QUARTERLY NEWSLETTER

1 January 2025 – 31 March 2025

Share Price	BRM NAV	PREMIUM[1]
$0.66	$0.65	1.5%

as at 31 March 2025

In the March Quarter ("Q1"), Barramundi's gross performance fell -9.8%, and the adjusted NAV return was down -10.0%, both lagging the -3.0% decrease in the benchmark return.

The focus of our Q1 Newsletter is to explore how we have sought to sensibly take advantage of the significant share price volatility experienced in the period. In summary, where companies are performing well operationally, but share prices have fallen (related to broader market reasons), we have added to our positions. Where companies have performed poorly, we have been circumspect. In some cases, we have reduced our weighting, with others we have sold our shareholding. We have also been measured in responding to controversy that has embroiled Wisetech, a key investment for us. Here we have engaged with what we regard as a high-quality business rather than following the knee-jerk market response by selling our shares.

We think we will be well served by these activities. Despite the disappointing start to the year, our portfolio companies are well positioned to grow their profits over the medium term. This ultimately will be reflected in their share price returns. We are well positioned to reap these rewards given the portfolio positioning changes we have made in Q1.

Significant dispersion of equity returns across different geographies in Q1

US foreign and trade policy uncertainty drove dispersion of equity returns across geographies and sectors. Europe sharply outperformed the American equity market. Information Technology sectors typically did poorly across markets.

In Australia, equities performed more in line with American indices. Industrials (+1.5%) and Materials (-1%) buoyed by gold miners were two of the better sectors in Q1. And as seen in the US, information technology (-18%) was the worst performing sector and helped drag the Australian share market lower.

Part of the return dispersion across the ASX was driven by the rising global economic (and tariff related) uncertainty. Part of this was also driven by company specific announcements during the semi-annual financial reporting season in February. Companies that disappointed market expectations, irrespective of whether it was due to temporary or more structural reasons, saw their share prices fall sharply.

Opportunity knocks when market wobbles collide with high performing companies

Skittish and volatile markets such as those experienced in Q1 present investors with opportunity.

We capitalised on this by adding to high quality positions including online classified advertising businesses **CAR Group** (-12% in A$) and **SEEK** (-4%) and the global leader in treating profound hearing loss, **Cochlear** (-9%).

These companies are all leaders in their field, with broad economic moats around their core divisions. The management teams are performing strongly in this economic climate.

Cochlear received regulatory approvals in Australia and Canada for its newest sound processor and hinted at further product releases to come. This lays the foundation for further growth in future years.

SEEK and CAR Group demonstrated tangible progress in delivering on key profit metrics in what has been a tricky global economic environment. As a job advertising platform SEEK has little control over the economy and appetite for businesses to hire employees. But SEEK did well in what it could control, taking market share in advertising, lifting prices, controlling costs and investing in new products. In Australia its share of advertising placements now sits at 35%, over 4x that of its nearest competitor.

CAR Group has expanded successfully internationally over the last 15yrs. Apart from Australia, it now counts South Korea, the US and Brazil amongst key meaningful markets that help drive and diversify its earnings growth. Each of these markets is structurally growing. Like SEEK, CAR's management team is juggling its levers of price, cost and product investment well to provide durability to that growth runway.

We were happy buying more shares in each of these companies that are selling for less than they were at the start of the year. We have funded these purchases from a combination of positions that look relatively more expensive as well as from positions we have exited (see below).

Balanced approach as we engage with Wisetech over governance

In responding to the 33% share price drop in software company ***Wisetech's*** case, the calculus is different. This is reflected in our measured decision to remain invested but at a lower target weight than we have been invested in historically.

Wisetech is one of the highest quality companies on the Australian share market. Its software is solving critical challenges for large logistics companies. It is becoming ever more important to its customer base as it increases the number of bottlenecks that it solves for its customers. It is the clear market leader and has decades of growth ahead of it.

Personal controversy related to the founder (and Wisetech's largest shareholder) Richard White, resulted in a stoush with the Board. This ended with four independent Board members resigning abruptly in February. This governance turmoil saw a number of large shareholders exit their positions. This was the primary driver of recent share price weakness.

We are deeply unhappy with the governance turmoil. But rather than sell our position at what we think is now a compellingly cheap valuation, we elected to engage with the company. Alongside other institutional shareholders who also see merit in this approach, we have actively encouraged the company to take expeditious yet orderly steps to refresh the Board. We also pushed for the company to embark on a clear succession plan to ensure a smooth transition to a new CEO, one capable of achieving Wisetech's significant potential in the future. If the company delivers on these steps alongside the clearly articulated software product development plan, we think shareholders will do very well in time.

It is early days in this governance reset. But we have been satisfied with the company's efforts thus far in responding to this engagement. This includes announcing the appointment of two new directors to the Board in late March. If the company continues to improve its governance structure, our position sizing could be reviewed again in time.

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

Exercising caution where an investment thesis has been dented

In a handful of cases, we saw the market react sharply to financial updates from our companies where management execution lay at the core of the poor financial results. Insurance construction /support services company **Johns Lyng** (-42%), pizza franchise operator **Dominos** (-11%) and supermarket operator **Woolworths** (-2%) all fit into this category.

As we mentioned in our commentary last month, we like the scale moat afforded to Woolworths by virtue of being the largest supermarket operator in Australia. However, management has consistently underperformed its key competitors in both Australia and New Zealand for almost two years and so we have sold and exited our position.

In Johns Lyng's case, poor execution within its Australian business saw a key insurance customer re-allocate work to Johns Lyng's competitors. This put a deep dent in its profitability which was further exacerbated by benign weather (hence fewer insurance claims were made). We're confident that inclement weather will return, leading to property damage and a rise in future insurance claims. However, we are less enamoured with how easily an insurer was able to take work away from Johns Lyng. This suggests its moat may be narrower than we first thought. It is an issue we're working through with management (including monitoring whether Johns Lyng is able to recoup that lost share – something management remain confident in doing). As such, we have not added to our position.

Domino's fits into a similar category. Dominos replaced its CEO in late 2024. The new CEO has taken some significant steps to remedy poor decisions made in particularly Japan under the prior CEO's tenure. These steps, which include shutting down a raft of unprofitable stores across the Domino's network, seem sensible. However, we are looking for more evidence of management execution and an improvement in overall operations before we are prepared to add to shares that at face value look relatively cheap.

Robbie Urquhart
Senior Portfolio Manager
Fisher Funds Management Limited
14 April 2025

SIGNIFICANT RETURNS IMPACTING THE PORTFOLIO DURING THE QUARTER IN AUSTRALIAN DOLLARS

JOHNS LYNG	WISETECH	NEXTDC	MAAS GROUP	JAMES HARDIE
-42%	-33%	-25%	-24%	-23%

PERFORMANCE
as at 31 March 2025

	3 Months	3 Years (annualised)	5 Years (annualised)
Company Performance			
Total Shareholder Return	(2.1%)	(0.7%)	+15.7%
Adjusted NAV Return	(10.0%)	+4.3%	+13.8%
Portfolio Performance			
Gross Performance Return	(9.8%)	+6.5%	+16.2%
Benchmark Index[1]	(3.0%)	+6.4%	+14.2%

[1] 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 capital allocation decisions after expenses, fees and tax,*
- *adjusted NAV return – the percentage change in the adjusted NAV value,*
- *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 newsletter 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.

PORTFOLIO HOLDINGS SUMMARY
as at 31 March 2025

Company	% Holdings
Ansell	2.1%
ANZ Banking Group	2.7%
AUB Group	5.6%
Audinate Group	1.5%
Brambles	5.4%
CAR Group	4.9%
Cochlear Limited	3.3%
Commonwealth Bank	1.9%
Credit Corp	3.7%
CSL	10.8%
Domino's Pizza	2.2%
Fineos Corporation Holdings	2.8%
James Hardies Industries Plc	2.7%
Johns Lyng Group	2.3%
Maas Group Holdings Limited	2.2%
Macquarie Group	5.1%
National Australia Bank	3.3%
NEXTDC	2.8%
oOh! Media	3.8%
PWR Holdings	1.8%
REA Group	2.0%
ResMed	4.9%
SEEK	6.2%
WiseTech Global	5.9%
Xero Limited	5.3%
Equity Total	**95.2%**
Australian cash	1.6%
New Zealand cash	2.6%
Total cash	**4.2%**
Forward foreign exchange contracts	0.6%
Total	**100.0%**

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