QUARTERLY NEWSLETTER

Barramundi
LANDING TOMORROW'S TROPHIES

1 October 2025 – 31 December 2025

Share Price	Warrant Price	BRM NAV	PREMIUM[1]
$0.67	$0.01	$0.63	6.3%

as at 31 December 2025

Tough end to 2025, but we are optimistic looking forward into 2026

Rounding out a difficult 2025, Barramundi's gross performance return was -7.6% in quarter four (Q4), and the adjusted NAV return was -7.8%, both well behind the benchmark index which fell -0.7%. Given the poor scorecard for Q4, why are we optimistic looking forward to 2026?

We acknowledge that it has been a tough year for our portfolio. As we've written about in previous quarterlies, some of our portfolio 'problem children' such as Wisetech, CSL, Domino's and James Hardie have given us headaches during the year. They have driven a meaningful part of the portfolio's poor performance over the 12 months. We recap on the active steps we've taken to address these positions below.

However, in Q4, the worst share price performances were largely delivered by technology and classified advertising businesses each of which are performing very well operationally. They are growing their earnings strongly. And these companies reiterated earnings guidance in Q4. We really can't criticise management for their Q4 share price performance. We think their weak share prices can partly be explained by market concerns about the impact artificial intelligence ("AI") will have on their businesses.

We also observe that the resources heavy Materials (+13% in Q4) and Energy (+1%) were the best performing sectors on the ASX in Q4. Materials returned +32% over 2025 overall, by far the best performing sector on the market. The rally in commodity prices, and in particular gold and lithium spoke for the sector's performance. Investors chasing the rally have likely sold shares in other sectors to buy into resources companies. This amplifies the difference in relative performance.

We added high quality diversified miners BHP and Rio Tinto recently so have gained some benefit from this rally in commodities in the last few months. However, our investment approach does not lend itself to investing broadly in commodity producers. BHP and Rio have narrow moats predicated on scale and on being the lowest cost producers in their key commodities. They meet our investment threshold. Most resource companies lack these advantages.

Technology and classified advertising businesses out of favour in 2025

Our technology companies including software providers **Xero** (-28% in A$) and **Wisetech** (-24%) and data centre operator **NextDC** (-26%) all fell sharply in Q4. There were some company specific wrinkles that contributed to this performance.

In Xero's case, the market was unenamoured with the steep US$2.5bn price paid for the acquisition of US payments business Melio. While the price was rich, we think the acquisition has merit and positions Xero well to compete in the key US market.

Wisetech was negatively impacted by an ASIC investigation into share sales by founder Richard White. This investigation could take time to resolve. In the meantime, Wisetech has made substantial progress in addressing its succession planning and governance challenges that were a feature during 2025. We were impressed with the calibre of the new Board members that we met at its recent investor day in December.

Company wrinkles aside, share price weakness across the information technology sector on the ASX was broad based in Q4. As a group the sector fell -26%. This indicates that AI concerns and investor aversion to 'traditional' software companies more generally was the predominant theme driving their share price weakness in Q4 rather than company specific factors.

This was most acutely observable through data centre operator NextDC (-17% in 2025). At its financial results in early Q3, it announced that its contracted utilisation of capacity with clients sat at 245MW as at 30 June '25. This was 40% higher than where it was in June 2024. Growth in contracted utilisation is a key metric the market is focused on as it translates into revenue and profit growth in the future. By its last market announcement on 22nd December, NextDC had lifted this by a further 68% to 412MW. This will underpin accelerated earnings growth over the next few years.

Specific to data centres globally, the market is concerned about the sustainability of the growth in demand for capacity (and the ability to fund this capacity) from particularly the large AI technology firms. Our analysis – backed up by NextDC's contract announcements – suggests that in Australia at least, the demand for data centre capacity far exceeds the logistical challenges of bringing on additional supply. This mismatch in supply & demand bodes well for NextDC's future.

In the case of our software investments, Xero and Wisetech, the AI concerns are different. Here the market seems concerned about whether their software will be disintermediated by AI. We have spent a lot of time with their management teams in recent months including at investor days held for both companies. In both cases the companies are deeply embedded in their customers businesses and importantly control their customer data. This limits other third-party AI tools from accessing this data. They are both partnering with the large AI technology companies to augment their own AI software development which they are in the process of rolling out to customers. In other words, while possible, we don't think their core value proposition for their customers will be disrupted by ChatGPT or other AI models.

We note both Xero and Wisetech are expected to continue growing their earnings strongly through the next few years.

In a-like vein all three classified advertising companies, **REA** (-21%) – housing; **SEEK** (-19%) – employment; and **CAR Group** (-16%) – vehicles; have been affected by similar market AI concerns in Q4. These companies also control the key data required by customers using their websites. They have strong brand presence in their respective markets. And like Xero and Wisetech, they have embraced AI by building their own AI functionality in augmenting the best that ChatGPT or other large AI models can provide to enhance their customer's experience.

All three companies have also reiterated earnings guidance or outlook commentary recently.

Investors and the market will remain focused for some time on AI and how it might disrupt businesses across many different industries. This will likely bring volatility to share prices in the near term as these concerns wax and wane.

AI and the impact it could have on all our portfolio companies will remain a key focus area for our research agenda again in 2026.

What of our problem children from 2025?

As noted above, Wisetech has made good strides addressing its governance and succession challenges. It is in our view one of the most exciting companies on the ASX and we have retained it as a key position in our portfolio. We think it will deliver well for shareholders in time.

[1] Share price premium 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).

Having lost faith in our investment theses, we exited both Domino's and James Hardie during the year.

As discussed in the Q3 update, CSL is taking sensible steps to manage the efficiency of its capital allocation and capitalise on its scale advantage over peers. That said, CSL's management team have a credibility gap with the market which will take time to close.

Although cheap, we reduced our position size into year end. We re-deployed the proceeds across some of our other companies which are similarly screening cheaply, but where management are performing well.

Our Industrial & Resources companies finished the year strongly

Construction materials company **Maas Group** (+23%) was our best performing company in Q4. In December it announced a significant A$200m electrical contract with AI company Firmus which is establishing a meaningful data centre facility in Tasmania. Maas is working hard to deliver high voltage electrical infrastructure to its client within 12 months. This puts Maas in a good position to win a further A$1bn of electrification work that Firmus is expected to require over the next few years.

After a volatile Q3, it was pleasing to see plumbing supplies company Reece (+20%) rebound as its recent trading update pointed to improving underlying trends in its Australian division. The board has also been aggressively deploying capital into buying back shares at what we agree are depressed levels. Having already undertaken a A$365m buyback in Q3, the board supplemented this with a further A$85m on-market buyback in Q4. This speaks to good alignment between the board and shareholders.

As touched on earlier, recent additions to the portfolio **Rio Tinto** (+11%) and **BHP** (+5%) benefitted from the commodity rally into year end.

Lastly, gloves manufacturer **Ansell's** (+10%) share price finished the year strongly as the market gained more comfort in Ansell's ability to pass on tariff related costs to its US customer base. Helped by favourable currency exchange rates, Ansell increased its full year profit guidance by 3% during Q4.

Robbie Urquhart
Senior Portfolio Manager
Fisher Funds Management Limited
15 January 2026

SIGNIFICANT RETURNS IMPACTING THE PORTFOLIO DURING THE QUARTER IN AUSTRALIAN DOLLARS

MAAS GROUP	REA GROUP	WISETECH GLOBAL	NEXTDC	XERO
+23%	-21%	-24%	-26%	-28%

PERFORMANCE
as at 31 December 2025

	3 Months	3 Years (annualised)	5 Years (annualised)
Company Performance			
Total Shareholder Return	(2.4%)	+7.6%	+1.7%
Adjusted NAV Return	(7.8%)	+8.4%	+5.2%
Portfolio Performance			
Gross Performance Return	(7.6%)	+10.8%	+7.3%
Benchmark Index[1]	(0.7%)	+12.7%	+10.8%

[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 December 2025

Company	% Holdings
Ansell	3.1%
ANZ Banking Group	4.6%
AUB Group	4.4%
Audinate Group	0.9%
BHP Group Limited	4.6%
Brambles	4.7%
CAR Group	5.4%
Cochlear Limited	3.0%
Commonwealth Bank	2.0%
Credit Corp	3.7%
CSL	6.3%
Fineos Corporation Holdings	4.0%
Maas Group Holdings Limited	5.3%
Macquarie Group	5.9%
National Australia Bank	4.0%
NEXTDC	2.5%
oOh! Media	2.6%
PWR Holdings	3.7%
REA Group	2.4%
Reece Ltd	1.4%
ResMed	4.6%
Rio Tinto Limited	2.6%
SEEK	5.0%
WiseTech Global	7.1%
Xero Limited	5.9%
Equity Total	**99.7%**
Australian cash	0.6%
New Zealand cash	0.6%
Total cash	**1.2%**
Forward foreign exchange contracts	-0.9%
Total	**100.0%**

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