

QUARTERLY NEWSLETTER

1 January 2026 – 31 March 2026



Share Price	Warrant Price	BRM NAV	PREMIUM ¹
\$0.55	\$0.00	\$0.52	5.8%

as at 31 March 2026

Artificial Intelligence ("AI") disruption fears and the Iran war were key themes in a soft Q1 in 2026

These themes were key determinants of Barramundi's gross performance return for Q1 of -15.0% and the adjusted NAV return for the quarter of -15.4%, which significantly underperformed the ASX200 benchmark's -0.8% return.

Energy (+35%) was the best performing sector in Q1 driven by rising oil and gas prices on the back of the Iran war. The inflationary impacts of rising energy prices, alongside higher than expected domestic inflation data in Australia also bolstered the Utilities (+8%), Consumer Staples (+8%) and the mining dominated Materials sector (+3%). Conversely, AI disruption fears led to a rout for the information technology sector (-28%), the worst performing sector in Q1. Soft financial results dragged the Healthcare (-18%) sector sharply lower as well.

Compositionally, this mix of sector returns, along with the four major Australian banks whose share prices were resilient in Q1, largely explains our underperformance compared to the benchmark index. Our investment style is focused on investing in high quality companies with strong durable earnings growth. This has resulted in our portfolio having meaningful positions in information technology and classified advertising companies. Both categories of companies are in the crosshairs of AI disruption fears from an investing standpoint. We also have meaningful investments in large healthcare companies, leaders in their fields globally. We do have positions in the Australian banks, but smaller than their weighing in the ASX200 index.

Our investment style does not lend itself to investing extensively in mining companies, and ESG considerations exclude most of the Energy sector from our investible universe.

That said, we are cognisant that this complex investing environment could last for a while. Accordingly, over the 2H of 2025 and through Q1, we have added more balance to our portfolio. Although we have reduced our weighting in some companies affected by AI-disruption risk, we still have meaningful positions in these businesses which we think have bright futures.

We think this balance improves our portfolio resilience whilst preserving the potential for our performance (relative to the ASX200 benchmark index) to snap back sharply when the market becomes more comfortable with the durability of earnings growth in our high-quality businesses (information technology, classifieds and healthcare in particular).

Key changes to our portfolio positioning in recent months

Mining companies by definition sell commodities which means their earnings are susceptible to volatile price cycles. However, we did add diversified miners **BHP** (+13% in Q1 '26 in A\$) and **Rio Tinto** (+12%) to the portfolio in 2H of 2025. Both delivered solid financial results in Q1 '26 and we have increased our weighting in both companies.

This has been done in part to add further diversification to our portfolio noting also that demand for copper, a key commodity for both companies, is rising as electrification demand accelerates. This adds a durable growth tailwind to their earnings growth. BHP and Rio Tinto also both benefit from scale advantages and in owning mines with high quality grades of ore, meaning they operate at the low end of the cost curve in their key commodities. This buffers their earnings to a degree

from swings in commodity prices and underpins their quality from an investing standpoint.

We exited our modest position in plumbing supplies business **Reece** (+4%) after it had risen closer to fair value, and given our concerns about the strength of its US market position.

We like the long-term prospects of our software and classified advertising businesses. However, we have reduced our weighting in **SEEK** and **CAR** and have been cautious about topping up our positioning in the likes of **Wisetech** and **Xero**. Ultimately if they keep delivering earnings growth, their share prices will respond accordingly. For now, the evolution and adoption of AI by businesses is still in its infancy so it may take time for these companies to allay market concerns about how AI could disrupt their long-term earnings power.

Recognising the strong financial performance of the Australian banks we have increased our weighting in **CBA** (+6%), **ANZ** (-1), **NAB** (-2%) as well as **Macquarie** (-1%).

We have been selective in changing our positioning in our healthcare companies by adding to **Cochlear** (-34%). We think the market overreacted to a modestly softer result reflecting a delayed release of a new cochlear implant product which disrupted earnings in the period. This is a function of timing more than a material change in Cochlear's long-term earnings power.

In contrast we reduced our weighting in **CSL** (-17%) noting the abrupt change in both the CEO and CFO in recent months. CSL is the largest manufacturer of plasma-derived therapies globally. It is well positioned to grow its earnings over coming years. It has taken steps to improve its recent financial performance which has missed market expectations. We are cautious in our positioning noting that its executive leadership is still in transition with a search underway for a permanent CEO.

AI disruption fear is about the future, not about current financial performance

Our information technology/software and classified advertising companies delivered good financial results in Q1 that generally met or exceeded market expectations. The sharp drop over Q1 in the share prices of the likes of **Wisetech** (-44%), **SEEK** (-39%), **Xero** (-34%), **Fineos** (-25%), **CAR** (-25%) and **REA** (-14%) was indiscriminate.

This reflects the market concern about what AI disruption could mean for earnings growth over the next five years and beyond (for example, could an AI start-up create a better product than Xero at a lower price?).

Based upon our research and conversations with the management teams we believe that in each case these companies are continually improving their products and value proposition to customers – including investing heavily in AI related capability. They are not standing still. These companies have large proprietary databases which helps inform how they develop and deliver products, services and ultimately value to their clients. Their products are also highly integrated into the operations of clients and their daily workflow, which is a significant barrier to switching.

In Xero's case for example their business customers require a high degree of accuracy to compile accounts, file tax returns, and to gain insights into the financial health of their businesses. Government authorities are not normally understanding if tax returns are inaccurate. Xero's investment in AI capability is making this work far more efficient for clients, saving them many hours in completing their accounts and managing payments

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).

and cash flows. The proprietary nature of Xero's large database restricts third party AI models from providing the same degree of insight, accuracy and client trust.

Wisetech's heavy investment in technology, including AI, is also benefitting its logistics customers who operate in a global trade environment with tremendous regulatory complexity (e.g. different customs regulations for different countries).

The customer costs and risks to switch from Xero or Wisetech's products to start-up AI equivalents seem material.


These software companies remain critical to their clients and have significant room for continued earnings growth over the long-term.

Along with our other software and classified advertising shareholdings they are also delivering strongly against our theses underpinning the investment in these companies.

Wisetech for example when it announced its financial results in February, modestly exceeded market expectations in delivering 12% underlying revenue growth in its core software product suite. Overall revenue grew +76%, bolstered by the acquisition of software business e2Open. Pleasingly it delivered US\$50m of annualised cost synergies from the integration of e2Open 18 months ahead of schedule. Wisetech

also outlined how its key AI products have seen a four-fold increase in adoption by customers within a few months of their release. By embedding AI into its software and arguably through identifying further cost efficiencies in the e2Open integration, Wisetech announced it would be making 30% of its staff redundant – this will significantly boost earnings growth in 2027.

Employment classified advertising company SEEK likewise delivered an outstanding financial result in February. A modestly soft employment market (volumes -2% in ANZ) was strongly offset by +17% yield growth. A lift in pricing contributed some of this increase. Most of the increase in yield was because customers are prepared to pay more for products that with the help of AI, are enabling them to find better suited candidates for vacant roles more quickly and efficiently than they have in the past. The benefits of SEEK's meaningful investment in technology over many years is evident in this yield uplift. Allied with strong cost control, SEEK's after tax profit grew +35% in the period.



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



SIGNIFICANT RETURNS IMPACTING THE PORTFOLIO DURING THE QUARTER IN AUSTRALIAN DOLLARS

WISETECH GLOBAL	SEEK	AUDINATE	COCHLEAR	XERO
-44%	-39%	-37%	-34%	-34%

PERFORMANCE as at 31 March 2026

	3 Months	3 Years (annualised)	5 Years (annualised)
Company Performance			
Total Shareholder Return	(15.8%)	+1.9%	(2.3%)
Adjusted NAV Return	(15.4%)	+0.1%	+1.3%
Portfolio Performance			
Gross Performance Return	(15.0%)	+2.2%	+3.3%
Benchmark Index ¹	(0.8%)	+11.0%	+9.6%

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 2026

Company	% Holdings
Ansell	2.0%
ANZ Banking Group	5.1%
AUB Group	4.8%
Audinate Group	0.4%
BHP Group Limited	5.4%
Brambles	4.6%
CAR Group	5.0%
Cochlear Limited	2.8%
Commonwealth Bank	3.4%
Credit Corp	3.5%
CSL	5.2%
Fineos Corporation Holdings	3.7%
Maas Group Holdings Limited	4.6%
Macquarie Group	5.9%
National Australia Bank	4.2%
NEXTDC	3.2%
oOh! Media	2.4%
PWR Holdings	5.0%
REA Group	2.6%
ResMed	4.9%
Rio Tinto Limited	2.9%
SEEK	3.8%
Wisetech Global	6.4%
Xero Limited	5.6%
Equity Total	97.4%
Australian cash	2.8%
New Zealand cash	0.8%
Total cash	3.6%
Forward foreign exchange contracts	-1.0%
Total	100.0%

Disclaimer: The information in this newsletter 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 newsletter 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 newsletter 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.