Monthly Update

March 2020

BRM NAV	SHARE PRICE	DISCOUNT[1]
$0.70	$0.66	5.2%

as at 29 February 2020

A word from the Manager

Barramundi's gross performance for the month was down - 7.1%, while the adjusted NAV was down - 6.7%. This compares with our benchmark, S&P/ASX200 Index (70% hedged into NZ$), which was down -7.6%.

Market Overview

Coronavirus related concerns escalated significantly in February as the virus spread into a broad number of countries outside of China. This resulted in sharp falls across share markets globally. The economic cost of the virus has continued to rise as global containment efforts have resulted in significant disruption to manufacturing, supply chains, travel, tourism and trade. The extent and duration of this disruption to economic activity remains uncertain.

In concert with the falls in major global equity indicies, the ASX200 index was down -7.7% (in A$) in February. All sectors finished the month in the red, with the Energy (-18%) and the Information Technology sectors (-17.6%) falling the most. Defensive, 'safe haven' sectors including Healthcare (-3.8%), Utilities (-4.5%) and Real Estate (-5.1%) were the best performing sectors in the month.

Portfolio News

As a generalisation, Barramundi's portfolio companies are more exposed to the second order effects of Coronavirus to trade and supply chain disruption and slowing economic growth rather than the direct, first order effects, such as the reduction in tourism.

Nevertheless, the second (and first) order effects of the virus on economic activity is rising. This was a theme that came through in company guidance and management discussion during reporting season in February. The pathway forward for the virus and the global economy remains uncertain. Not surprisingly, management teams erred on the side of caution in their earnings outlook comments.

Equity markets will experience bouts of volatility like we saw in February. This may persist for some time. However, we remain optimistic about our portfolio companies' longer-term earnings growth and the returns that can be generated for Barramundi shareholders.

AUB Group's (+7.2% in A$) strong February performance was driven initially by the announcement that it was increasing its ownership of MGA Whittles from 50% to 100% for $140m and acquiring a 40% shareholding in BizCover for $132m. MGA Whittles is AUB Group's largest brokerage and among its best performing. BizCover is Australia's leading online insurance distribution platform. The company rounded out the month reporting a 25% increase in underlying earnings for its December half year. This healthy performance, and the contribution from the recent acquisitions for the full year (FY), saw FY earnings guidance lifted from an 8-10% increase to a 16-18% increase on the prior year.

Next DC (+3.9%) reported a solid first half result and reaffirmed it is on course to meet its full year guidance. There was incrementally positive news on a number of data centre builds. The second data centre site in Sydney is nearing completion after setbacks in 2019 and development of the second site in Perth is tracking ahead of schedule. Management remain confident that the demand for its data centres remains strong in its core Sydney and Melbourne markets.

Dominos (+2.4%) reported a +6% increase in underlying earnings that was well received. There are signs that its European operation is starting to get back into its stride. In particular, France is performing better after remedial actions taken last year by the new country CEO. Germany is also poised for organic growth after completing the integration of the Hallo Pizza acquisition. Europe is Domino's largest growth opportunity for the next few years.

CSL (-0.8%) reported a strong set of results. Its core immunoglobulin business (40% of group revenues) continued to take share from peers in a growing market that is short of supply. Of all its global peers, CSL has been best placed to address the supply shortage. It is now reaping the benefits from its investment into increased plasma collection capacity over the previous six years. Elsewhere, CSL's influenza business benefitted from a strong Northern Hemisphere influenza season and a key competitor missing its delivery deadline.

Wisetech (-39.7%), which provides software to logistics companies globally, delivered a soft financial result. It also (sensibly) downgraded its earnings guidance for the full year given the impact of the Coronavirus-related disruption to global trade. Wisetech's valuation has been predicated on high revenue growth rates both from its own core business as well as from the acquisitions it has made in the past few years. The

[1] Share Price Discount to NAV (using NAV to four decimal places).

market was disappointed by the revenue growth rate of the core business. It was also seeking a stronger contribution from the acquisitions than was evident in the six months to December 2019.

After rising strongly in January following the announcement of an acquisition, **Link Administration (-31%)** fell sharply following its earnings release in February. This was always going to be a difficult period for the company, as it grappled with the impacts of the Australian Government's "Protecting Your Super" reforms on its core Retirement & Superannuation Solutions operation in Australia, and the effect of Brexit on its UK and European businesses. In addition to reporting a financial result in which earnings fell 11% in the half year, management reduced Link's full year earnings guidance as well. Following a number of disappointing earnings updates, this was not well received by the market.

In fairness, the company's management seems to be executing acceptably on what it can control. We are looking for a better earnings performance in 2021 as cost-out initiatives bear fruit and near-term headwinds abate.

oOH!Media (-15.4%) delivered a solid financial result in a difficult domestic advertising environment. However, market concerns over the cyclical softness in the advertising industry continues to weigh on its share price. We remain positive on oOh!media's long-term growth prospects as we expect the out of home advertising sector to continue taking advertising market share from traditional media.

Portfolio Changes

SEEK's earnings are partially dependent on the cyclicality of the employment market. It has a large exposure to Asian markets and China. With its earnings outlook looking more challenging in this environment we reduced our position modestly during the month.

Robbie Urquhart
Senior Portfolio Manager
Fisher Funds Management Limited

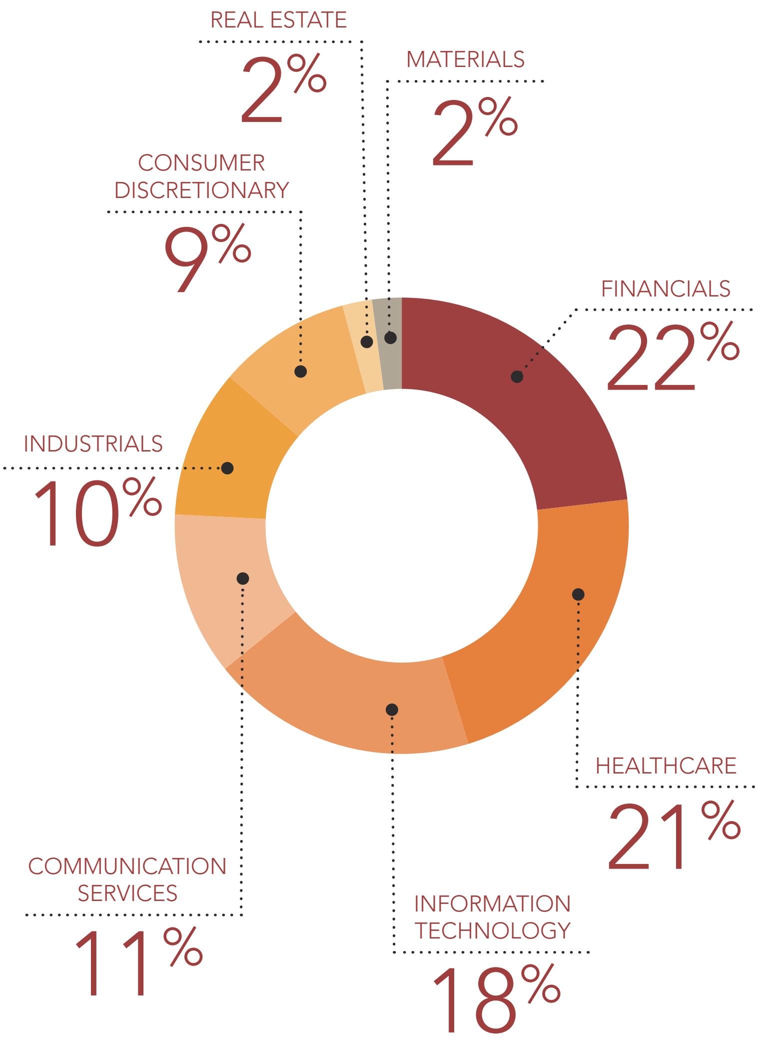
Key Details

as at 29 February 2020

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 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	$0.59
PERFORMANCE FEE CAP	1.25%
SHARES ON ISSUE	205m
MARKET CAPITALISATION	$135m
GEARING	None (maximum permitted 20% of gross asset value)

Sector Split

as at 29 February 2020



The Barramundi portfolio also holds cash.

February's Biggest Movers in Australian dollar terms

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

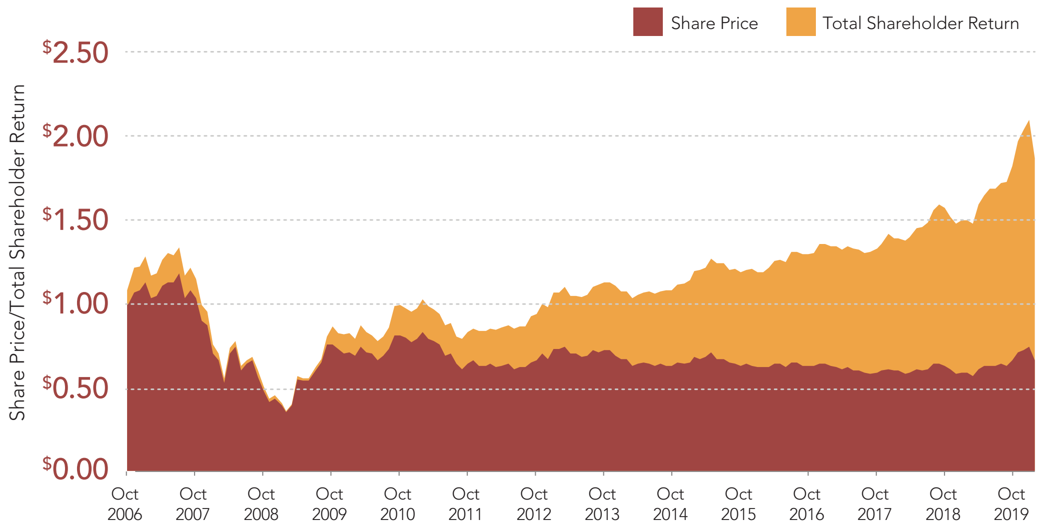
WISETECH	LINK ADMINISTRATION	OOH!MEDIA	XERO LIMITED	RIO TINTO
-40%	-31%	-15%	-14%	-12%

5 Largest Portfolio Positions as at 29 February 2020

CSL LIMITED	CARSALES.COM	SEEK	AUB GROUP	XERO LIMITED
8%	7%	6%	5%	5%

The remaining portfolio is made up of another 21 stocks and cash.

Total Shareholder Return to 29 February 2020



Performance to 29 February 2020

	1 Month	3 Months	1 Year	3 Years (annualised)	5 Years (annualised)
Company Performance					
Total Shareholder Return	(10.8%)	(5.0%)	+24.2%	+11.9%	+9.4%
Adjusted NAV Return	(6.7%)	(3.5%)	+18.8%	+12.9%	+9.0%
Portfolio Performance					
Gross Performance Return	(7.1%)	(3.1%)	+22.3%	+16.3%	+12.3%
Benchmark Index^	(7.6%)	(5.5%)	+8.6%	+8.6%	+9.3%

^Benchmark Index: S&P/ASX Small Ords Industrial Gross Index until 31 January 2015 & 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 capital allocation decisions, after expenses, fees and tax,
» adjusted NAV return – the return to an investor after expenses, fees and tax,
» 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 http://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 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.

Management

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.

Board

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, and Andy Coupe; and non-independent director 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 its shares on market

» 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

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 warrants on issue

Barramundi

Barramundi Limited
Private Bag 93502, Takapuna, Auckland 0740
Phone: +64 9 489 7074 | Fax: +64 9 489 7139
Email: enquire@barramundi.co.nz | www.barramundi.co.nz

Computershare Investor Services Limited
Private Bag 92119, Auckland 1142
Phone: +64 9 488 8777 | Fax: +64 9 488 8787
Email: enquiry@computershare.co.nz | www.computershare.com/nz