointed. As a 25% shareholder in Domino's, and operator of the Hungry Jack's (Burger King) franchise in Australia, he is a motivated and experienced person to assume temporary control. There has been no suggestion that Domino's will not deliver the current consensus of broadly flat underlying earnings for its June 2025 year. Beyond this, we believe not much has to go right for Domino's for its share price to warrant a re-rating from current levels. We are monitoring Domino's closely.

Portfolio Changes

During the month we added **Reece** (+4% since adding) to the portfolio. Reece is a wholesale distributor of plumbing, HVAC and waterworks products. It is the leading plumbing wholesale distributor in Australia and New Zealand, with a growing presence in the US. It has a long track record of success in growing its market share in a measured and value creative way and continues to be led by the strongly aligned founding family, the Wilsons. It is currently facing short term headwinds as a result of weak new home build activity, and home repair and restoration activity in ANZ and the US. However, long term earnings will be supported by its leading position in ANZ which allows it to maintain price discipline, and a store rollout strategy in the US. The near-term headwinds have seen the share price retrace -51% in the last twelve months. This provided us with an entry opportunity in a high-quality business we have had in the Fishing Pond for a while.

Robbie Urquhart
Senior Portfolio Manager
Fisher Funds Management Limited

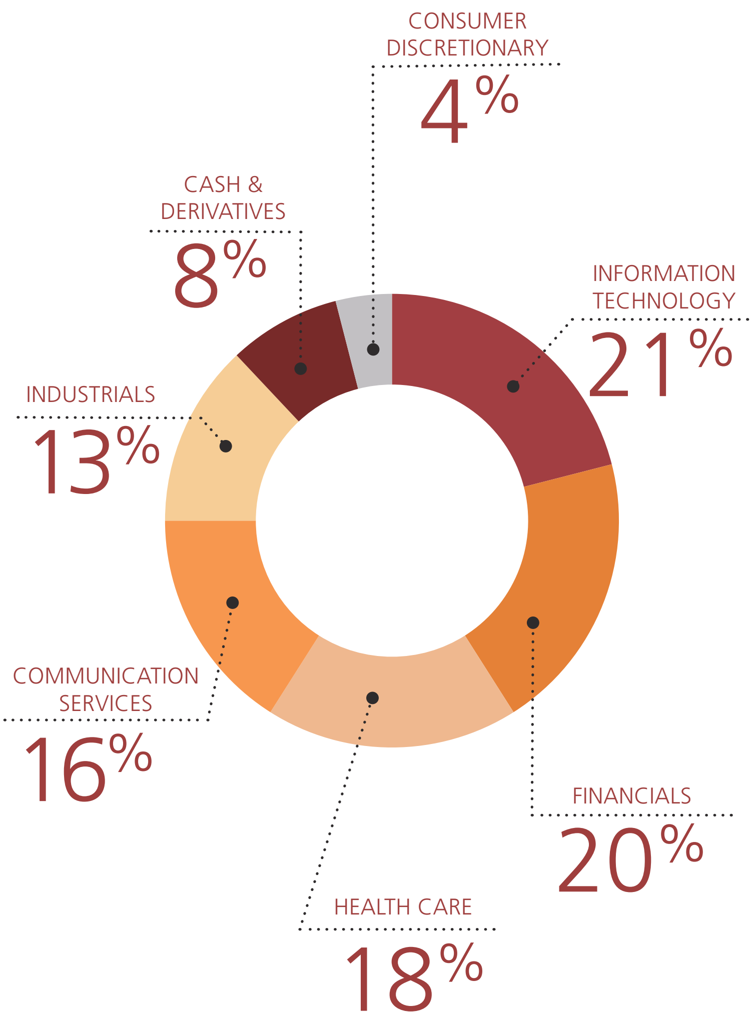
KEY DETAILS

as at 31 July 2025

FUND TYPE	Listed Investment Company
INVESTS IN	Growing Australian companies
LISTING DATE	26 October 2006
FINANCIAL YEAR END	30 June
TYPICAL PORTFOLIO SIZE	20-35 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 FEE HURDLE	Changes in the NZ 90 Day Bank Bill Index + 7%
PERFORMANCE FEE	10% of returns in excess of benchmark and high water mark
HIGH WATER MARK	$0.68
PERFORMANCE FEE CAP	1.25%
SHARES ON ISSUE	341m
MARKET CAPITALISATION	$249m
GEARING	None (maximum permitted 20% of gross asset value)

SECTOR SPLIT

as at 31 July 2025



JULY'S SIGNIFICANT RETURNS IMPACTING THE PORTFOLIO during the month in Australian dollar terms

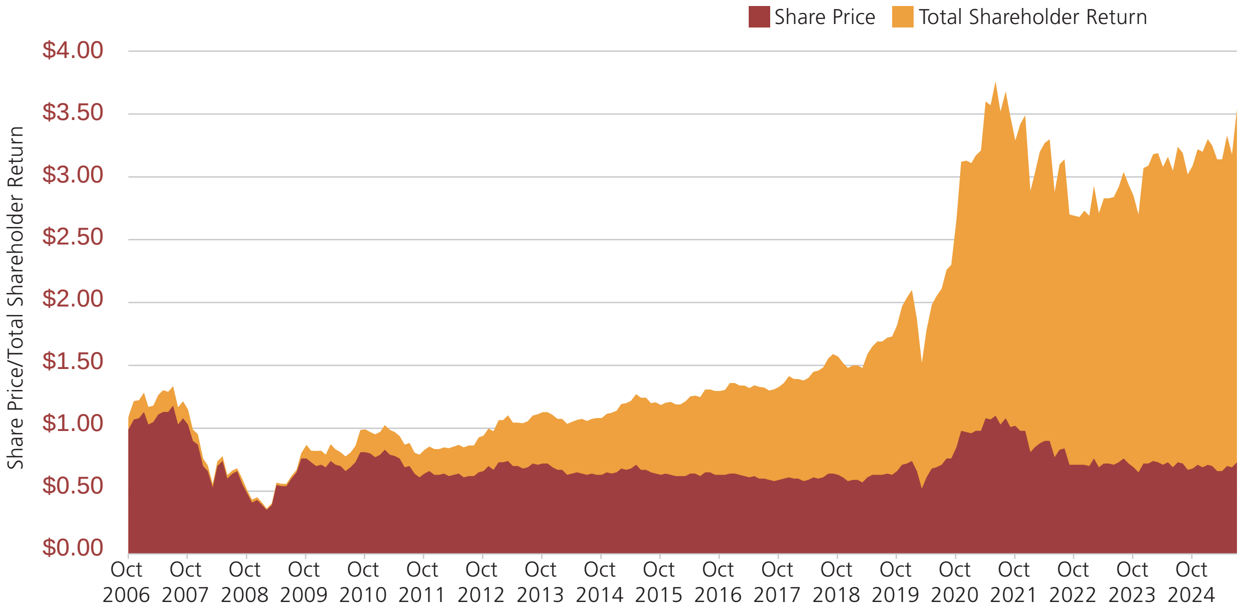
JOHNS LYNG	FINEOS CORP HOLDINGS	CREDIT CORP GROUP	CSL	AUDINATE
+23%	+18%	+14%	+13%	-18%

5 LARGEST PORTFOLIO POSITIONS as at 31 July 2025

CSL	WISETECH	SEEK	BRAMBLES	XERO
8%	7%	6%	5%	5%

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

TOTAL SHAREHOLDER RETURN to 31 July 2025



PERFORMANCE to 31 July 2025

	1 Month	3 Months	1 Year	3 Years (annualised)	5 Years (annualised)
Company Performance					
Total Shareholder Return	+5.8%	+12.9%	+9.2%	+4.5%	+10.9%
Adjusted NAV Return	+4.0%	+12.8%	+4.7%	+10.2%	+11.7%
Portfolio Performance					
Gross Performance Return	+4.2%	+13.6%	+6.8%	+13.0%	+14.2%
Benchmark Index^	+2.7%	+8.4%	+11.5%	+12.6%	+12.8%

^Benchmark Index: S&P/ASX 200 Index (hedged 70% to NZD)

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 dividends (and other capital management initiatives) and after expenses, fees and tax,
» adjusted NAV return – the percentage change in the adjusted NAV,
» gross performance return – the Manager's portfolio performance in terms of stock selection and currency hedging before expenses, fees and tax, and
» total shareholder return – the return combines the share price performance, the warrant price performance, the net value of converting any warrants into shares, and the dividends paid to shareholders. It assumes all dividends are reinvested in the company's dividend reinvestment plan, and that shareholders exercise their warrants, (if they were in the money), at warrant expiry date.

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 barramundi.co.nz/about-barramundi/barramundi-policies.

ABOUT BARRAMUNDI

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 20 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.

MANAGEMENT

The Manager has authority delegated to it from the Board to invest according to the Management Agreement and other written policies. Barramundi's portfolio is managed by Fisher Funds Management Limited. Robbie Urquhart (Senior Portfolio Manager), Terry Tolich and Delano Gallagher (Senior Investment Analysts) 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.

BOARD

The Board of Barramundi comprises independent directors Andy Coupe (Chair), Carol Campbell, David McClatchy and Fiona Oliver.

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 its shares on market
- Shares bought back by the company are held as treasury stock
- Shares held as treasury stock are available to be utilised for the dividend reinvestment plan

Warrants

- Barramundi announced a new issue of warrants on 30 June 2025
- The warrant term offer document was sent to all Barramundi shareholders in mid-July 2025
- Warrants were allotted to all eligible Barramundi shareholders on 7 August 2025
- The new warrants (BRMWI) commenced trading on the NZX Main Board from 8 August 2025
- The Exercise Price of each warrant is $0.70, adjusted down for the aggregate amount per Share of any cash dividends declared on the shares with a record date during the period commencing on the date of allotment of the warrants and ending on the last Business Day before the final Exercise Price is announced by Barramundi
- The Exercise Date for the Barramundi warrants is 7 August **2026**

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Barramundi Limited
Private Bag 93502, Takapuna, Auckland 0740
Phone: +64 9 489 7074
Email: enquire@barramundi.co.nz | www.barramundi.co.nz

Computershare Investor Services Limited
Private Bag 92119, Auckland 1142
Phone: +64 9 488 8777
Email: enquiry@computershare.co.nz | www.computershare.com/nz