MONTHLY UPDATE

March 2025

SHARE PRICE
$0.70

BRM NAV
$0.72

DISCOUNT[1]
2.2%

as at 28 February 2025

A WORD FROM THE MANAGER

Barramundi's gross performance return for February was -6.3% and the adjusted NAV return was also -6.3%. This compares to the S&P/ASX200 Index (70% hedged into NZ$) which was -3.6% over the month.

February's share price moves were strongly influenced by company results which made for a volatile month overall for the market. The majority of sectors delivered negative returns, with information technology (-12%) and Healthcare (-8%) the worst sectors overall. There was also wide dispersion of returns within sectors.

Portfolio Commentary

oOh!media (+29% in A$) reported a 7% increase in 2024 earnings. Revenue was flat, lagging the 8% growth achieved by the out-of-home media sector. This was due to the loss of a large contract which could not be renewed at an adequate return, and to poor sales execution, now addressed. Growth prospects are looking brighter for 2025 with some major new contracts commencing. Calendar year to date revenue is up by 14%. Growing revenues coupled with the benefits of a cost out programme should produce solid earnings growth this year.

Audinate (+12%), delivered a pleasing result which critically demonstrated that it is making progress in working through the audio chip inventory overhang of its key customers. Six of its top ten customers have begun re-ordering chips, and the remaining four are expected to begin re-ordering by June '25. This has underpinned a rebound in revenue growth into 2H25. Although it's still early days, Audinate continues to see an acceleration of demand for its video product suite, reinforcing confidence in its bright outlook for long-term growth.

Brambles (+6%) reported a respectable 11% constant currency ("CC") lift in after tax profit for its December 2024 half year. This was underpinned by 4% CC revenue growth against a lacklustre macro backdrop (like-for-like volume +1%). Importantly, with pallets no longer in short supply, the company is again starting to convert new customers to its pooled pallet model. This is reflected in net wins contributing 1% to revenue growth for the half. Given the operating leverage inherent in the business, and the benefits of the transformation programme commenced several years ago, the 4% CC revenue growth produced a 10% CC increase in EBIT. These half year run-rates leave Brambles well on track to deliver its unchanged full year guidance for revenue and EBIT growth of 4-6% CC and 8-11% CC, respectively.

While **MAAS Group's** half year result was in line with the market's expectations, the share price fell -16% after it downgraded its full year earnings guidance by 4-6%. The downgrade was driven by remediation work related to two projects and several other project delays in the Civil Construction & Hire business. Remediation work related to the two projects has now been completed. These were isolated incidents, and in the last 5 years only 4 civil contracts have been loss making (including these two). The project delays were primarily related to the Central West Orana Renewable Energy Zone ("REZ"). Encouragingly work has subsequently commenced on 2 of the 4 delayed projects. The Orana REZ presents a big opportunity for MAAS Group and further work is expected to commence through 2H25 and FY26 and beyond. This should drive plant hire utilisation and provide strong profit growth.

Cochlear's (-19%) 1H25 sales were marginally behind the market's expectations, but after tax profit was largely in line. The Cochlear Implant division (new implants) grew +13%. Volumes grew +5% and were skewed to developed markets which provided a positive sales mix benefit. The Acoustics business continued to grow strongly led by the global rollout of the bone conduction hearing system, the Osia. The clear negative in the result was the Services division (Cochlear implant upgrades) which fell -12%. Management called out cost of living pressures and the longevity and quality of the previous generation external processor (the N7) as reasons for users delaying upgrading to the new N8 processor. Encouragingly Cochlear announced it would launch several new products in 2025, including a new internal processor - the first in over a decade. New products typically lead to share gains in the short to medium term.

Wisetech's (WTC) share price fell 28% in the month, largely because of the resignation of four of its directors. As we discussed in our October update, WTC's founder, Richard White had stepped down as CEO following controversy related to his personal life. However, he ultimately could not agree with the resigning board members, the terms of the role he would play in the company going forward. He has since assumed the role of executive chair and is looking to replace the board members in time. This highlights a weakness in governance, and as such we have reduced our target weight in the company. However, we think the leadership structure with the founder as chair is a more stable structure than what the Board had previously proposed. As highlighted in WTC's financial results, the company continues to grow strongly. It is in the process of releasing three new products for the logistics industry. These products significantly broaden WTC's runway for growth. As one of our widest moat companies, we think it is worth remaining invested as the company looks to realise this growth potential.

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

Johns Lyng (-31%) delivered a disappointing set of results and a downgrade to full year guidance. The crux of the miss was in the core Australian division where organic growth was -16%. Insurer Suncorp has been slow in re-allocating work to Johns Lyng after previously pausing allocations in New South Wales ("NSW") on the back of poor execution on the part of Johns Lyng. The impact was compounded by benign weather conditions which has led to lower jobs across the industry. Johns Lyng replaced people responsible for poor execution. While Suncorp has started assigning work to Johns Lyng in NSW, it is unclear how long it will take for volumes to rebound to previous levels.

Portfolio Changes

We reduced our weighting in Wisetech during the month (discussed above).

We also exited our position in Woolworths. We like the non-discretionary nature of Woolworth's Australia Food business and the scale moat afforded to it by being the #1 supermarket business in Australia, with 30%+ share. However, since 2Q23 Woolworths has consistently underperformed Coles despite Woolworths having the larger and better store network, and better, more sophisticated and larger distribution network. Coles has arguably read the consumer better and leveraged its value brand in the current cost-of-living crisis. Woolworths (and Coles) have also increasingly faced pressure from the likes of Amazon, Bunnings and Chemist Warehouse who are taking share in the non-food space (non-food is circa 33% of Woolworths sales).

Increased competition, a shift by consumers to lower-priced goods and falling inflation has put pressure on the sales growth, while costs have risen, led by the largest cost bucket, wages, which have increased 4.25%. This led Australia Food margins to fall in 1H25. And while the ACCC proceedings against supermarkets remains ongoing we think Woolworths will remain cautious in raising prices to offset cost pressures which may see margins deteriorate further in the near term.

Woolworths has also had a change in leadership with longstanding CEO, Brad Banducci handing over the reins to Amanda Bardwell. Untested, we will follow her progress closely.

Robbie Urquhart
Senior Portfolio Manager
Fisher Funds Management Limited

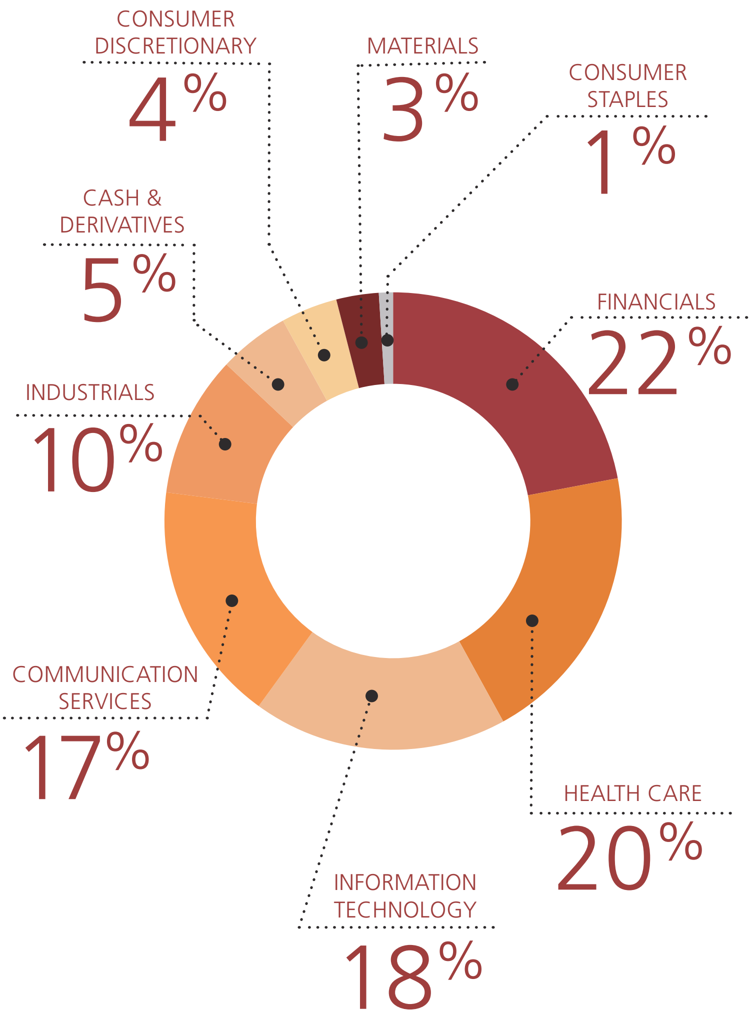
KEY DETAILS

as at 28 February 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	$0.71
PERFORMANCE FEE CAP	1.25%
SHARES ON ISSUE	335m
MARKET CAPITALISATION	$235m
GEARING	None (maximum permitted 20% of gross asset value)

SECTOR SPLIT

as at 28 February 2025



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

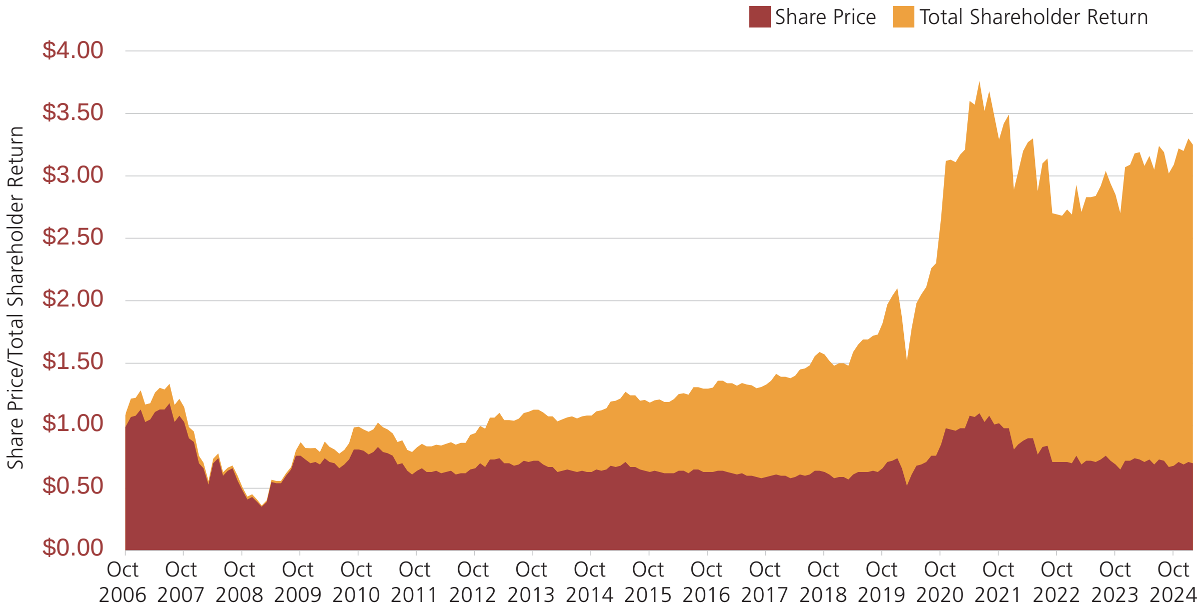
oOH!MEDIA	MAAS GROUP	COCHLEAR	WISETECH	JOHNS LYNG GROUP
+29%	-16%	-19%	-28%	-31%

5 LARGEST PORTFOLIO POSITIONS as at 28 February 2025

CSL LIMITED	SEEK	WISETECH	MACQUARIE GROUP	XERO
10%	6%	6%	5%	5%

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

TOTAL SHAREHOLDER RETURN to 28 February 2025



PERFORMANCE to 28 February 2025

	1 Month	3 Months	1 Year	3 Years (annualised)	5 Years (annualised)
Company Performance					
Total Shareholder Return	(1.4%)	+0.9%	+2.2%	+2.4%	+11.7%
Adjusted NAV Return	(6.3%)	(8.6%)	(0.0%)	+8.5%	+10.8%
Portfolio Performance					
Gross Performance Return	(6.3%)	(8.5%)	+1.7%	+10.9%	+13.2%
Benchmark Index^	(3.6%)	(2.4%)	+11.7%	+10.2%	+9.8%

^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

- 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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