MONTHLY UPDATE

June 2025

Barramundi
LANDING TOMORROW'S TROPHIES

SHARE PRICE	BRM NAV	DISCOUNT[1]
$0.70	$0.71	1.1%

as at 31 May 2025

A WORD FROM THE MANAGER

Barramundi's gross performance return for May was +7.0% and the adjusted NAV return was +6.5%. This compares to the S&P/ASX200 Index (70% hedged into NZ$) which was +4.1% over the month.

The Australian share market continued rebounding strongly in May (alongside global equities) as tariff fears abated. All sectors of the ASX200 index finished the month with positive returns. Information Technology (+19.8%) was the best performing sector helped in part by strong share price performance from WiseTech and Xero (see below). Energy (+8.6%), Communication Services (+5.5%) which was buoyed by SEEK's investor day, and Real Estate (+5.1%) also delivered strong returns in the month. Utilities (+0.3%) and Consumer Staples (+1.2%) lagged the index but still delivered positive returns in the month.

Portfolio Commentary

WiseTech's (+21% in A$) share price rose strongly in May, underpinned by receding trade tensions between China and the US, and the announcement of a US$2.1bn acquisition of US software business e2open. Tempering this good news, WiseTech has delayed the roll-out of a new software product. It will finesse the product further to broaden its functionality and appeal for a wider range of customers. This is in keeping with the company's mantra of 'slower today, faster forever'. Whilst this may weigh on the pace of earnings growth in the short-term, we think WiseTech's new products will be well received by customers and will add meaningfully to profit growth in the future. Although it is still early days, we are encouraged by the acquisition of e2open. WiseTech seems to have opportunistically acquired the company at an attractive price. The complementary nature of its software products broadens WiseTech's reach across global logistics participants and has the potential to accelerate its growth in the future.

Macquarie (+13%) announced a robust full year earnings result, broadly in-line with the market's expectation. Its four key divisions are performing broadly as expected, and pleasingly its digital retail banking division has continued to take market share in Australia across both household and business lending. More consequential was Macquarie's divestment of a large part of its global (public markets) asset management business for what seems to be an attractive price. Macquarie is looking to reinvest the sales proceeds into higher returning private investment markets. In doing so, Macquarie's growth strategy in asset management is moving closer in direction to that pursued by global peers such as KKR and Apollo. With ample capital and a strong balance sheet, Macquarie is well positioned to grow its earnings over coming years.

SEEK (+14%) hosted its investor day where the focus was on its product strategy. In 2024 it completed its multi-year, $180m unification project which folded all its eight jurisdictions onto one platform. This has allowed it to accelerate the launch of several new products. It has used Artificial Intelligence ("AI") to leverage its unique localised data to improve hirer and candidate experience, and extend its #1 placement lead across its regions. The improved platform, new products, and access to unique local data at scale should help SEEK achieve its double-digit yield growth targets. Coupled with the cost efficiencies the new platform brings, management is confident of growing profits faster than revenue from here. SEEK also explained that it expects revenue and profits to land at the top end of FY25 guidance.

Xero (+12%) delivered a solid full year financial result, broadly in line with expectations. Xero continues to grow revenue over 20%, driven by a combination of strong subscriber growth in key geographies, an improvement in the mix of products being used by customers (essentially 'up-sell') and price increases. Cost growth remains disciplined, which enabled the company to meaningfully lift free cash flow to $500m from $340m in the prior year.

Xero's management team has a clear strategic focus referred to as 'the 3x3', putting the bulk of their energies into three geographies (the US, UK and Australia) and across three key product lines (accounting, payments and payroll). This determines where they invest in product development and how they allocate resources more generally in the organisation. The clarity of focus seems to be bearing fruit for shareholders and sets the company up well for the future. In particular, we note that management's confidence in Xero's ability to grow materially within the US continues to grow. Should Xero be successful in this endeavour, the contribution of the US to overall earnings could be a lot more meaningful in future years.

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

Credit Corp (+1%) provided its traditional nine-month trading update and reiterated FY25 underlying profit guidance of $90-100m, +11-23% on FY24. Net lending volumes for its Consumer Lending business were raised to $60-70m from $45-55m but this will benefit FY26 earnings rather than the current year. Consumer Lending profit for FY25 is likely to be around +30%, reflecting strong growth in the lending book over the last couple of years. US Debt Buying earnings will be close to +40% from the combination of improving collection productivity and higher purchased debt ledger ("PDL") volumes. Profit from ANZ Debt Buying will be down by around -15% as the ANZ PDL book has been in run-off due to a constrained supply of new ledgers. That said, the ANZ PDL book appears close to a trough, so we would expect FY25 ANZ Debt Buying earnings to be a sustainable level for FY26. When combined with the prospect of further growth in Consumer Lending and US Debt Buying earnings, Credit Corp looks well placed to deliver satisfactory growth for the year ahead.

Portfolio Changes

After adding **Pinnacle** in early April 2025, we exited our position in May (+40% over the holding period). Its valuation became compelling during peak tariff concerns and we initiated a small position. However, the opportunity proved fleeting and we were unable to build a larger position before the share price rebounded closer to fair value. We chose to exit our position and redeploy the proceeds in better risk / return opportunities.

Robbie Urquhart
Senior Portfolio Manager
Fisher Funds Management Limited

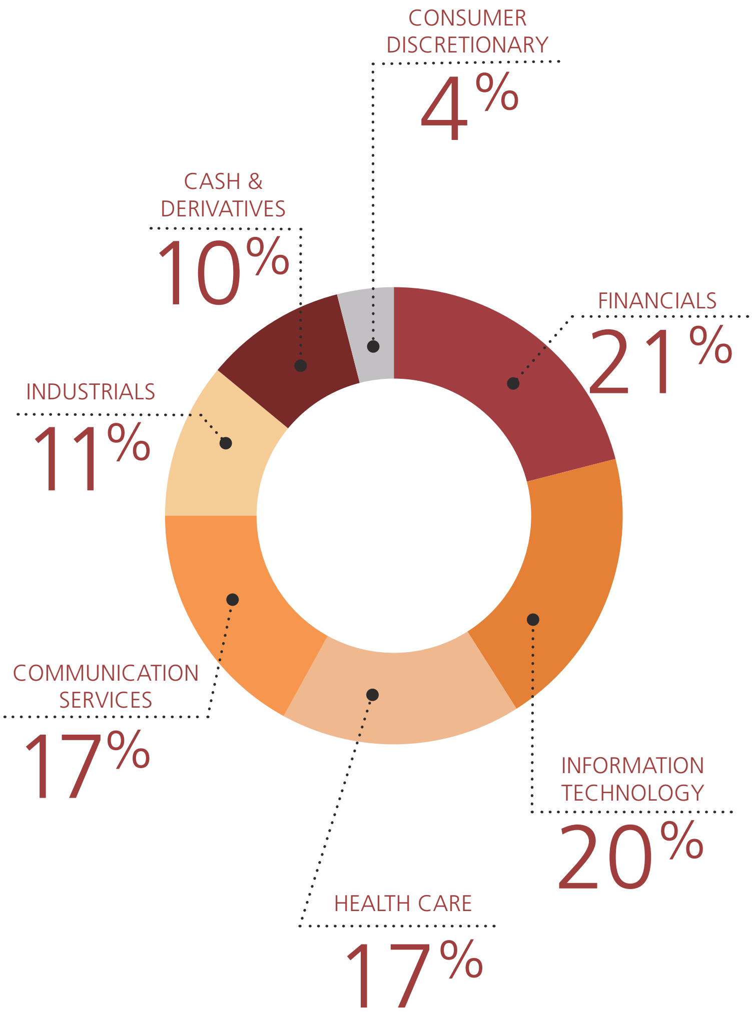
KEY DETAILS

as at 31 May 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	$0.69
PERFORMANCE FEE CAP	1.25%
SHARES ON ISSUE	338m
MARKET CAPITALISATION	$237m
GEARING	None (maximum permitted 20% of gross asset value)

SECTOR SPLIT

as at 31 May 2025



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

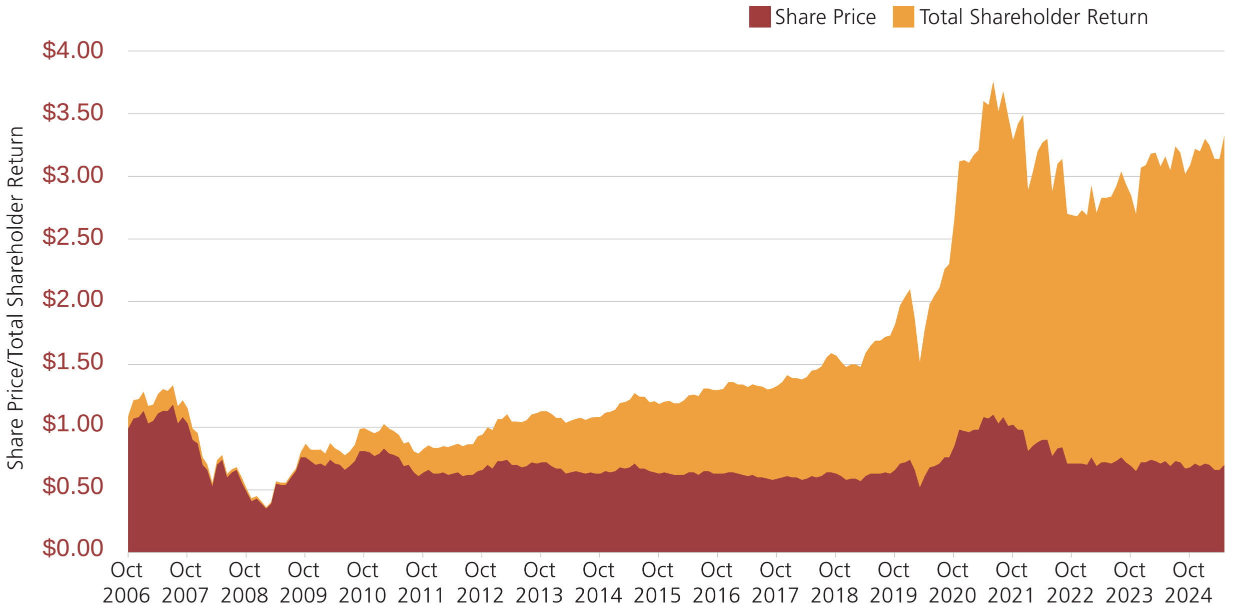
AUDINATE	WISETECH	JOHNS LYNG	SEEK	BRAMBLES
+29%	+21%	+15%	+14%	+13%

5 LARGEST PORTFOLIO POSITIONS as at 31 May 2025

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

The remaining portfolio is made up of another 19 stocks and cash.

TOTAL SHAREHOLDER RETURN to 31 May 2025



PERFORMANCE to 31 May 2025

	1 Month	3 Months	1 Year	3 Years (annualised)	5 Years (annualised)
Company Performance					
Total Shareholder Return	+6.1%	+2.4%	+5.2%	+0.3%	+10.9%
Adjusted NAV Return	+6.5%	+1.3%	+4.5%	+9.9%	+11.4%
Portfolio Performance					
Gross Performance Return	+7.0%	+1.8%	+6.7%	+12.5%	+14.0%
Benchmark Index^	+4.1%	+3.3%	+13.4%	+9.9%	+12.6%

^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

- Warrants put Barramundi in a better position to grow further, operate efficiently, and pursue other capital structure initiatives as appropriate
- A warrant is the right, not the obligation, to purchase an ordinary share in Barramundi at a fixed price on a fixed date
- There are currently no Barramundi warrants on issue

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