MONTHLY UPDATE

March 2024

Barramundi
LANDING TOMORROW'S TROPHIES

Share Price	Warrant Price	BRM NAV	DISCOUNT[1]
$0.74	$0.09	$0.80	4.8%

as at 29 February 2024

A WORD FROM THE MANAGER

Barramundi's gross performance return for February was +5.2% and the adjusted NAV return was up 4.6%. This compares to the S&P/ASX200 Index (70% hedged into NZ$) which rose 0.7% over the month.

Performance across our portfolio was driven largely by financial updates and an investor day at Xero. A number of our larger portfolio holdings delivered strong financial results which helped our outperformance.

Portfolio News

Wisetech (+29% in A$) delivered a strong 1H24 result, with revenue up 32% on 1H23, and pre-tax operating profit up 17%, reflecting the integration of some (lower margin) acquisitions. Importantly, the underlying business continues to gain in strength, with signs that its economic moat is widening. This bodes well for the future. Wisetech added Sinotrans to its list of global software rollouts, meaning it now counts 13 of the top 25 global freight forwarders as key customers. This is good progress, with plenty of opportunity left to grow its customer base. In addition, a couple of new smaller customers also signed on for global rollouts of the cargowise software product. Wisetech's customs product has also seen further uptake across its customer base. The integration of businesses acquired last year is progressing well, leading to better profit margin guidance than the market feared. In all, there was little to complain about with this result.

NextDC (+26%) provided a strong set of results, with revenue growth of +31% supported by previously announced large contract wins and higher price increases during the year. NextDC is benefitting from the structural growth in data consumption and data storage. In the last twelve months NextDC has signed additional deals with leading cloud computing platforms and grown its contract book by +76%. The demand for data storage capacity such as that which NextDC provides is set to benefit from ongoing cloud computing as well as increasing AI requirements for the foreseeable future.

Despite a soft advertising market, **oOh!Media** (+18%) delivered a 7% increase in revenue for 2023. This reflected both the out of home ("OOH") advertising segment's ongoing structural market share gains from more traditional media and the sector's recovery from the impact of Covid-19 on OOH audiences. For the year ahead the OOH segment is expected to grow at mid to high single digits.

PWR Engineering's (+18%) result showed evidence of strong demand for its emerging technologies, particularly in its motorsport (revenues increased +19% on the prior period) and aerospace (revenue increased +124%) divisions. Both these markets are at the cutting end of technology and provide room for further growth. To this end, PWR again grew its pipeline of future work, by number and size of contracts.

Domino's (+15%) delivered most of the bad news about its December half year in a January trading update. Consequently, with the result itself, the focus was mainly on whether there was any devil in the detail. Happily, there wasn't. Pre-tax profit for the half was $89.6m, -15% on last year but at the top end of guidance given in the update. At a group level, same store sales ("SSS") performance for the first seven weeks of the second half was somewhat better than for the first half, +3.0% versus +1.3%. Regionally, ANZ continued to strengthen (+8.4% vs +8.2%) and there was a marked turnaround in Asia (+0.3% vs -8.9%). Here, a strong recent performance from Japan (+6.7%) offset ongoing weakness in Taiwan and Malaysia. Japan is cycling a soft comparable period, but its recent SSS result does provide tentative evidence that Domino's successful ANZ sales rejuvenation strategies are starting to gain traction elsewhere. Within Europe, Germany SSS growth for the latest seven weeks was +6.1%. This suggests SSS in France are running at around -6%. Dominos has some work to do to turn France around.

Xero (+15%) held its (well received) inaugural investor day a year after CEO Sukhinder Singh Cassidy began with the company. Participants were treated to presentations from a range of Xero's senior leadership, many of whom, like the CEO, have started in the last year. A theme from the day was the clarity of focus the team has for the next few years. Xero is focussed on targeting three areas (core accounting, payments and payroll solutions) in three key growth markets (US, UK and Australia) for a primary customer base of businesses with 1-20 employees. There was a consistency of message behind these focus areas from all presenters on the day. In particular, Xero's new head of product, Diya Jolly outlined significant progress the developer team has made in the US in the past year, with the velocity of new product enhancements rising sharply. This includes Xero's AI based tool nicknamed JAX (Just Ask Xero) which looks set to significantly improve productivity for Xero customers when it is released after its testing phase. Xero won't lose sight of core, smaller markets such as NZ, South Africa and Canada. But it will be disciplined in how it allocates its resources. It will very clearly not attempt being all things to all people.

CAR Group (+11%) backed up its strong share price performance in the last year, with a credible financial result (constant currency revenue and operating profit growth of +15% and +16% respectively). All key geographies (Australia, South Korea, the US and Brazil) contributed to this growth, with evidence that CAR's management team is successfully exporting new product initiatives that enhance growth in one geography, into other geographies. This enhances the flywheel of growth for the company while also giving the market more comfort that its earnings base is more resilient than it was five or ten years ago.

[1] Share Price Discount to NAV (including warrant price on a pro-rated basis and using the net asset value per share, after expenses, fees and tax, to four decimal places).

Fineos's (-19%) disappointing results showed revenue that was flat for the six months ended December (below market expectations). This led management to downgrade its revenue guidance for the following twelve months. Revenue was impacted by further churn of customers in its Limelight business and three customers delaying their upgrade from Fineos' on-premise solution to its Cloud solution. The performance of the Limelight business since Fineos acquired it in 2020 has been disappointing, and Fineos has had to comprehensively overhaul the Limelight software. Encouragingly, the technology overhaul is largely complete and Fineos is marketing the product again with positive early feedback from the market.

Portfolio Changes

During the month we increased our target weighting in Johns Lyng after its share price fell. Conversely, we reduced our weighting in Seek and REA Group (on valuation grounds).

Robbie Urquhart
Senior Portfolio Manager
Fisher Funds Management Limited

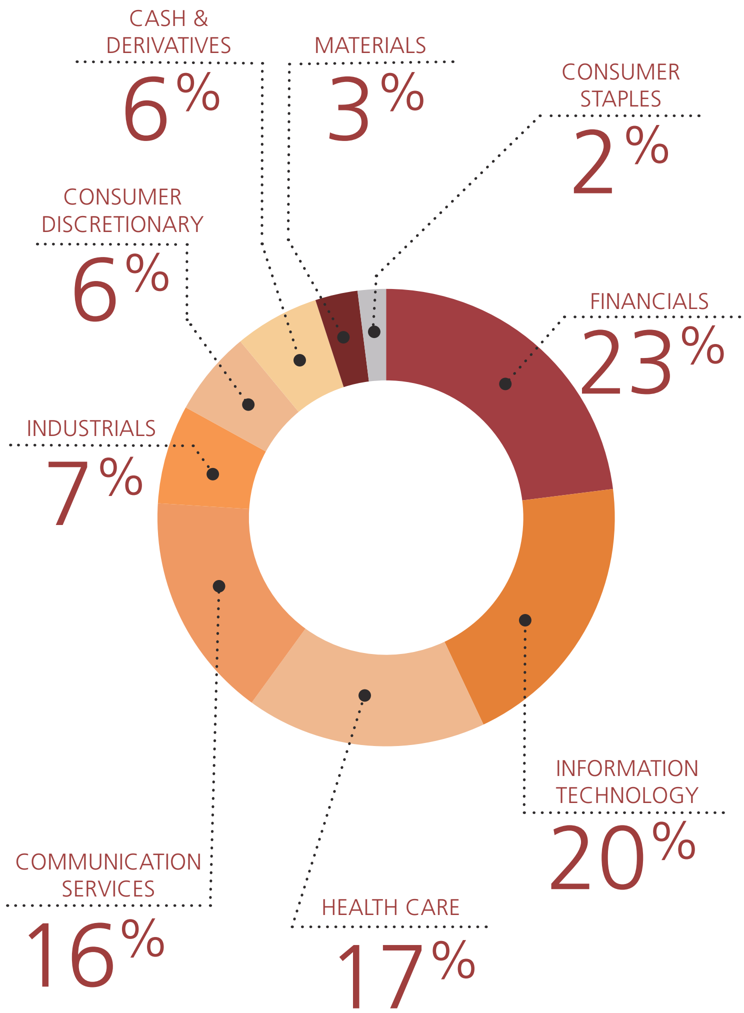
KEY DETAILS

as at 29 February 2024

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	280m
MARKET CAPITALISATION	$207m
GEARING	None (maximum permitted 20% of gross asset value)

SECTOR SPLIT

as at 29 February 2024



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

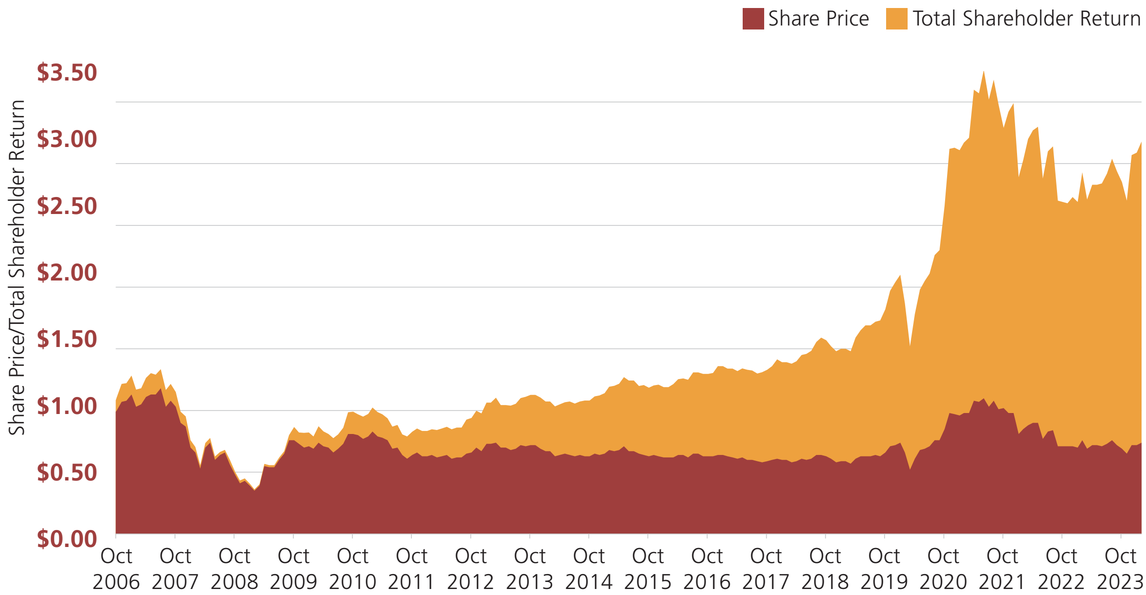
AUDINATE	WISETECH	NEXTDC	PWR HOLDINGS	FINEOS CORP
+40%	+29%	+26%	+18%	-19%

5 LARGEST PORTFOLIO POSITIONS as at 29 February 2024

CSL LIMITED	WISETECH	CAR GROUP	XERO	AUB GROUP
10%	8%	5%	5%	5%

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

TOTAL SHAREHOLDER RETURN to 29 February 2024



PERFORMANCE to 29 February 2024

	1 Month	3 Months	1 Year	3 Years (annualised)	5 Years (annualised)
Company Performance					
Total Shareholder Return	+3.0%	+18.0%	+8.7%	+0.2%	+16.1%
Adjusted NAV Return	+4.6%	+15.5%	+22.5%	+10.9%	+14.6%
Portfolio Performance					
Gross Performance Return	+5.2%	+16.5%	+26.4%	+13.3%	+17.5%
Benchmark Index^	+0.7%	+9.4%	+10.9%	+9.9%	+9.2%

^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 an issue of warrants (BRMWH) on 9 October 2023

» Information pertaining to the warrants was mailed/ emailed to all shareholders on Tuesday 17 October 2023

» The warrants were issued at no cost to eligible shareholders in the ratio of one warrant for every four Barramundi shares held, based on the record date of 25 October 2023

» The warrants were allotted to shareholders on 26 October 2023 and listed on the NZX Main Board from 27 October 2023

» The Exercise Price of each warrant is $0.69, 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 warrants is 25 October 2024

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 a 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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