

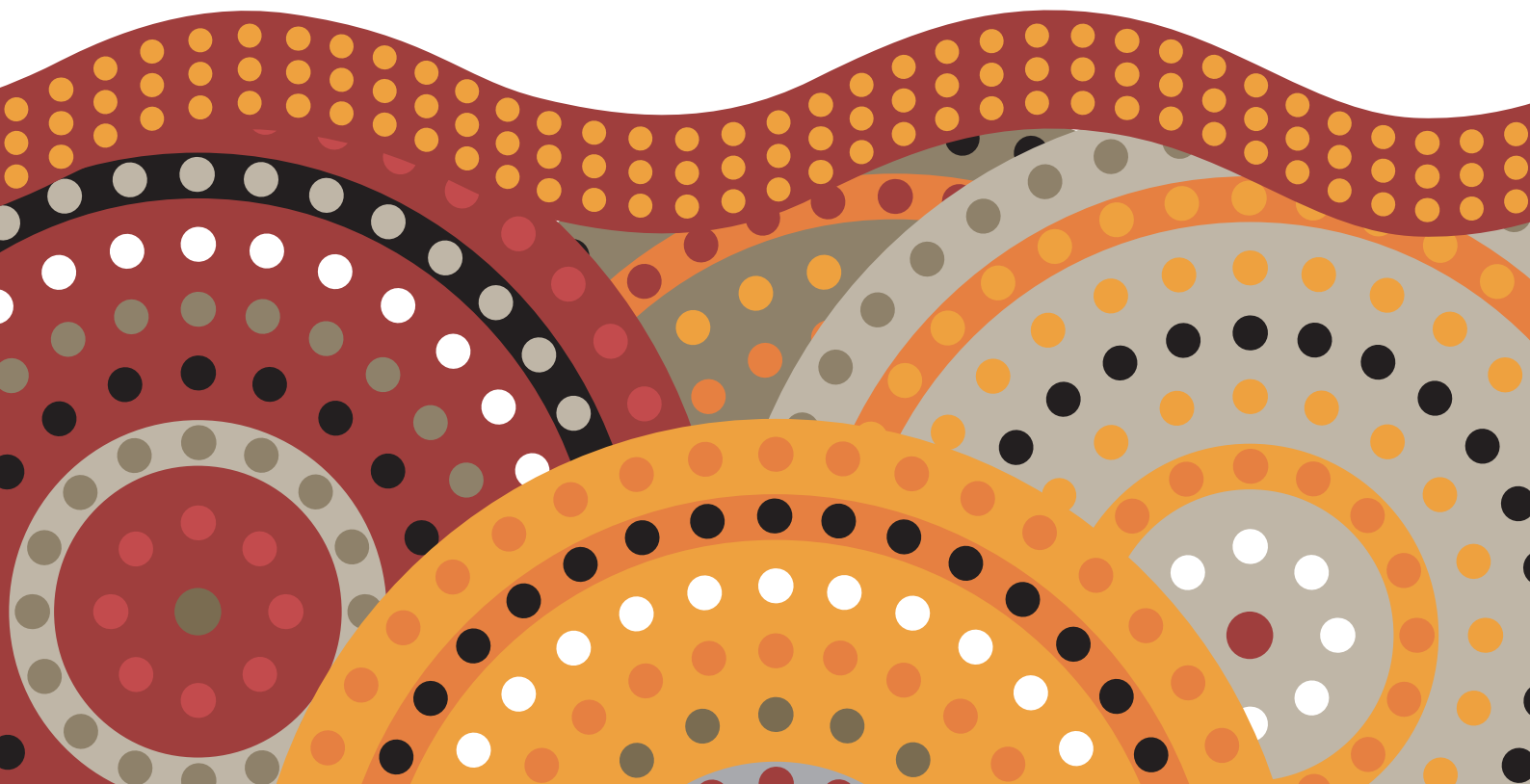
Barramundi

LANDING TOMORROW'S TROPHIES

# ANNUAL REPORT

30 JUNE

— 2020 —



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## CALENDAR

Next Dividend Payable

25 SEPTEMBER 2020

Annual Shareholders' Meeting  
Ellerslie Event Centre, Auckland  
10:30am

23 OCTOBER 2020

Interim Period End

31 DECEMBER 2020

## ABOUT BARRAMUNDI

**Barramundi Limited** (“Barramundi” or “the Company”) is a listed investment company that invests in growing Australian companies. The Barramundi portfolio is managed by **Fisher Funds Management Limited** (“Fisher Funds” or “the Manager”), a specialist investment manager with a track record of successfully investing in quality, growth companies. Barramundi listed on NZX Main Board on 26 October 2006 and may invest in companies that are listed on an Australian stock exchange (with a primary focus on those outside the top 20 at the time of investment) or unlisted companies.

## INVESTMENT OBJECTIVES

The key investment objectives of Barramundi are to:

- achieve a high real rate of return, comprising both income and capital growth, within risk parameters acceptable to the directors; and
- provide access to a diversified portfolio of Australian quality, growth stocks through a single tax efficient investment vehicle.

## INVESTMENT APPROACH

The investment philosophy of Barramundi is summarised by the following broad principles:

- invest as a medium to long-term investor exiting only on the basis of a fundamental change in the original investment case;
- invest in companies that have a proven track record of growing profitability; and
- construct a diversified portfolio of investments, based on the ‘STEEPP’ investment criteria (see pages 10 and 11).

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This report is dated 7 September 2020 and is signed on behalf of the Board of Barramundi Limited by Alistair Ryan, Chair, and Carmel Fisher, Director.



Alistair Ryan, Chair



Carmel Fisher, Director

## AT A GLANCE

For the 12 months ended 30 June 2020

Net profit	Gross performance return	Total shareholder return	Adjusted NAV return
<b>\$12.5M</b>	<b>+13.5%</b>	<b>+21.6%</b>	<b>+10.6%</b>

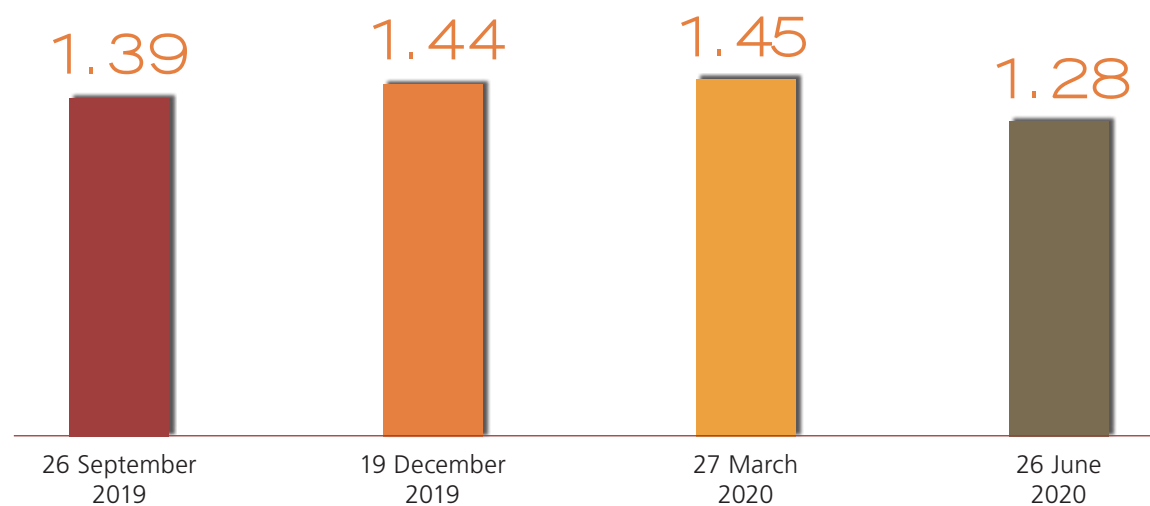
As at 30 June 2020

Share price	NAV per share
<b>\$0.69</b>	<b>\$0.68</b>

## DIVIDENDS PAID

Dividends paid during the year ended 30 June 2020 (cents per share)

Total for the year ended 30 June 2020 5.56 cents per share (2019: 5.38 cps)



# LARGEST INVESTMENTS

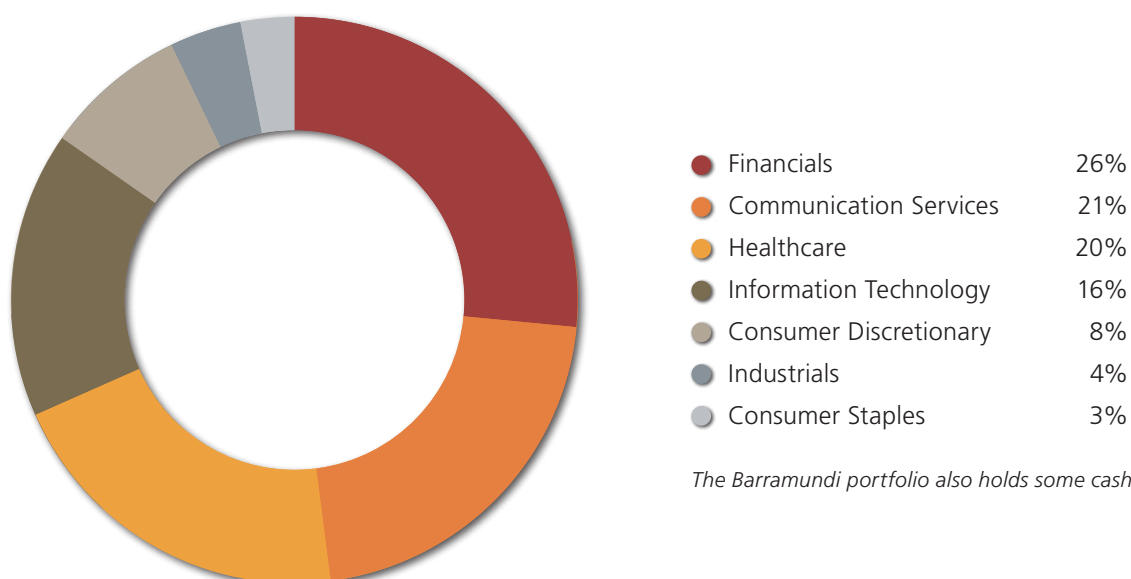
As at 30 June 2020



*These are the largest five percentage holdings in the Barramundi portfolio. The full Barramundi portfolio and percentage holding data as at 30 June 2020 can be found on page 17.*

# SECTOR SPLIT

As at 30 June 2020



*The Barramundi portfolio also holds some cash*

# DIRECTORS' OVERVIEW



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**Alistair Ryan**  
Chair

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“... strong performance in a turbulent year with Net Profit After Tax at \$12.5m, significantly up on last year’s \$7.4m.”



**Barramundi's \$12.5m net tax-paid profit equated to an adjusted NAV return (gross return after expenses, fees and tax) of +10.6%<sup>1</sup> with the portfolio materially outperforming its benchmark index, returning a positive gross performance of 13.5%<sup>2</sup> (before expenses, fees and tax), whereas the comparative benchmark index was in negative territory at -6.6%<sup>3</sup>.**

The Australian sharemarket, along with all global sharemarkets, suffered from the uncertainty brought about by the COVID-19 pandemic, with the benchmark index<sup>3</sup> falling -28% during February and March. However, over the June quarter the Barramundi portfolio recovered almost all of that lost performance, and it was therefore pleasing to see Barramundi finish the year to 30 June 2020 well in positive territory.

It has been encouraging to see global markets, including Australia, recover much of the lost ground during the period since March 2020. However, markets (and economies) around the world remain volatile and the ongoing impact of the COVID-19 pandemic is highly uncertain. However, the Barramundi portfolio provides a good spread of quality Australian businesses that are closely monitored and continuously analysed by an experienced and capable portfolio team and should be well placed to weather future volatilities as they arise.

During the COVID crisis, the board maintained close contact with the Barramundi portfolio team led by Robbie Urquhart and with Fisher Funds' Chief Investment Officer Frank Jasper, and we are satisfied that the STEEPP process and the rigour and analytical discipline that goes with that has helped buffer the portfolio from some of the more extreme market movements of recent times. Your portfolio team has had regular contact with the Barramundi investee companies prior to and throughout the lockdown period and this will of course continue. Discussions have centred on balance sheet strength, liquidity and availability of capital, underlying strength of earnings and the calibre of key management – factors that the STEEPP process focuses on and which have held the portfolio in good stead over the years.

Total shareholder return (TSR) benefitted from a 9.5% increase in share price (from \$0.63 to \$0.69) which, when combined with the continuing dividend stream and the impact of warrants, elevated TSR to 21.6%<sup>4</sup> for the year.

## REVENUES AND EXPENSES

The 2020 net profit result comprised gains on investments of \$12.7m, dividend and interest income of \$3.0m, less operating expenses of \$3.0m and less tax of \$0.1m. Operating expenses were \$0.7m higher than the corresponding period due to the management fee payable to the Manager being \$300k higher in 2020, due to the average gross asset value of the portfolio over the course of the year being higher when compared to the previous year. There has also been a performance fee of \$300k payable to the Manager, due to the strong performance. (As we advised last year the performance fee methodology was renegotiated with the Manager in 2019, such that the percentage applied is now 10% of the performance above the performance fee benchmark and high water mark, rather than the previous 15%).

## DIVIDENDS

Barramundi continues to distribute 2.0% of average net asset value per quarter. Over the 12-month period to 30 June 2020, Barramundi paid 5.56 cents per share in dividends. The next dividend will be 1.34 cents per share, payable on 25 September 2020 with a record date of 10 September 2020.

Barramundi's dividend reinvestment plan (DRP) provides shareholders with the option to reinvest all or part of any cash dividends in fully paid ordinary shares. Currently, shares issued under the DRP are issued at a 3% discount. To participate in the DRP, a completed participation notice must be received by Barramundi before the next record date. Full details of the Plan can be found in the Barramundi Dividend Reinvestment Plan Offer Document, a copy of which is available at [www.barramundi.co.nz/investor-centre/capital-management-strategies/](http://www.barramundi.co.nz/investor-centre/capital-management-strategies/).

## WARRANTS

Barramundi has a regular warrant programme. On 25 October 2019, Barramundi warrant holders had the option to convert their warrants into ordinary Barramundi shares at an exercise price of \$0.59 per warrant. On the same day, Barramundi shares were trading on-market at \$0.65, a 10% premium to the exercise price. Warrant holders took advantage of this discount, with 31.3m warrants out of a possible 42.2m warrants (74%) being converted into ordinary shares. The new shares were allotted to warrant holders on 1 November 2019. The additional funds were invested during November 2019 in Barramundi's investment portfolio of stocks, in similar proportions to the existing portfolio.

<sup>1</sup> Adjusted NAV return – the net return to an investor after expenses, fees and tax.

<sup>2</sup> Gross Performance Return – the Manager's portfolio performance in terms of stock selection & currency hedging before expenses, fees and tax.

<sup>3</sup> Benchmark Index – S&P / ASX 200 index (hedged 70% to NZ).

<sup>4</sup> 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.

## DIRECTORS' OVERVIEW CONTINUED

On 26 August 2020, the board announced a new Barramundi warrant and in September we will be writing to shareholders with information in regards to the new warrant, which is expected to be allotted to eligible shareholders in early October. Warrants continue to be a part of Barramundi's overall capital management programme.

### SHARE BUYBACKS

Share buybacks are utilised when the share price to NAV discount is greater than 8%. During the 12 months to 30 June 2020, the share price to NAV discount fluctuated between 0% and 22%. Over the period, Barramundi took advantage of the deeper share price to NAV discounts and purchased approximately 1.1m shares. Shares purchased under the buyback programme are held as treasury stock and subsequently reissued to shareholders under the DRP.

### ANNUAL SHAREHOLDERS' MEETING

The 2020 Annual Shareholders' Meeting will be held on Friday 23 October at 10:30am at the Ellerslie Event Centre in Auckland and online. All shareholders are encouraged to attend, with those who are unable to attend invited to cast their vote on company resolutions prior to the meeting. All information presented at the annual meeting will be available on Barramundi's website at the conclusion of the meeting.

Andy Coupe, director since 2013 and chair of the Investment Committee, retires by 3-year rotation at

this year's annual meeting and will stand for re-election. The board fully endorses Andy's re-election. The board has resolved that Carmel Fisher, retired from Fisher Funds since July 2017, is an independent director (previously non-independent). All four of the current board are therefore deemed independent.

### CONCLUSION

The 2020 year has certainly been another challenging period for the Australian share market which has been strongly influenced by global events, as well as those closer to home. It was encouraging that Barramundi was able to generate a significant return against such a backdrop. The board is pleased at the Manager's continued focus on investing in quality Australian companies which have continued to grow and yield satisfying returns for shareholders.

We would like to thank you for your continued support and look forward to seeing many of you at our Annual Shareholders' Meeting in October, subject to any restrictions on indoor gatherings that may be applicable at that time.

On behalf of the board,



**Alistair Ryan, Chair**  
Barramundi Limited  
7 September 2020

### COMPANY PERFORMANCE

FOR THE YEAR ENDED 30 JUNE	2020	2019	2018	2017	2016	5 YEARS (ANNUALISED)
Total Shareholder Return	21.6%	15.5%	10.1%	6.2%	0.4%	10.5%
Adjusted NAV Return	10.6%	5.6%	22.6%	2.7%	6.2%	9.3%
Dividend Return	8.8%	9.0%	8.9%	8.7%	8.2%	-
Net Profit	\$12.5m	\$7.4m	\$20.5m	\$2.7m	\$5.4m	-
Basic Earnings per Share	6.45cps	4.40cps	12.99cps	1.82cps	4.17cps	-
OPEX ratio	2.0%	2.0%	3.7%	2.1%	2.1%	-
OPEX ratio (before performance fee)	1.8%	2.0%	1.8%	2.1%	2.1%	-

AS AT 30 JUNE	2020	2019	2018	2017	2016
NAV (as per financial statements)	\$0.68	\$0.69	\$0.71	\$0.64	\$0.67
Adjusted NAV	\$1.89	\$1.70	\$1.61	\$1.32	\$1.28
Share Price	\$0.69	\$0.63	\$0.60	\$0.60	\$0.62
Warrant Price	-	\$0.02	-	\$0.01	-
Share Price Discount/(Premium) to NAV <sup>1</sup>	(1.5%)	8.7%	15.5%	6.3%	7.5%



## PORTFOLIO PERFORMANCE

FOR THE YEAR ENDED 30 JUNE	2020	2019	2018	2017	2016	5 YEARS (ANNUALISED)
Gross Performance Return	13.5%	10.0%	24.3%	6.0%	11.0%	12.8%
Blended Index <sup>2</sup>	(6.6%)	10.2%	14.9%	14.7%	3.3%	7.0%
Performance Fee Hurdle <sup>3</sup>	8.2%	9.0%	9.0%	9.2%	9.9%	

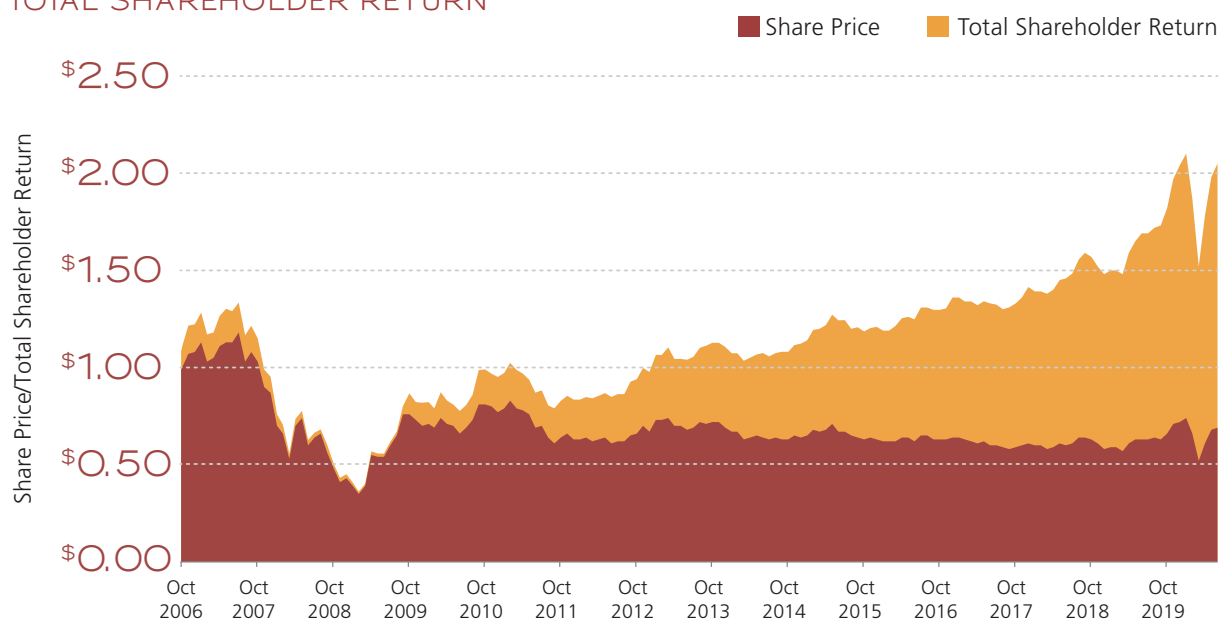
NB: All returns have been reviewed by an independent actuary.

<sup>1</sup> Share price discount/(premium) to NAV (including warrant price on a pro-rated basis).

<sup>2</sup> Blended index: S&PIASX Small Ords Industrial Gross Index until 30 September 2015 & S&PIASX 200 index (hedged 70% to NZD) from 1 October 2015. Returns shown gross in NZ dollar terms.

<sup>3</sup> The performance fee hurdle is the Benchmark Rate (NZ 90 Day Bank Bill Index +7%).

## TOTAL SHAREHOLDER RETURN



## NON-GAAP FINANCIAL INFORMATION

Barramundi uses the following non-GAAP measures:

- 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 net return to an investor after expenses, fees and tax,
- gross performance return – the Manager’s portfolio performance in terms of stock selection and currency hedging before expenses, fees and tax,
- 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,
- OPEX ratio – the percentage of Barramundi’s assets used to cover operating expenses, excluding tax and brokerage, and
- dividend return – how much Barramundi pays out in dividends each year relative to its share price.

All references to the above measures in this Annual Report 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 <http://barramundi.co.nz/about-barramundi/barramundi-policies/>.

# THE STEEPP PROCESS

Fisher Funds employs a process that it calls STEEPP to analyse existing and potential portfolio companies. This analysis gives each company a score against a number of criteria that Fisher Funds believes need to be present in a successful portfolio company. All companies are then ranked according to their STEEPP score to broadly determine their portfolio weighting (or indeed whether they make the grade to be a portfolio company in the first place).

The STEEPP criteria are as follows:



## STRENGTH OF THE BUSINESS

What is the company's competitive advantage? Is it sustainable? Is the company a market leader? Does it have a dominant position? A strong business is one that can maintain its profit margins by employing a unique strategy.



## TRACK RECORD

How has the company performed in the past? Has the company performed under the same management team? Has it grown organically or by acquisition? How did the company react during a downturn? Fisher Funds prefers to buy established companies that have executed well in the past.



## EARNINGS HISTORY

How fast has the company been able to grow its earnings in the past? How consistent has earnings growth been? Fisher Funds prefers to buy companies that exhibit secular growth characteristics where the company has proven its ability to provide a high or improving return on invested capital.

*Applying this STEEPP analysis, Fisher Funds constructed a portfolio for Barramundi which comprised 25 securities as at 30 June 2020.*



### EARNINGS GROWTH FORECAST

What is the company's earnings growth forecast over the next three to five years? What is the probability of achieving the forecast? What does Fisher Funds expect the company's earnings potential to be? Fisher Funds notices that too many analysts focus on short-term earnings. As long-term growth investors, Fisher Funds thinks about where the company's earnings could be in three to five years.



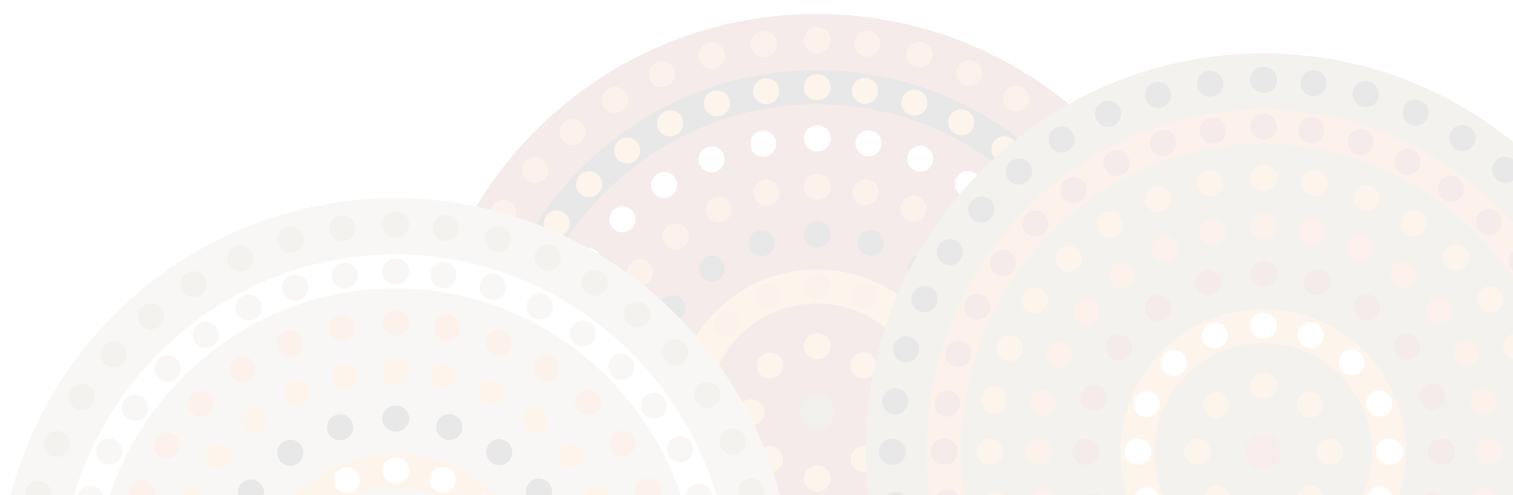
### PEOPLE / MANAGEMENT

Who are the management team and how long have they been in their roles? Who are the directors, what is their history with the company, and what do they bring to the board? What is the depth of management in the organisation and is there a succession plan for the key executive roles? Do the management team own shares in the business and how are they rewarded? Has the board and management exhibited good corporate behaviour in the areas of environmental, social and governance considerations? For Fisher Funds, the quality of the company management and its corporate governance is of paramount importance.



### PRICE / VALUATION

How much of the future earnings growth is already reflected in the share price? Where does the current share price sit in relation to Fisher Funds' worst to best case valuation range? A company will generate a higher score where the market price currently reflects little of that company's upside potential.



# MANAGER'S REPORT



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**Robbie Urquhart**  
Senior Portfolio Manager

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“Barramundi’s all-weather portfolio of high quality and growing companies delivered for shareholders in a tumultuous year for global sharemarkets.”





## SUMMARY AND MARKET REVIEW

For the year ending 30 June 2020, the Barramundi portfolio strongly outperformed the market with a gross performance return (the return before expenses, fees and tax) of +13.5%. This compares to the benchmark S&P/ASX 200 Index (70% hedged into NZ\$) which was down – 6.6% for the year.

The financial year was characterised by six months of relative tranquillity up to 31 December 2019, during which time the benchmark index returned +3.1%. This market performance was assisted by a stable political environment, and a strengthening economy. Australian GDP growth rose from a +1.6% annualised run rate in June to +2.2% by the end of the calendar year.

But this tranquillity did not last. Domestic anguish about the impact of the devastating Australian bushfires in December was soon superseded by global anguish as the COVID-19 virus took root across the world in early 2020. Governments sought to contain the spread of the virus by shutting down economies across the globe. This created a tremendous strain on the global economy. Share markets consequently traded sharply lower in March. At its lowest point in March, the S&P / ASX200 Index had entered a bear market and was down –31.2% (70% hedged into NZ\$) for the calendar year. And by the end of June, the Australian economy was in a recession for the first time since the 1990s.

In positive developments, stability to share markets began returning in late March as significant fiscal and monetary policy stimulus was unleashed globally by governments and central banks. In Australia, the fiscal stimulus alone totalled A\$165bn or a whopping 9% of GDP. The Reserve Bank of Australia (RBA) grudgingly added to this firepower by embarking on quantitative easing measures for the first time.

Improving COVID-19 health-related outcomes also helped as Australian states started opening up their economies. Coupled with the stimulus, this laid a foundation for an economic recovery. This in turn buttressed equity markets, and the S&P/ASX 200 Index rose and pared its losses from the March lows, ending down – 9.4% in the six months to 30 June 2020.

As discussed later on, the war on COVID-19 is far from over. Virus outbreaks and a resumption of lockdowns in Victoria post financial year end and the recent closure of inter-state borders as at the time of writing have driven home the unpredictability of the pandemic and the need for vigilance.

## THE BARRAMUNDI PORTFOLIO YEAR IN REVIEW

Against this backdrop, the Barramundi portfolio has performed admirably. It outperformed the benchmark index in the tranquil six months to 31 December 2019, returning +12.4% (gross) over that time. It also pleasingly outperformed the benchmark index during the volatile six months to 30 June where it returned +1.1%.

Our investment philosophy is focused on investing in high quality and growing businesses, with strong durable competitive advantages, run by passionate management teams. This has served Barramundi shareholders well in this unpredictable, volatile environment.

### High quality businesses have been rewarded during the year

Our investment process has resulted in a large proportion of our portfolio being invested in companies in the Healthcare, Information Technology and Communication Services (online & outdoor advertising) sectors. Many companies in these industries provide critical goods and services to customers that need to be used in good and bad economic times. This helps insulate their earnings from economic shocks such as the COVID-19 pandemic.

Consistent with this, we saw our Healthcare companies such as Resmed (+62% in A\$), CSL (+35%), Nanosonics (+21%) and Sonic Healthcare (+16%) perform strongly over the year.

Resmed, for example, is one of the largest global manufacturers of ventilators and masks which are used by patients with sleep apnoea and other respiratory conditions. As a respiratory related virus, the COVID-19 pandemic has seen global demand soar for ventilators as well as associated equipment. Resmed has increased its ventilator manufacturing output three-fold to help meet this demand. Although its sleep apnoea business has been negatively affected, overall Resmed has been a beneficiary of this crisis.

## MANAGER'S REPORT CONTINUED



Within Information Technology, Next DC (+52%) and Xero (+50%) have also benefitted. They have capitalised on the accelerated shift towards a more digital global economy. Next DC is the premier owner and operator of data centres in Australia. As more firms have adopted 'working from home' habits, their demand for flexible access to company systems and information from different locations has risen. This data is increasingly stored in data centres, benefitting firms like Next DC.

Similarly, the demand for accounting data and services (accessible from any location) by small and medium-sized businesses has also risen. This has benefitted Xero which specialises in the provision of cloud-based accounting software to these businesses.

### **COVID-19 has highlighted the importance of strong balance sheets and an all-weather portfolio**

The equity market impacts of the COVID-19 virus have been widespread and highly unpredictable. A few companies such as Next DC and others in the technology arena have benefitted. But they are in the minority. The earnings of the majority of companies have been negatively affected by the spread of the virus.

Companies that have previously been deemed by the market to have reliable, or defensive earnings have in many cases been found to have the opposite characteristics through this pandemic. So for example, airports have historically been thought to have defensive earnings. Consequently they have typically funded their operations with a material amount of debt because they felt they had the predictability of earnings to meet their debt repayments. As many people can relate to, in an environment where airlines are grounded, these predictable earnings have disappeared. A number of airports have consequently been forced to raise equity to repay their debt obligations.

We have no airport shareholdings in the Barramundi portfolio. But COVID-19 has driven home the importance of having companies in the portfolio with strong balance sheets. This provides protection against running out of cash and preserving access to funding during an economic shock.

Within our portfolio we had one company caught in the eye of the COVID-19 storm in March.

**oOH!Media** saw its share price fall 70% in March as the market became concerned about its debt levels. oOH!Media is one of the largest outdoor advertising

companies in Australia (think of billboards on roadsides). oOH!Media is a well-managed company in an advertising category that has structural growth. It is winning advertising market share from traditional forms of advertising such as television and print advertising. Even so, underneath this structural earnings growth, there is cyclicity to its earnings from one year to the next. In a sharp economic downturn when organisations cut their advertising spend, oOH!Media's earnings will fall.

While oOH!Media had debt levels that were fine for most environments, it had too much debt for a 1 in a 100 year event. To its credit, the company acted quickly to address this issue. It raised \$167m in equity to substantially reduce its debt. We think oOH!Media is well placed to benefit from the recovery in advertising markets when it eventually does occur.

In addition to the focus on balance sheets, the COVID-19 pandemic has also driven home the importance of having an all-weather portfolio. As with these examples discussed above, regardless of how strong an individual business is, there are unforeseen circumstances in which it might not perform as well as expected. Having a blend of companies from different industries plays a crucial role in balancing a portfolio's performance through a range of unpredictable market conditions.

**Ansell** (+40%) is an example of a portfolio company that has played a pivotal role in helping Barramundi weather the COVID-19 crisis. Ansell is a global manufacturer of gloves and protective equipment worn by people in industrial (e.g. in car manufacturing facilities) and healthcare settings (e.g. in hospitals). As the largest global player in industrial and surgical gloves, Ansell is a good quality business that benefits from a scale advantage relative to competition. Ansell operates in a relatively mature industry. It is not growing as quickly as some other Barramundi portfolio companies. However, demand for its products has soared because COVID-19 has highlighted the importance of wearing protective equipment like gloves from a hygiene perspective. Its earnings through the crisis have been resilient despite the global shock to world economic growth.

**Domino's Pizza Enterprises** (+87%), our best performing company in the year, has been another important cog in our portfolio this year. With an expanding pizza store roll-out underway in Europe, Domino's has a reasonable earnings growth runway in front of it. It has managed to keep stores in many of its jurisdictions open during lockdown. During this



time, lower foot traffic has resulted in dining-in and take-out sales falling. But Domino's has successfully mastered 'contactless' delivery of pizza leading to a strong increase in delivery sales instead.

As with Ansell, at the start of the year we would not necessarily have guessed that Domino's would perform as well as it has relative to other portfolio companies during an economic crisis. However the nature of this *specific* crisis has played into both Domino's and Ansell's hands.

Incidentally, we hasten to add that management and employees at Domino's and Ansell have played a critical role in their success and are to be applauded. Both companies run physical supply chains which have been tremendously disrupted during the economic lockdown. Physical goods cannot be transported over a Zoom call! It is testament to all those who work at these companies that pizzas and gloves continue to be delivered to their customers during this period of disruption.

As outlined in our outlook commentary, we don't yet know when the COVID-19 crisis will end. We certainly don't know when the next challenge for the global economy will emerge and what form it will take.

Regardless, we think our mix of high-quality companies, with strong competitive positions, run by sound management teams will stand Barramundi shareholders in good stead through time.

#### KEY PORTFOLIO CHANGES BETWEEN JUNE AND DECEMBER 2019 (PRIOR TO THE ONSET OF COVID-19)

We added **PWR Holdings** to the portfolio in July 2019. PWR specialises in manufacturing cooling systems for global high-end motorsport teams such as in Formula One and Nascar. It also provides cooling systems to high-priced car manufacturers including Aston Martin and Porsche. Driven by its focus on innovation and development, PWR can grow its revenues for many years. As part of this, we expect it to expand its contracts with car manufacturers and to broaden its customer base into other industries.

We re-jigged our bank shareholdings in December. We added **Australia and New Zealand Banking Group ("ANZ")** back into the portfolio. We commensurately reduced our shareholdings in Westpac, National Australia Bank and CBA. ANZ benefits from similar scale and funding advantages to our other major bank shareholdings. We were also attracted by the lengthening tenure and solid track

record of current management. Under CEO Shayne Elliott, ANZ has returned its focus to the domestic Australian and New Zealand markets. Similar to its peers, this plays to ANZ's scale advantages. This is in our view less risky than the offshore growth strategy undertaken by the previous CEO.

We exited our position in gaming machine manufacturer **Aristocrat** in November. While the company had performed adequately, the digital gaming division had not quite met our expectations, and displayed signs of 'investment thesis drift'. Mostly however, we have become increasingly uncomfortable about Aristocrat from an Environmental, Social and Governance perspective and so we sold our shares.

#### KEY PORTFOLIO CHANGES BETWEEN DECEMBER 2019 AND JUNE 2020 (POST THE ONSET OF COVID-19)

In February 2020, we reduced our shareholding in online recruitment advertiser SEEK Ltd given the deteriorating outlook for employment advertising in light of the COVID-19 pandemic.

As the COVID-19 crisis unfolded, we ramped up our engagement with our portfolio companies. We assessed how the different businesses would be affected and the steps management were taking to mitigate the effects of the crisis.

As alluded to earlier, we focused particularly on the strength of their balance sheets. Companies with strong balance sheets and access to plenty of cash in our view would be well positioned to weather an unpredictable economic shock such as this. Coming out of the crisis, these companies would also have the funding and capacity to invest in growth and capitalise on opportunities as and when the economic recovery took root. This would ultimately be to their shareholders' benefit.

With this in mind, we participated in capital raisings undertaken by oOH!Media, Credit Corp and National Australia Bank.

The plunge in share markets in March also gave us the opportunity to add to our higher quality company shareholdings at materially lower valuations. To this end we increased our weightings in our Australian bank shareholdings. Their valuations had fallen as low as they had been since the recession in the early 1990s. Yet the banks entered the crisis with the strongest balance sheets they've had in decades. In our view they were well positioned to weather the storm.

## MANAGER'S REPORT CONTINUED



We also increased our weighting in pallet manufacturer Brambles and topped up our Wisetech and SEEK positions.

We funded these changes by reducing or exiting positions in companies with either narrower competitive advantages or that we thought did not offer the same upside return potential. To this end, we exited our shareholdings in Rio Tinto and retirement accommodation provider Ingenia. We also reduced our weightings in Domino's Pizza, Link Group and ARB Corporation.

The market turmoil also enabled us to invest opportunistically in some high-quality companies.

REA Group Ltd is one example. We have followed REA for a long time. It is Australia's dominant online real estate advertising business. Almost all real estate agents across the country advertise houses for sale on the site. While REA's near-term profit outlook has been negatively affected, its long-term prospects remain sound. The drop in REA's share price in March offered us a rare opportunity to buy shares in the company at a reasonable valuation.

In this vein, we also added Woolworths to the portfolio in May. Woolworths is a high-quality dominant supermarket operator in Australia and has a strong presence in New Zealand. It has predictable, defensive earnings (even in the COVID-19 environment). It strengthens the all-weather blend of the Barramundi portfolio.

In May, we exited our position in Technology One. We like the Technology One business. It provides mission critical software to its customers including local councils and education organisations. However, its growth in our view continues to fall behind management's stated longer-term objectives. Linked to this, its valuation is stretched. Should business performance improve and/or the valuation adjust, we could see it back in the portfolio in the future.

### INVESTMENT SUMMARY AND OUTLOOK

Australia initially seemed to manage the spread of COVID-19 really well. As the virus spread throughout March 2020, the country went into a nationwide economic lockdown. This resulted in Australian economists slashing their near-term economic growth and employment forecasts.

However, soon the virus seemed to have been contained. The Australian states began rolling back

their lockdown measures and it seemed as if the COVID-19 health and economic outcomes would be significantly better than originally anticipated at the start of March.

Coupled with the significant fiscal and monetary policy stimulus that I mentioned earlier, this laid a foundation for an economic recovery in Australia. Feedback from a number of our portfolio companies suggests that the early signs of recovery seen in April continued to broaden out and strengthen in May and June. Allied to this, we have seen a strong rebound in the Australian share market since the March lows. Economists began paring back their expectations around the extent of the economic damage expected to be wrought by this virus.

However at the time of writing, we've seen a surge in COVID-19 cases in Melbourne in Victoria, and a smaller flare up in New South Wales.

The Premier of Victoria has re-imposed stringent lockdown measures across the state. This is a material setback for the Australian economic recovery. If it proves to be successful in curtailing and bringing this Victorian outbreak under control, this setback could prove to be short-lived. However, if it spreads out further, or takes a long time to be brought under control, the economic damage could be more material.

In summary, the economic and near-term investment outlook in Australia remains uncertain. The flare up in Victoria is a setback to Australia's economic recovery. How much of a setback this is remains to be seen.

Globally, a huge effort is underway to find a vaccine for the virus. Some early stage trial results have looked promising. Should these prove to be successful, this could result in further unwinding of lockdown restrictions in time. Again, it is too soon to tell how this will play out.

The Australian federal government is determined to buttress the economy through this period. In response to the Victorian outbreak, the government has announced a six-month extension to its sizeable fiscal stimulus measures beyond September 2020. This provides businesses with meaningful fiscal support until March 2021. Reserve Bank Governor Lowe has also pledged additional monetary policy support should that be needed.

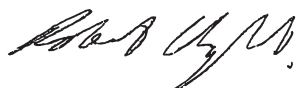
We suspect that more fiscal and monetary policy stimulus and support is likely to be in the offing. This is supportive for the share market.



None of the Barramundi portfolio companies are solely focused on the Victorian market. We do have some portfolio companies with a domestic, nationwide focus, including our bank shareholdings and online classified advertising businesses. Near-term earnings of these companies will be impacted to varying degrees by this lockdown.

However, the earnings from a number of our Australian facing companies are relatively defensive in nature, such as Woolworths (supermarkets), Next DC (data centres) and AUB Group (insurance brokers). Demand for their goods and services is unlikely to be hampered much in this environment. In addition, we have a meaningful proportion of portfolio company earnings derived from international markets that are also not likely to be impacted by the Victorian lockdown. This includes the likes of CSL, Resmed, Ansell, Brambles, Sonic Healthcare and Wisetech.

Drawing this all together, we think our portfolio is well placed to weather this next COVID-19 challenge. And we will continue to focus on capitalising on investment opportunities that arise in this environment as we have done in the past few months through adding REA and Woolworths to the portfolio.



**Robbie Urquhart / Senior Portfolio Manager**

**Fisher Funds Management Limited**

7 September 2020

## PORTFOLIO HOLDINGS SUMMARY AS AT 30 JUNE 2020

Company	% Holding
Ansell	3.2%
ANZ Banking Group	4.3%
ARB Corporation	3.1%
AUB Group	4.5%
Brambles	4.0%
Carsales	7.5%
Commonwealth Bank	6.5%
Credit Corp	3.6%
CSL	7.2%
Domino's Pizza	2.7%
Link Administration Holdings	2.2%
Nanosonics	2.6%
National Australia Bank	3.5%
NEXTDC	3.5%
Ooh! Media	1.7%
PWR Holdings	2.2%
REA Group	5.0%
ResMed	3.6%
SEEK	7.2%
Sonic Healthcare	3.2%
Westpac	4.0%
Wise Tech Global	4.1%
Woolworths Group	3.1%
Xero Limited	6.0%
<b>Equity Total</b>	<b>98.5%</b>
Australian dollar cash	1.3%
New Zealand dollar cash	0.4%
<b>Total Cash</b>	<b>1.7%</b>
Centrebet Rights	0.0%
Forward foreign exchange contracts	(0.2%)
<b>TOTAL</b>	<b>100.0%</b>

# THE BARRAMUNDI PORTFOLIO STOCKS

The following is a brief introduction to each of your portfolio companies, with a description of why they deserve a position in the Barramundi portfolio. Total shareholder return is for the year to 30 June 2020 and is based on the closing price for each company plus any capital management initiatives. For companies that are new additions to the portfolio during the year, total shareholder return is from the first purchase date to 30 June 2020.



## WHAT DOES IT DO?

Ansell designs, develops, manufactures and markets a wide range of hand and arm protection solutions for use in various industrial and manufacturing activities and in healthcare. It is essentially an industrial materials business that transforms natural rubber latex and synthetic latex into these value added products. It is a leading player (#1 or #2) in all its key market segments.

## WHY DO WE OWN IT?

Ansell has an attractive combination of businesses that benefit when the world economy grows, and those that enjoy relatively resilient demand even when economies are weak. We expect the company's earnings to grow over time as better occupational safety standards are adopted in emerging markets and as it successfully differentiates its products from the commodity-end of the markets it serves through both branding and product innovation. A heightened focus on hygiene standards post the outbreak of the COVID-19 virus has led to increased demand for Ansell's products.

TOTAL SHAREHOLDER RETURN

+40%

## WHAT DOES IT DO?

Australia and New Zealand Banking Group Limited (ANZ) has significant retail and business banking operations in its home markets of Australia and New Zealand. It has a leading agricultural banking business in New Zealand.

## WHY DO WE OWN IT?

ANZ has largely withdrawn from its Asian expansion strategy over the past few years, and has renewed its focus of its investments and resources in its home markets, reducing its investment risk. Along with the other major Australian banks, ANZ enjoys a supportive industry structure and has a wide economic moat. The major banks' scale, capital strength, regulatory expertise, technology and brands constitute significant barriers to entry for potential competitors, allowing the banks to earn healthy returns on their capital. These characteristics position them well to navigate the COVID-19 related economic downturn.

TOTAL SHAREHOLDER RETURN

-25%

## WHAT DOES IT DO?

ARB is Australia's largest manufacturer and distributor of 4x4 accessories. The company's key strength is its product leadership, with ARB-branded products enjoying a material price premium to competitors. This has been established through a prolonged R&D focus which has resulted in ARB having the best products. ARB products are distributed through a network of its own stores in Australia, and a network of distributors around the world that sees it export to more than 100 countries.

## WHY DO WE OWN IT?

ARB dominates a very specific market niche. This leaves potential competitors little scope to successfully enter its market. The company is run by its founders who have taken a long-term view in building the business. This has produced an excellent record of growth, capital allocation and returns. ARB is exiting a high investment phase that has suppressed apparent growth in recent years. It is now positioned to grow sales and profit, particularly from its export markets, without a commensurate need to invest in capacity. Based on supportive trends in its home market, and the probability and potential scale of success in its export market, we believe the market under-estimates ARB's long-term earnings power.

TOTAL SHAREHOLDER RETURN

-0.3%

Total shareholder returns in Australian dollar terms sourced from Bloomberg.



#### WHAT DOES IT DO?

AUB Group operates a general insurance broking network focused on the small to medium-sized business market.

#### WHY DO WE OWN IT?

We like AUB's owner-driven business model where member firms are strongly incentivised to grow. We believe insurance broking is an industry ripe for consolidation, allowing AUB to be an aggregator of smaller broking firms. The combination of adding more firms to the network, long-term organic growth in the insurance market and the benefits of scale should drive healthy earnings growth for AUB over time.



#### WHAT DOES IT DO?

Brambles is a supply-chain logistics company operating in more than 50 countries. The group specialises in the pooling of unit-load equipment and associated services, focusing on the outsourced management of pallets (CHEP), crates and containers.

#### WHY DO WE OWN IT?

Although Brambles is a capital intensive business, it generates attractive returns on capital. It is difficult for potential competitors to replicate the scale of Brambles' pallet pool (US\$5b) and its extensive service centre network. Moreover, there is considerable IP in managing the flow of pallets through the supply chain and keeping control of the assets. We expect sound growth from Brambles for many years to come as the penetration of pooled, rental unit-load equipment continues to increase in developed markets and as modern supply chains are established in emerging markets.



#### WHAT DOES IT DO?

Carsales owns a network of classified advertising websites in Australia. Carsales' main website, [www.carsales.com.au](http://www.carsales.com.au), is the leading automotive classifieds website in Australia.

#### WHY DO WE OWN IT?

A first mover advantage is important in establishing network-effect moats in online marketplaces: think of eBay, Amazon or TradeMe. Carsales enjoys the first mover advantage in all its markets, making it hard for competition to encroach on its dominance. Carsales is a strong business with attractive growth prospects and interesting global options.

TOTAL SHAREHOLDER RETURN

+46%

TOTAL SHAREHOLDER RETURN

-11%

TOTAL SHAREHOLDER RETURN

+36%

## BARRAMUNDI PORTFOLIO STOCKS CONTINUED

**WHAT DOES IT DO?**

Commonwealth Bank of Australia (CBA) operates a leading banking franchise in both Australia and New Zealand and has a strong presence in all spheres of retail and business banking. CBA has built a very profitable portfolio of assets and positioned itself to benefit from key growth areas in the Australian economy. The bank also enjoys an enviable scale advantage in gathering deposits, allowing it an important source of stable and low-cost funding.

**WHY DO WE OWN IT?**

The big four Australian banks enjoy a supportive industry structure and wide economic moats. Their scale, capital strength, regulatory expertise, technology and brands constitute significant barriers to entry for potential competitors, allowing the banks to earn healthy returns on their capital. These characteristics position the major banks well to navigate the COVID-19 related economic downturn. CBA's significant share in core Australian lending and deposit gathering should ensure it continues to profit and grow over time.

TOTAL SHAREHOLDER RETURN

**-12%****WHAT DOES IT DO?**

Credit Corp purchases and then collects, on its own account, portfolios of defaulted debt. These are primarily bought from banks. In more recent times, the company has diversified, leveraging its understanding of the sub-prime market to provide consumer credit. It also has a developing US purchased debt ledger (PDL) operation.

**WHY DO WE OWN IT?**

We like Credit Corp's leading market position and strong reputation with Australia's major banks, which have allowed it a healthy share of the PDL market. The business enjoys a scale advantage versus competitors, has a conservative balance sheet and is tightly managed. The mature Australian PDL business should deliver sound growth, with the company's burgeoning consumer lending business and US PDL operation providing significant growth opportunities.

TOTAL SHAREHOLDER RETURN

**-40%****WHAT DOES IT DO?**

CSL is a leader in the growing global plasma therapies and influenza markets. Plasma therapies address severe autoimmune and nerve degeneration conditions.

**WHY DO WE OWN IT?**

CSL's therapies address conditions for which drug trials are typically difficult to conduct, giving existing companies with approved therapies a tremendous advantage. As a result, CSL enjoys healthy returns on capital and strong earnings growth over very long product lifecycles. In addition to owning several leading therapies, CSL continue to invest significant resources in plasma supply and research and development, securing future earnings growth.

TOTAL SHAREHOLDER RETURN

**+35%**



#### WHAT DOES IT DO?

Domino's Pizza is the master franchisor of the Domino's brand in Australia, New Zealand, France, Belgium, the Netherlands, Monaco and Japan. The company has revolutionised the pizza restaurant industry in its key markets by focusing on meeting consumer taste, convenience and value needs.

#### WHY DO WE OWN IT?

Dominos is a clear Australian growth stock with store expansion, productivity and margin improvement opportunities. The business has significant scale, technology expertise and a powerful brand, all of which combine to create a formidable barrier to entry for potential competitors. With meaningful contributions from businesses around the world, Dominos offers quality diversification from the Australian economy.



#### WHAT DOES IT DO?

Link is the largest provider of fund administration services to Australia's superannuation industry. It is the second largest Australasian share registry and the leading provider of shareholder management and analytics. The company also has registry businesses in a number of other countries.

#### WHY DO WE OWN IT?

Link has many of the qualities that we look for in a company: the leading market position by a significant margin in outsourced Australian super fund administration; a strong value proposition for its customers; defensive, recurring revenues and a high level of customer captivity. We expect the company to produce solid earnings growth as it integrates an acquisition made in 2014 that doubled the size of its funds administration business. With the scale advantage that Link now enjoys it is well positioned to participate in further expected consolidation of the fund administration sector.



#### WHAT DOES IT DO?

Nanosonics has developed an innovative technology for point of use, high-level disinfection. The company's first product to market, the Trophon EPR, is revolutionising disinfection in the sonograph market and is now being distributed globally by Nanosonics and in partnership with leading companies like GE Healthcare, Phillips and Miele.

#### WHY DO WE OWN IT?

Hospitals, medical facilities and healthcare regulators around the world are increasingly focused on preventing infection through more stringent disinfection requirements. With a strong patent portfolio and the first product to market, the Trophon EPR, Nanosonics is well positioned for healthy future earnings growth.

TOTAL SHAREHOLDER RETURN

+87 %

TOTAL SHAREHOLDER RETURN

-15 %

TOTAL SHAREHOLDER RETURN

+21 %

## BARRAMUNDI PORTFOLIO STOCKS CONTINUED



### WHAT DOES IT DO?

National Australia Bank (NAB) is one of Australia's "big four" banks. It operates a leading banking franchise in both Australia and New Zealand and has a strong presence in all spheres of retail and business banking. NAB has a formidable stable of brands supporting its top tier position in both deposit gathering and lending.

### WHY DO WE OWN IT?

The big four Australian banks enjoy a supportive industry structure and wide economic moats. Their scale, regulatory expertise, technology and brands constitute significant barriers to entry for potential competitors, allowing the banks to earn healthy returns on their capital. These characteristics position the major banks well to navigate the COVID-19 related economic downturn. NAB has emerged from a restructuring with a relatively strong balance sheet and compelling portfolio of opportunities, positioning it well for the future.



### WHAT DOES IT DO?

Next DC is an Australian data centre business. It currently operates eight data centres across Australia and has a few new data centre developments in the pipeline. Next DC provides only the data centre infrastructure within which its customers can locate their servers. Its unique proposition is to create a valuable ecosystem within its data centres by assembling a community of customers for whom it makes commercial sense to be in close data proximity.

### WHY DO WE OWN IT?

Next DC benefits from the strong secular growth trends in cloud computing, data use and connectivity. The Australian cloud services market is forecast to grow three-fold by 2022. The growth in demand for cloud services has been accelerated by the COVID-19 crisis. Assisted by this tailwind, Next DC's earnings should multiply as the capacity of its existing data centres becomes fully utilised and as the capacity of its new data centres comes on-stream over the next couple of years.



### WHAT DOES IT DO?

Ooh! Media is a leading Out of Home advertising company with a dominant share in the retailing sector. The company sells advertising opportunities on its wide network of signs and digital screens, allowing advertisers to reach consumers in new and exciting ways.

### WHY DO WE OWN IT?

There are two major prevailing dynamics in the advertising industry. Firstly, audiences are increasingly fragmented, meaning that advertisers have to find ways to reach small target audiences with relevant adverts, or risk being ignored. Secondly, technology is disrupting traditional media causing major categories like Print and Television to lose audiences, and new categories like Online, Mobile and Out of Home to gain audiences. With the advent of digital screens, Out of Home advertising offers a new, dynamic, high-tech media through which to reach consumers. These two powerful industry dynamics should see sustained growth in Out of Home advertising for the foreseeable future.

TOTAL SHAREHOLDER RETURN

-28%

TOTAL SHAREHOLDER RETURN

+52%

TOTAL SHAREHOLDER RETURN

-70%



#### WHAT DOES IT DO?

PWR specialises in manufacturing cooling solutions for global high end motorsport teams such as Formula One, NASCAR and Formula E. PWR is recognised as a world leader when it comes to high performance cooling and it has used its expertise to win a number of contracts to provide cooling solutions for high-priced limited run supercar manufacturers such as Aston Martin and Porsche.

#### WHY DO WE OWN IT?

PWR has a culture of innovation and invests a meaningful proportion of its revenues back into researching and developing new cooling solutions each year. We think this not only keeps PWR at the forefront of its existing markets but has the potential to broaden PWR's customer base to include companies in other industries.

TOTAL SHAREHOLDER RETURN

+10%



#### WHAT DOES IT DO?

REA operates the leading online classified real estate advertising portal in Australia. It also operates market-leading property portals in five South East Asian countries and holds significant holdings in similar businesses in the United States and India.

#### WHY DO WE OWN IT?

In Australia, REA operates in a largely duopolistic market. It benefits from a strong network moat. Close to 100% of real estate agents in Australia advertise for sale and for rent, residential and commercial properties on its portals. Its residential property site, realestate.com.au, has the largest and most engaged audience in Australia with 84m visits per month, 2.95x its nearest competitor. REA is a strong business with attractive growth prospects both domestically and offshore.

TOTAL SHAREHOLDER RETURN

+11%



#### WHAT DOES IT DO?

ResMed is a global leader in the treatment of sleep disordered breathing conditions like obstructive sleep apnea. The company provides a range of treatment options for patients with these conditions including CPAP flow generators and consumables. The firm is a global leader in what is an oligopoly market with competitors Resprionics and New Zealand's Fisher & Paykel Healthcare.

#### WHY DO WE OWN IT?

ResMed benefits from an aging and fattening population and increasing awareness and treatment of sleep disordered breathing. ResMed has also been a beneficiary of increased demand across healthcare systems globally for ventilators and associated equipment as a means of combatting the COVID-19 virus. The company has posted solid profit growth over a number of years, leveraging heavy ongoing investment in research and development (R&D). This R&D investment provides a strong intellectual property advantage from which long-run earnings growth should follow. The company is highly cash generative, has net cash on the balance sheet and is led by a capable and experienced management team.

TOTAL SHAREHOLDER RETURN

+62%

## BARRAMUNDI PORTFOLIO STOCKS CONTINUED



### WHAT DOES IT DO?

SEEK is the largest global online employment marketplace. Operating across Australia, New Zealand, South East Asia, China, Brazil, Mexico, Bangladesh and Africa, SEEK's employment marketplaces are exposed to approximately 2.6 billion people and more than 20% of global GDP.

### WHY DO WE OWN IT?

In Australia and New Zealand SEEK has a strong competitive position by virtue of being "front of mind" for job seekers. It will continue to benefit from the migration of employment advertising from traditional media to online. Domestically, successful development of its talent search platform would provide a high value new revenue stream while its international investments give SEEK exposure to faster growing, less mature employment markets.



### WHAT DOES IT DO?

Sonic Healthcare is a leading global provider of medical diagnostic services. It is a global leader in pathology testing, and a significant player in the Australian diagnostic imaging market.

### WHY DO WE OWN IT?

The combination of an ageing population, an increasing focus on preventative medicine and more effective diagnostic tests drives Sonic's substantial long-term growth opportunity. Regulated medical prices are typically set to allow small independent companies to make a reasonable profit, which allows Sonic to achieve significant additional profitability from its substantial scale.



### WHAT DOES IT DO?

Westpac is Australia's oldest bank and corporation. It operates a leading banking franchise in both Australia and New Zealand and has a strong presence in all spheres of retail and business banking. Westpac has a formidable stable of brands supporting its top tier position in both deposit gathering and lending.

### WHY DO WE OWN IT?

The big four Australian banks enjoy a supportive industry structure and wide economic moats. Their scale, regulatory expertise, technology and brands constitute significant barriers to entry for potential competitors, allowing the banks to earn healthy returns on their capital. These characteristics position the major banks well to navigate the COVID-19 related economic downturn. Westpac's significant share in core Australian lending and deposit gathering should ensure it continues to profit and grow over time.

TOTAL SHAREHOLDER RETURN

+6%

TOTAL SHAREHOLDER RETURN

+16%

TOTAL SHAREHOLDER RETURN

-35%





#### WHAT DOES IT DO?

WiseTech Global is a logistics software business with a presence in key global regions and key global customers. Its main product, Cargowise One, offers clients a complete suite of logistics services and general business solutions. An early lead in the freight forwarding software domain confers a key technology moat, increases customer switching costs and establishes a nascent network benefit to participants using its technology.

#### WHY DO WE OWN IT?

While increasing trade flows are supportive, customers need better technology to help them manage greater supply chain complexity, comply with more onerous regulation and address vociferous competition. WiseTech is an early leader in an industry with low penetration of a clear internet-based technology solution, making for significant growth prospects should the company retain its leading position in the sphere.

TOTAL SHAREHOLDER RETURN

**-30%**



#### WHAT DOES IT DO?

Woolworths Group operates the largest food retailer in Australia. It also operates New Zealand's second-largest food retailer Countdown, Australian discount department store chain Big W and is the largest liquor store operator in Australia.

#### WHY DO WE OWN IT?

Woolworths Group is a leading player in two of the most highly consolidated food markets globally in Australia and New Zealand. This favourable competitive structure and the scale advantages afforded by its extensive store network have underpinned Woolworths' industry-leading profit margins.

TOTAL SHAREHOLDER RETURN

**+9%**



#### WHAT DOES IT DO?

Xero is the market leading provider of cloud based accounting software for small-to-medium businesses and their accountants in NZ, Australia and the UK, with growing presences in the US and other markets such as SE Asia and Africa.

#### WHY DO WE OWN IT?

Xero's software is consistently rated as best in class and it continues to pioneer innovative new functionality to attract and retain customers. As a result, Xero has a significant share of the cloud-based accounting software market and is growing subscriber numbers rapidly. The size of the ultimate opportunity for Xero is significant and there are many years of material growth ahead given the industry is only in the early stages of migration to the cloud. Xero is now on the cusp of profitability and its business model means revenue growth will translate strongly into earnings growth in the future. Xero's 2 million small and medium-size business customers globally have been difficult and expensive to acquire but the flip side is the customer base represents a significant sustainable competitive advantage.

TOTAL SHAREHOLDER RETURN

**+50%**



Pictured left to right: Carol Campbell, Carmel Fisher, Andy Coupe and Alistair Ryan.

## BOARD OF DIRECTORS

**ALISTAIR RYAN** MComm (Hons), FCA

**Chair of the Board**  
**Chair of Remuneration and Nominations Committee**  
**Independent Director**

Alistair Ryan is an experienced company director and corporate executive with extensive corporate and finance sector experience in the listed company sector in New Zealand and Australia. He is a director of Kingfish, Marlin Global, Metlifecare, and a member of the FMA's Audit Oversight Committee. Alistair had a 16-year career with SKYCITY Entertainment Group Limited (from pre-opening and pre-listing in 1996 through 2012). Alistair was a member of the senior executive team and also served as a director of various SKYCITY subsidiary and associated companies. Prior to SKYCITY, Alistair was a Corporate Services Partner with Ernst & Young, based in Auckland. He is a fellow of Chartered Accountants Australia and New Zealand. Alistair's principal place of residence is Auckland.

Alistair was first appointed to the Barramundi board on 10 February 2012.

**CAROL CAMPBELL** BCom, CA, CMIInstD

**Chair of Audit and Risk Committee**  
**Independent Director**

Carol Campbell is a chartered accountant and a member of Chartered Accountants Australia and New Zealand. Carol has extensive financial experience and a sound understanding of efficient board governance. Carol holds a number of directorships across a broad spectrum of companies, including T&G Global, New Zealand Post, NZME and Kiwibank. Carol is also a director of Kingfish and Marlin Global. Carol was a director of The Business Advisory Group, a chartered accountancy practice, for 11 years and prior to that a partner at Ernst & Young for over 25 years. Carol's principal place of residence is Auckland.

Carol was first appointed to the Barramundi board on 5 June 2012.

**CARMEL FISHER** CNZM, BCA, INFINZ (Fellow)

**Independent Director**

Carmel Fisher established Fisher Funds Management Limited in 1998. Carmel's interest and involvement in the New Zealand share market spans over 30 years and she is widely recognised as one of New Zealand's most experienced investment professionals. Carmel was an investment analyst and portfolio manager for several stockbroking and institutional firms before launching Fisher Funds as a boutique fund manager. She was managing director of Fisher Funds for 20 years before retiring and selling the company in 2017. Carmel is also a director of Kingfish and Marlin Global. Carmel's principal place of residence is Auckland.

Carmel was made a Companion of the New Zealand Order of Merit in the 2019 New Year's honours for her services to the New Zealand finance industry.

Carmel was first appointed to the Barramundi board on 8 September 2006.

**ANDY COUPE** LLB, CMIInstD

**Chair of Investment Committee**  
**Independent Director**

Andy Coupe has extensive commercial and capital markets experience having worked in a number of sectors within the financial markets for over 30 years, principally with international investment bank UBS. His senior roles principally encompassed large equity capital market and takeover transactions. Andy is a director of Kingfish, Marlin Global, Briscoe Group, Coupe Consulting and Gentrack Group. He is also Chair of the New Zealand Takeovers Panel and Chair of Television New Zealand. Andy's principal place of residence is Tamahere, Hamilton.

Andy was first appointed to the Barramundi board on 1 March 2013.

# CORPORATE GOVERNANCE STATEMENT

FOR THE YEAR ENDED 30 JUNE 2020

Barramundi's board recognises the importance of good corporate governance and is committed to ensuring that the Company meets best practice governance principles to the extent that it is appropriate for the nature of the Barramundi operations. Strong corporate governance practices encourage the creation of value for Barramundi shareholders, while ensuring the highest standards of ethical conduct and providing accountability and control systems commensurate with the risks involved.

The board is responsible for establishing and implementing the Company's corporate governance frameworks, and is committed to fulfilling this role in accordance with best practice, having appropriate regard to applicable laws, the NZX Corporate Governance Code ("NZX Code") and the Financial Markets Authority Corporate Governance in New Zealand - Principles and Guidelines. The board oversees the management of Barramundi, with the day-to-day portfolio and administrative management responsibilities of Barramundi being delegated to Fisher Funds Management Limited ("Fisher Funds" or "the Manager").

As at 30 June 2020, Barramundi was in compliance with the NZX Code, with the exception of recommendations 4.3<sup>(1)</sup> and 5.3<sup>(2)</sup> for the reasons explained under the relevant principles.

The corporate governance policies and procedures, and board and committee charters, are regularly reviewed by the board against the corporate governance standards set by New Zealand Stock Exchange ("NZX"), any regulatory changes and developments in corporate governance practices.

The Barramundi constitution and each of the charters, codes and policies referred to in this section are available on the Barramundi website ([www.barramundi.co.nz](http://www.barramundi.co.nz)) under the "About Barramundi" "Policies" section.

## Principle 1 – Code of ethical behaviour

Directors should set high standards of ethical behaviour, model this behaviour and hold management accountable for these standards being followed throughout the organisation.

## CODE OF ETHICS & STANDARDS OF PROFESSIONAL CONDUCT

Barramundi's Code of Ethics & Standards of Professional Conduct details the ethical and professional behavioural standards required of the directors and those employees of the Manager who work on Barramundi matters.

The Code of Ethics & Standards of Professional Conduct covers a wide range of areas including standards of

behaviour, conflicts of interest, proper use of Company information and assets, compliance with laws and policies, reporting concerns and receiving gifts.

Any person who becomes aware of a breach or suspected breach of the Code of Ethics & Standards of Professional Conduct is required to report it immediately in accordance with the procedure set out in the Code of Ethics & Standards of Professional Conduct.

Training on the Code of Ethics & Standards of Professional Conduct is included as part of the induction process for new directors and relevant employees of the Manager.

The Code of Ethics & Standards of Professional Conduct is also available on the Barramundi website for directors and staff to access at any time.

## SECURITIES TRADING POLICY

Barramundi's Securities Trading Policy details the restrictions on persons nominated by Barramundi (including its directors and employees of the Manager who work on Barramundi matters) ("Nominated Persons") on trading in Barramundi shares and other securities.

Nominated Persons, with the permission of the board of Barramundi, may trade in Barramundi shares only during the trading window commencing immediately after Barramundi's weekly disclosure of its net asset value to the NZX and ending at the close of trading two days following the net asset value disclosure.

Nominated Persons may not trade in Barramundi shares when they have price sensitive information that is not publicly available.

The Securities Trading Policy is available on the Barramundi website.

## CONFLICTS OF INTEREST POLICY

The Conflicts of Interest Policy outlines the board's policy on conflicts of interest. The policy details the process to be adopted for identifying conflicts of interests and managing any such conflicts.

## Principle 2 – Board composition and performance

To ensure an effective board, there should be a balance of independence, skills, knowledge, experience and perspectives.

## BOARD CHARTER

Barramundi's board operates under a written charter which defines the respective functions and

<sup>1</sup> Barramundi does not have a formal environmental, social and governance (ESG) framework. However, the Manager has a formal ESG framework which governs its stock selection which the board is fully supportive of and committed to.

<sup>2</sup> There is no CEO remuneration disclosure as Barramundi delegates its management personnel requirements to Fisher Funds pursuant to an Administration Services Agreement.

responsibilities of the board, focusing on the values, principles and practices that provide the corporate governance framework.

The board has overall responsibility for all decision making within Barramundi. The board is responsible for the direction and control of Barramundi and is accountable to shareholders and others for Barramundi's performance and its compliance with the appropriate laws and standards. The board has delegated the day-to-day management of Barramundi to the Manager.

The board uses committees to address certain matters that require detailed consideration. The board retains ultimate responsibility for the function of its committees and determines their responsibilities. The board is assisted in meeting its responsibilities by receiving reports and plans from the Manager and through its annual work programme.

Directors have access to key employees of the Manager who are connected to the activities of Barramundi and can request any information they consider necessary for informed decision making.

The board charter is available on the Barramundi website.

## NOMINATION AND APPOINTMENT OF DIRECTORS

In accordance with Barramundi's constitution and NZX Listing Rules, a director must not hold office without re-election past the third annual meeting following his or her appointment or three years (whichever is the longer). A director appointed by the board must not hold office (without re-election) past the next annual meeting following his or her appointment. Procedures for the appointment and removal of directors are contained in Barramundi's constitution and the board charter. The Remuneration and Nominations Committee is responsible for identifying and nominating candidates to fill director vacancies for board approval.

## WRITTEN AGREEMENT

Barramundi provides a letter of appointment to each newly appointed director setting out the terms of their appointment which they are required to sign. The letter includes information regarding the board's responsibilities, expectations of directors and independence, expected time commitments, indemnity and insurance provisions, declaration of interests and confidentiality. New directors are required to formally consent to act as a director.

## DIRECTOR INFORMATION AND INDEPENDENCE

The board comprises four directors with diverse backgrounds, skills, knowledge, experience and perspectives. Information about each director including a profile of experience, length of service and attendance at board meetings is available on page 26 of this Annual Report and also on the Barramundi website.

The board takes into account guidance provided under the NZX Listing Rules and the factors specified in the NZX Corporate Governance Code in determining the independence of directors. Director independence is

considered annually. Directors have undertaken to inform the board as soon as practicable if they think their status as an independent director has or may have changed.

As at 30 June 2020, the board considers that Alistair Ryan (Chair), Carol Campbell, Andy Coupe and Carmel Fisher are independent directors and therefore all of the board are independent directors.

Information in respect of directors' ownership interests is available on page 58.

## DIVERSITY

Barramundi has a formal Diversity Policy. The board views diversity as including but not being limited to, skills, qualifications, experience, gender, race, age, ethnicity and cultural background. The board recognises that having a diverse board will enhance effectiveness in key areas.

All appointments to the board are based on merit, and include consideration of the board's diversity needs, including gender diversity. Under the Diversity Policy, the principal measurable diversity objective is to embed gender diversity as an active consideration in all succession planning for board positions. During the year, there were no appointments to the board.

The board's gender composition was as follows:

	Number		Proportion	
	Female	Male	Female	Male
<b>2020</b>				
Directors	2	2	50%	50%
	Number		Proportion	
	Female	Male	Female	Male
<b>2019</b>				
Directors	2	2	50%	50%

The board believes that Barramundi has achieved the objectives set out in its Diversity Policy for the year ended 30 June 2020.

## DIRECTOR TRAINING

All directors are responsible for ensuring they remain current in understanding their duties as directors. To ensure ongoing education, directors are regularly informed of developments that affect the Company's industry and business environment.

## ASSESSMENT OF DIRECTOR PERFORMANCE

The Remuneration and Nominations Committee conducts a formal review of director, committee and board performance annually. Appropriate strategies for improvement are recommended to the board as and when required. The Chair of the board also has discussions with directors on individual performance.

## INDEPENDENT CHAIR AND SEPARATION OF THE CHAIR AND CHIEF EXECUTIVE

The Chair of the board is an independent director. Barramundi delegates its management personnel requirements to Fisher Funds pursuant to an Administration Services Agreement. The Chair of the

board is a different person to the Chief Executive of Fisher Funds.

#### Principle 3 – Board committees

The board should use committees where this will enhance its effectiveness in key areas, while still retaining board responsibility.

The board has three standing committees: the Audit and Risk Committee, the Remuneration and Nominations Committee and the Investment Committee.

Each committee operates under a charter approved by the board. The charter of each committee is reviewed annually.

### DIRECTOR MEETING ATTENDANCE

A total of eight board meetings, two Audit and Risk Committee meetings, one Remuneration and Nominations Committee meeting and two Investment Committee meetings were held in the 2020 financial year. Director attendance at board meetings and committee member attendance at committee meetings is shown below.

Director	Board	Audit and Risk Committee	Remuneration and Nominations Committee	Investment Committee
Carol Campbell	8/8	2/2	1/1	2/2
Andy Coupe	8/8	2/2	1/1	2/2
Carmel Fisher*	8/8	2/2	1/1	2/2
Alistair Ryan	8/8	2/2	1/1	2/2

\* Carmel Fisher was an attendee at the Audit and Risk Committee meetings but was not at the time a member of the Audit and Risk Committee.

### AUDIT AND RISK COMMITTEE

The Audit and Risk Committee Charter sets out the objectives of the Audit and Risk Committee, which are to provide assistance to the board in fulfilling its responsibilities in relation to the Company's financial reporting, internal controls structure, risk management systems and the external audit function. The Audit and Risk Committee charter is available on the Barramundi website.

The Audit and Risk Committee focuses on audit and risk management and specifically addresses responsibilities relative to financial reporting and regulatory compliance.

The Audit and Risk Committee is accountable for ensuring the performance and independence of the external auditor, including that the external auditor or lead audit partner is changed at least every five years.

The Audit and Risk Committee also reviews the appropriateness of any non-audit services and recommends to the board which services, other

than the statutory audit, may be provided by PricewaterhouseCoopers as auditor.

The auditor has a clear line of direct communication at any time with either the Chair of the Audit and Risk Committee or the Chair of the board, both of whom are independent directors. During the year, the Audit and Risk Committee held private sessions with the auditor.

The Audit and Risk Committee currently comprises all of the directors and is chaired by Carol Campbell.

The Audit and Risk Committee may invite the Corporate Manager and/or other employees of the Manager and such other persons including the external auditor to attend meetings as it considers necessary to provide appropriate information and explanations.

### REMUNERATION AND NOMINATIONS COMMITTEE

The Remuneration and Nominations Committee Charter sets out the objectives of the Remuneration and Nominations Committee, which are to set and review the level of directors' remuneration, ensure a formal rigorous and transparent procedure for the appointment of new directors to the board and evaluate the balance of skills, knowledge and experience on the board. The Remuneration and Nominations Committee also assesses the performance of directors, the board and board sub-committees.

The Remuneration and Nominations Committee currently comprises all of the directors and is chaired by Alistair Ryan.

The Remuneration and Nominations Committee may invite the Corporate Manager and/or other employees of the Manager and such other persons including the external auditor to attend meetings as it considers necessary to provide appropriate information and explanations.

The Remuneration and Nominations Committee charter is available on the Barramundi website.

### INVESTMENT COMMITTEE

The Investment Committee Charter sets out the objective of the Investment Committee, which is to oversee the investment management of Barramundi to ensure the portfolio is managed in accordance with the investment mandate and with the long-term performance objectives of Barramundi. The Investment Committee Charter is available on the Barramundi website.

The Investment Committee currently comprises all of the directors and is chaired by Andy Coupe.

### TAKEOVER RESPONSE PROTOCOLS

The board has adopted a formal Takeover Response Protocol as an internal framework that sets out the process to be followed if there is a takeover offer for Barramundi.

#### Principle 4 – Reporting and disclosure

The board should demand integrity in financial and non-financial reporting, and in the timeliness and balance of corporate disclosures.

### CONTINUOUS DISCLOSURE

Barramundi is committed to promoting investor confidence by providing complete and equal access to

## CORPORATE GOVERNANCE STATEMENT CONTINUED

information in accordance with the NZX Listing Rules. Barramundi has a Continuous Disclosure Policy designed to ensure this occurs and a copy of the policy is available on the Barramundi website. The Corporate Manager is responsible for ensuring compliance with the NZX continuous disclosure requirements and overseeing and co-ordinating disclosure to the exchange.

### CHARTERS AND POLICIES

Barramundi's key corporate governance documents, including its Code of Ethics and Standards of Professional Conduct, board and committee charters and other policies, are available on Barramundi's website under the "About Barramundi" "Policies" section.

### FINANCIAL REPORTING

Barramundi believes its financial reporting is balanced, clear and objective. Barramundi is committed to ensuring integrity and timeliness in its financial and non-financial reporting, ensuring the market and shareholders are provided with an objective view on the performance of the Company.

The Audit and Risk Committee oversees the quality and integrity of external financial reporting including the accuracy, completeness and timeliness of financial statements. The Audit and Risk Committee reviews half-yearly and annual financial statements and makes recommendations to the board concerning accounting policies, areas of judgement, compliance with accounting standards, stock exchange and legal requirements and the results of the external audit.

As at 30 June 2020, Barramundi does not have a formal environmental, social and governance (ESG) framework. Barramundi considers that, given the nature of its operations (as an investment company), it is not appropriate to maintain an ESG framework due to the lack of available metrics relevant to its business against which it could report on such matters. Barramundi will continue to assess the relevance of adopting an ESG framework. However, Fisher Funds Management Limited has a formal ESG framework which governs its stock selection, which the board is fully supportive of and committed to.

#### Principle 5 – Remuneration

The remuneration of directors and executives should be transparent, fair and reasonable.

### DIRECTORS' REMUNERATION

The Director Remuneration Policy sets out the structure of the remuneration to directors, the review process and reporting requirements. The Director Remuneration Policy is available on the Barramundi website.

Directors' fees are determined by the board on the recommendation of the Remuneration and Nominations Committee within the aggregate amount approved by shareholders. The current directors' fee pool limit of \$157,500 (plus GST if any) was approved by shareholder resolution at the 2018 Annual Shareholders' Meeting.

Each year the Remuneration and Nominations Committee reviews the level of directors' fees. The Remuneration and Nominations Committee considers the skills, performance, experience and level of responsibility of directors when

undertaking the review, and is authorised to obtain independent advice on market conditions.

The following table sets out the remuneration received by each director from Barramundi for the year ended 30 June 2020.

### Directors' remuneration\* for the 12 months ended 30 June 2020

A B Ryan (Chair)	\$50,000 <sup>(1)</sup>
C A Campbell	\$37,500 <sup>(2)</sup>
R A Coupe	\$37,500 <sup>(3)</sup>
C M Fisher	\$32,500 <sup>(4)</sup>

\* excludes GST

- (1) \$5,000 of this amount was applied to the purchase of 7,781 shares under the Barramundi share purchase plan.
- (2) Included in this total amount is \$5,000 that Carol Campbell receives as the Chair of Audit and Risk Committee. \$3,750 of this amount was applied to the purchase of 5,835 shares under the Barramundi share purchase plan.
- (3) Included in this total amount is \$5,000 that Andy Coupe receives as the Chair of Investment Committee. \$3,750 of this amount was applied to the purchase of 5,835 shares under the Barramundi share purchase plan.
- (4) Carmel Fisher is a substantial Barramundi shareholder and has holdings in excess of the 50,000 threshold set out in the director share purchase plan. (Details of director holdings can be found in the Statutory Information section on page 58).

Details of remuneration paid to directors are also disclosed in note 11 to the financial statements for the financial year ended 30 June 2020. The directors' fees disclosed in the financial statements include a portion of non-recoverable GST expensed by Barramundi.

### DIRECTORS' SHAREHOLDING - SHARE PURCHASE PLAN

A Share Purchase Plan was introduced by the board in 2012 which requires each director to allocate 10% of their annual director's fee to the purchase (on market) of Barramundi shares. Once an individual director's shareholding reaches 50,000 shares, the director can elect whether to continue with the plan. The intention of the Share Purchase Plan is to further align the interests of directors with those of shareholders.

### CHIEF EXECUTIVE OFFICER REMUNERATION

Barramundi delegates its management personnel requirements to Fisher Funds pursuant to an Administration Services Agreement. For this reason, Barramundi does not have a Chief Executive Officer and it does not consider it appropriate to make disclosures about remuneration for the Manager's personnel. The fees paid to Fisher Funds for administration services are set out in note 11 to Barramundi's financial statements for the year ended 30 June 2020.

#### Principle 6 – Risk management

Directors should have a sound understanding of the material risks faced by the issuer and how to manage them. The board should regularly verify that the issuer has appropriate processes that identify and manage potential and material risks.

## RISK MANAGEMENT FRAMEWORK

The board has overall responsibility for Barramundi's system of risk management and internal control. Barramundi has in place policies and procedures to identify areas of significant business risk and implements procedures to manage those risks effectively.

Key risk management tools used by Barramundi include the Audit and Risk Committee function, outsourcing of certain functions to service providers, internal controls, financial and compliance reporting procedures and processes and business continuity planning. Barramundi also maintains insurance policies that it considers adequate to meet its insurable risks.

The board is actively involved in tracking the development of existing risks and the emergence of new risks to Barramundi's business. The Audit and Risk Committee and board receive regular reports on the operation of risk management policies and procedures. Significant risks are discussed at each board meeting, and/or as required.

In addition to Barramundi's policies and procedures in place to manage business risks, Fisher Funds has its own comprehensive risk management policy. The board is informed of any changes to Fisher Funds' policy.

The spread of COVID-19 has severely impacted economies around the globe. In many countries, businesses have been forced to cease or limit operations for long or indefinite periods of time. Global stock markets have experienced great volatility and a significant weakening.

The board of Barramundi has, since the initial period of share market volatility (from March and through April 2020), held special additional meetings with the Manager to ensure that appropriate risk management processes and procedures, including the rigorous application of the STEEPP process, are being adhered to. The application of the STEEPP process ensures stock selection, de-selection and the in-depth testing of the stock assessment processes. These additional meetings have enabled the board to monitor and closely oversee the portfolio management process undertaken by the Manager as part of their mandated approach.

During the period of rapid volatility in the Australian equity market, Barramundi increased its usual weekly NAV reporting from once per week on Thursdays, to twice per week, with the NAVs published on both Mondays and Thursdays. This continued through the NZ lockdown period with Barramundi reverting to once per week NAV reporting from the week commencing 18 May 2020.

The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of Barramundi for future periods.

The preparation of the Barramundi Limited financial statements has not required the addition of any new judgements or estimates.

## HEALTH AND SAFETY

The Manager operates under a Health and Safety Policy. Under this policy, Fisher Funds assumes responsibility for the health and safety of its employees.

### Principle 7 – Auditors

The board should ensure the quality and independence of the external audit process.

Barramundi's Audit and Risk Committee makes recommendations to the board on the appointment of the external auditor. The Audit and Risk Committee monitors the independence and effectiveness of the external auditor and approves and reviews any non-audit services performed by the external auditor. An External Auditor Independence Policy which documents the framework of Barramundi's relationship with its external auditor was adopted in May 2018. This policy includes procedures:

- (a) to sustain communication with Barramundi's external auditor;
- (b) to ensure that the ability of the external auditor to carry out its statutory audit role is not impaired, or could reasonably be perceived to be impaired;
- (c) to address what, if any, services (whether by type or level) other than their statutory audit roles may be provided by the auditor to Barramundi; and
- (d) to provide for the monitoring and approval by the Barramundi Audit and Risk Committee of any service provided by the external auditor to the issuer other than in their statutory audit role.

The Audit and Risk Committee meets with the external auditor, without management present, to approve their terms of engagement, audit partner rotation (at least every five years) and audit fee, and to review and provide feedback in respect of the annual audit plan. The Audit and Risk Committee holds private sessions with the external auditor.

Barramundi's current external auditor, PricewaterhouseCoopers ("PwC"), was appointed by shareholders at the 2007 annual meeting in accordance with the provisions of the Companies Act 1993. PwC is automatically reappointed as auditor under Part 11, Section 207T of the Companies Act.

The Audit and Risk Committee has assessed PwC to be independent and confirmed that the non-audit services provided in relation to confirming the amounts used in the performance fee calculation has not compromised PwC's independence. Written confirmation of PwC's independence has been obtained by the board.

PwC, as external auditor of the 2020 financial statements, will attend this year's annual meeting and will be available to answer questions about the conduct of the audit, preparation and content of the auditor's report, accounting policies adopted by Barramundi and their independence in relation to the conduct of the audit.

Barramundi does not have an internal audit function; however, the Company regularly reviews all areas of risk management and focuses on all operating and compliance risk obligations. Barramundi delegates day-to-day management responsibilities to Fisher Funds and

the Corporate Manager is responsible for operational and compliance risks across Barramundi's business.

#### Principle 8 – Shareholder rights and relations

The board should respect the rights of shareholders and foster constructive relationships with shareholders that encourage them to engage with the issuer.

### INFORMATION FOR SHAREHOLDERS

The board recognises the importance of providing shareholders comprehensive, timely and equal access to information about its activities. The board aims to ensure that shareholders have available to them all information necessary to assess Barramundi's performance.

Barramundi's website, [www.barramundi.co.nz](http://www.barramundi.co.nz), provides information to shareholders and investors about the Company. Barramundi's 'Investor Centre' part of its website contains a range of information, including periodic and continuous disclosures to the NZX, half-year and annual reports and content related to the Annual Shareholders' Meeting. The website also contains information about Barramundi's directors, copies of key corporate governance documents and general Company information.

The board recognises that other stakeholders may have an interest in Barramundi's activities. While there are no specific stakeholders' interests that are currently identifiable, Barramundi will continue to review policies in consideration of future interests.

### COMMUNICATING WITH SHAREHOLDERS

Barramundi communicates regularly with its shareholders through its monthly and quarterly updates. The Company receives questions from shareholders from time to time, and has processes in place to ensure shareholder communications are responded to within a reasonable timeframe. The Company's website sets out Barramundi's appropriate contact details for communications from shareholders. Barramundi also provides options for shareholders to receive and send communications by post or electronically.

### SHAREHOLDER VOTING RIGHTS

When required by the Companies Act 1993, Barramundi's Constitution and the NZX Listing Rules, Barramundi will refer decisions to shareholders for approval. Barramundi's policy is to conduct voting at its shareholder meetings by way of poll and on the basis of one share, one vote.

### NOTICE OF ANNUAL MEETING

The 2020 Barramundi Notice of Annual Meeting will be sent to shareholders at least 20 working days prior to the meeting and will be published on the Company's website.

This year's meeting will be held at 10.30am on 23 October 2020, at the Ellerslie Event Centre in Auckland.

Full participation of shareholders is encouraged at the annual meeting and shareholders are encouraged to submit questions in writing prior to the meeting.

### MANAGEMENT AGREEMENT RENEWAL

The Management Agreement between Barramundi and Fisher Funds is subject to renewal every five years. The Management Agreement is next subject to renewal in 2021.

### NZX WAIVERS

Barramundi outsources all investment management functions and administration services to Fisher Funds under the Management Agreement entered into when Barramundi first listed. The Management Agreement has been amended to reflect the evolving relationship between Barramundi and Fisher Funds, with such amendments being largely administrative. Since December 2014, administration services previously provided for in the Management Agreement have been recorded in a separate Administration Services Agreement. The rationale for this change was to create efficiencies for Barramundi across staff utilisation and costs. There was no substantive change to the nature or scope of services or the actual costs payable.

Barramundi was granted a waiver by NZX Regulation on 30 May 2017 from (pre 1 January 2019) NZX Listing Rule 9.2.1 so that it is not required to obtain shareholder approval for the entry into the Administration Services Agreement and specific amendments to the Management Agreement. The waiver is provided on the conditions specified in paragraph 2 of the waiver decision, which is available on Barramundi's website: [www.barramundi.co.nz/investor-centre/market-announcements/](http://www.barramundi.co.nz/investor-centre/market-announcements/).

### CAPITAL RAISINGS

Barramundi Warrant Issue (BRMWE)

On 25 October 2019, Barramundi warrant holders had the option to convert their warrants into ordinary Barramundi shares at an exercise price of \$0.59 per warrant. On the same day, Barramundi shares were trading on-market at \$0.65, a 10% premium to the exercise price.

Warrant holders took advantage of this discount, with 31,249,518 warrants out of a possible 42,153,796 warrants (74%) being converted into Barramundi ordinary shares.

The new shares were allotted to warrant holders on 1 November 2019. All new shares have the same rights as current Barramundi shares, including participating in the Company's quarterly dividend policy.

The remaining 10,904,278 warrants which were not exercised lapsed, and all rights in regards to them expired.

The additional funds were invested during November 2019 in Barramundi's investment portfolio of stocks, in similar proportions to the existing portfolio.



# DIRECTORS' STATEMENT OF RESPONSIBILITY

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FOR THE YEAR ENDED 30 JUNE 2020

We present the financial statements for Barramundi Limited for the year ended 30 June 2020.

We have ensured that the financial statements for Barramundi Limited present fairly the financial position of the Company as at 30 June 2020 and its financial performance and cash flows for the year ended on that date.

We have ensured that the accounting policies used by the Company comply with generally accepted accounting practice in New Zealand and believe that proper accounting records have been kept. We have ensured compliance of the financial statements with the Financial Markets Conduct Act 2013.

We also consider that adequate controls are in place to safeguard the Company's assets and to prevent and detect fraud and other irregularities.

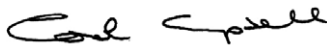
The Barramundi board authorised these financial statements for issue on 26 August 2020.



**Alistair Ryan**



**Carmel Fisher**



**Carol Campbell**



**Andy Coupe**

# FINANCIAL STATEMENTS CONTENTS

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BARRAMUNDI LIMITED  
**STATEMENT OF COMPREHENSIVE INCOME**  
 FOR THE YEAR ENDED 30 JUNE 2020

	NOTES	2020	2019
		\$000	\$000
Interest income		27	81
Dividend income		3,030	3,273
Net changes in fair value of financial assets and liabilities	2	12,677	7,573
Other losses	3	(66)	(76)
<b>Total net income</b>		<b>15,668</b>	<b>10,851</b>
Operating expenses	4	(3,007)	(2,265)
<b>Operating profit before tax</b>		<b>12,661</b>	<b>8,586</b>
Total tax expense	5	(136)	(1,158)
<b>Net operating profit after tax attributable to shareholders</b>		<b>12,525</b>	<b>7,428</b>
<b>Total comprehensive income after tax attributable to shareholders</b>		<b>12,525</b>	<b>7,428</b>
<b>Basic earnings per share</b>	7	<b>6.44c</b>	<b>4.40c</b>
<b>Diluted earnings per share</b>	7	<b>6.42c</b>	<b>4.37c</b>

The accompanying notes form an integral part of these financial statements.

## BARRAMUNDI LIMITED

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2020

	ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY				
	NOTES	SHARE CAPITAL	PERFORMANCE FEE RESERVE	ACCUMULATED DEFICITS	TOTAL EQUITY
		\$000	\$000	\$000	\$000
<b>Balance at 1 July 2018</b>		<b>139,492</b>	<b>1,002</b>	<b>(23,330)</b>	<b>117,164</b>
<b>Comprehensive income</b>					
Net operating profit after tax		0	0	7,428	7,428
Other comprehensive income		0	0	0	0
<b>Total comprehensive income for the year ended 30 June 2019</b>		<b>0</b>	<b>0</b>	<b>7,428</b>	<b>7,428</b>
<b>Transactions with owners</b>					
Share buybacks	6	(416)	0	0	(416)
Warrant issue costs		(27)	0	0	(27)
Dividends paid	6	0	0	(9,085)	(9,085)
New shares issued under dividend reinvestment plan	6	2,919	0	0	2,919
Shares issued from treasury stock under dividend reinvestment plan	6	322	0	0	322
Prior year Manager's performance fee to be settled with ordinary shares		917	(923)	0	(6)
Prior year Manager's performance fee to be settled with treasury stock		79	(79)	0	0
<b>Total transactions with owners for the year ended 30 June 2019</b>		<b>3,794</b>	<b>(1,002)</b>	<b>(9,085)</b>	<b>(6,293)</b>
<b>Balance at 30 June 2019</b>		<b>143,286</b>	<b>0</b>	<b>(24,987)</b>	<b>118,299</b>
<b>Comprehensive income</b>					
Net operating profit after tax		0	0	12,525	12,525
Other comprehensive income		0	0	0	0
<b>Total comprehensive income for the year ended 30 June 2020</b>		<b>0</b>	<b>0</b>	<b>12,525</b>	<b>12,525</b>
<b>Transactions with owners</b>					
Shares issued for warrants exercised	6	18,423	0	0	18,423
Share buybacks	6	(706)	0	0	(706)
Dividends paid	6	0	0	(10,950)	(10,950)
New shares issued under dividend reinvestment plan	6	3,176	0	0	3,176
Shares issued from treasury stock under dividend reinvestment plan	6	749	0	0	749
<b>Total transactions with owners for the year ended 30 June 2020</b>		<b>21,642</b>	<b>0</b>	<b>(10,950)</b>	<b>10,692</b>
<b>Balance at 30 June 2020</b>		<b>164,928</b>	<b>0</b>	<b>(23,412)</b>	<b>141,516</b>

The accompanying notes form an integral part of these financial statements.

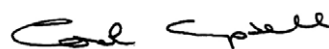
BARRAMUNDI LIMITED  
 STATEMENT OF FINANCIAL POSITION  
 AS AT 30 JUNE 2020

	NOTES	2020 \$000	2019 \$000
<b>SHAREHOLDERS' EQUITY</b>		<b>141,516</b>	<b>118,299</b>
Represented by:			
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	10	2,416	2,269
Trade and other receivables	8	259	343
Financial assets at fair value through profit or loss	2	140,103	116,490
<b>Total Current Assets</b>		<b>142,778</b>	<b>119,102</b>
<b>TOTAL ASSETS</b>		<b>142,778</b>	<b>119,102</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	9	1,104	202
Financial liabilities at fair value through profit or loss	2	6	17
Current tax payable	5	94	535
<b>Total Current Liabilities</b>		<b>1,204</b>	<b>754</b>
<b>Non-current Liabilities</b>			
Deferred tax liability	5	58	49
<b>Total Non-current Liabilities</b>		<b>58</b>	<b>49</b>
<b>TOTAL LIABILITIES</b>		<b>1,262</b>	<b>803</b>
<b>NET ASSETS</b>		<b>141,516</b>	<b>118,299</b>

These financial statements have been authorised for issue for and on behalf of the Board by:



**A B Ryan** / Chair  
 26 August 2020



**C A Campbell** / Chair of the Audit and Risk Committee  
 26 August 2020

BARRAMUNDI LIMITED  
**STATEMENT OF CASH FLOWS**  
 FOR THE YEAR ENDED 30 JUNE 2020

	NOTES	2020 \$000	2019 \$000
<b>Operating Activities</b>			
Sale of listed equity investments		50,654	30,873
Interest received		30	84
Dividends received		2,997	3,397
Other expenses		(86)	(6)
Purchase of listed equity investments		(61,742)	(31,082)
Operating expenses		(2,728)	(3,267)
Taxes paid		(568)	(264)
Net settlement of forward foreign exchange contracts		885	1,271
<b>Net cash (outflows)/inflows from operating activities</b>	<b>10</b>	<b>(10,558)</b>	<b>1,006</b>
<b>Financing Activities</b>			
Proceeds from warrants exercised		18,423	0
Warrant issue costs		0	(27)
Share buybacks		(706)	(434)
Dividends paid (net of dividends reinvested)		(7,025)	(5,844)
<b>Net cash inflows/(outflows) from financing activities</b>		<b>10,692</b>	<b>(6,305)</b>
<b>Net increase/(decrease) in cash and cash equivalents held</b>		<b>134</b>	<b>(5,299)</b>
Cash and cash equivalents at beginning of the year		2,269	7,644
Effects of foreign currency translation on cash balance		13	(76)
<b>Cash and cash equivalents at end of the year</b>	<b>10</b>	<b>2,416</b>	<b>2,269</b>

The accompanying notes form an integral part of these financial statements.

BARRAMUNDI LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1 BASIS OF ACCOUNTING

**Reporting Entity**

Barramundi Limited (“Barramundi” or “the Company”) is listed on the NZX Main Board, is registered in New Zealand under the Companies Act 1993 and is a FMC Reporting Entity under the Financial Markets Conduct Act 2013.

The Company’s registered office is Level 1, 67-73 Hurstmere Road, Takapuna, Auckland.

**Basis of Preparation**

These financial statements have been prepared in accordance with the requirements of Part 7 of the Financial Markets Conduct Act 2013, the NZX Main Board listing rules and New Zealand Generally Accepted Accounting Practice (NZ GAAP). They comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) as appropriate to for profit-orientated entities, and International Financial Reporting Standards (IFRS).

The financial statements have been prepared on the historical cost basis, except for financial assets and liabilities at fair value through profit or loss.

The functional and reporting currency used to prepare the financial statements is New Zealand dollars, rounded to the nearest one thousand dollars.

The financial statements include GST where it is charged by other parties as it cannot be reclaimed.

The impact of COVID-19 was assessed during the preparation of these financial statements and whether there were any indicators affecting the Company’s ability to operate as a going concern. No indicators were identified, and the Company remains a going concern.


**Foreign Currency Transactions and Translations**

Foreign currency transactions are converted into New Zealand dollars using exchange rates prevailing at transaction date. Foreign currency assets and liabilities are translated into New Zealand dollars using the exchange rates prevailing at the balance date.

Foreign exchange gains or losses relating to the financial assets and liabilities at fair value through profit or loss are presented in the Statement of Comprehensive Income within “Net changes in fair value of financial assets and liabilities”.

Foreign exchange gains and losses relating to cash and cash equivalents, trade and other receivables, and trade and other payables are presented in the Statement of Comprehensive Income within “Other losses”.

**Accounting Policies**


Accounting policies that summarise the recognition and measurement basis used and are relevant to an understanding of the financial statements, are provided throughout the notes to the financial statements and are designated by a  symbol.

The accounting policies adopted have been consistently applied to all years presented, unless otherwise stated.

There are no new accounting standards, amendments to standards and interpretations that have a material impact on these financial statements. The same applies for any new standards, amendments to standards and interpretations that have been issued but are not yet effective.

**Critical Judgements, Estimates and Assumptions**

The preparation of financial statements requires the directors to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

Judgements are designated by a  symbol in the notes to the financial statements. There were no material estimates or assumptions required in the preparation of these financial statements.

**Changes to comparatives**

Prior year comparatives in the Statement of Changes in Equity have been restated by reclassifying \$78,549 from Prior year Manager’s performance fee settled with ordinary shares to Prior year Manager’s performance fee settled with treasury stock.

**Authorisation of Financial Statements**

The Barramundi Board of Directors authorised these financial statements for issue on 26 August 2020.

No party may change these financial statements after their issue.

**NOTE 2 FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS**

- j** Given that the investment portfolio is managed, and performance is evaluated, on a fair value basis in accordance with a documented investment strategy, Barramundi has classified all of its investments at fair value through profit or loss.

Investments are initially recognised at fair value and are subsequently revalued to reflect changes in fair value. Net changes in the fair value of financial assets and liabilities are recognised in the Statement of Comprehensive Income.

Financial assets at fair value through profit or loss comprise of Australian listed equity investment assets and forward foreign exchange contracts with positive value.

Financial liabilities at fair value through profit or loss comprise of forward foreign exchange contracts with negative value.

Forward foreign exchange contracts can be used as economic hedges for equity investments against currency risk. They are accounted for on the same basis as those investments and are recognised at their fair value.

All purchases and sales of investments are recognised at trade date, which is the date the Company commits to purchase or sell the investment and transaction costs are expensed as incurred. When an investment is sold, any gain or loss arising on the sale is included in the Statement of Comprehensive Income. Realised gains or losses are calculated as the difference between the sale proceeds and the carrying amount of the item.

The fair value of listed equity investments traded in active markets are based on last sale prices at balance date, except where the last sale price falls outside the bid-ask spread for a particular investment, in which case the bid price will be used to value the investment. The decline in equity markets as a result of COVID-19 adversely impacted the value of investments during the year, with markets since recovering by year end. Trading was not suspended as at year end for any of the investments held by the Company.

The fair value of forward foreign exchange contracts is determined by using valuation techniques based on spot exchange rates and forward points supplied by The World Markets Company PLC via Refinitiv.

Dividend income from investments is recognised in the Statement of Comprehensive Income when the Company's right to receive payments is established (ex-dividend date).

Investments recognised at fair value are categorised according to a fair value hierarchy that shows the extent of judgement used in determining their fair value. Where unadjusted quoted prices are used in an active market, the investments are categorised as Level 1. When significant inputs derived from quoted prices are used, the investments are categorised as Level 2. If significant inputs are not based on observable market data, they are categorised as Level 3.

- j** All listed equity investments held by Barramundi are categorised as Level 1 and all forward foreign exchange contracts are classified as Level 2 in the fair value hierarchy. There have been no transfers between levels of the fair value hierarchy during the year (2019: none).

There were no financial instruments classified as Level 3 at 30 June 2020 (2019: none). There have been no changes to the fair value hierarchy classification of investments as a result of COVID-19.



	2020	2019
	\$000	\$000
<b>Financial assets and liabilities at fair value through profit or loss</b>		
<b>Financial Assets:</b>		
Australian listed equity investments	140,067	115,540
Forward foreign exchange contracts	36	950
<b>Total financial assets at fair value through profit or loss</b>	<b>140,103</b>	<b>116,490</b>
<b>Financial Liabilities:</b>		
Forward foreign exchange contracts	6	17
<b>Total financial liabilities at fair value through profit or loss</b>	<b>6</b>	<b>17</b>
<b>Net changes in fair value of financial assets and liabilities</b>		
Australian listed equity investments	10,406	8,618
Foreign exchange gains/(losses) on Australian listed equity investments	2,289	(3,930)
(Losses)/gains on forward foreign exchange contracts	(18)	2,885
<b>Net changes in fair value of financial assets and liabilities through profit or loss</b>	<b>12,677</b>	<b>7,573</b>

The notional value of forward foreign exchange contracts held at 30 June 2020 was \$92,576,044 (2019: \$76,440,015).

### NOTE 3 OTHER LOSSES

	2020	2019
	\$000	\$000
Foreign exchange losses on cash and cash equivalents and outstanding settlements	(66)	(76)
<b>Total other (losses)/income</b>	<b>(66)</b>	<b>(76)</b>

### NOTE 4 OPERATING EXPENSES

Management fee (note 11)	1,705	1,440
Performance fee (note 11)	301	0
Administration services (note 11)	159	159
Directors' fees (note 11)	175	176
Brokerage	297	163
Investor relations and communications	132	116
Custody and accounting fees	49	47
NZX fees	54	54
Professional fees	42	31
Fees paid to the auditor:		
Statutory audit and review of financial statements	36	35
Non-assurance services <sup>1</sup>	2	0
Regulatory fees	15	13
Other operating expenses	40	31
<b>Total operating expenses</b>	<b>3,007</b>	<b>2,265</b>

<sup>1</sup> Non-assurance services relate to agreed upon procedures performed in respect of the performance fee calculation. No other fees were paid to the auditor.

## NOTE 5 TAXATION

Barramundi is a Portfolio Investment Entity ("PIE") for tax purposes.



Taxation expense comprises both current and deferred tax. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at balance date, and any adjustment to tax payable in respect of previous years. Current tax for current and prior periods is recognised as a liability or asset to the extent that it is unpaid (or refundable). Deferred tax (if any) is recognised as the difference between the carrying amounts of assets and liabilities in the financial statements and the amounts used for taxation purposes. A deferred tax asset is only recognised to the extent it is probable it will be utilised.

	2020	2019
	\$000	\$000
<b>Taxation expense is determined as follows:</b>		
<b>Operating profit before tax</b>	<b>12,661</b>	<b>8,586</b>
Non-taxable realised gain on financial assets and liabilities	(5,747)	(7,862)
Non-taxable unrealised loss/(gain) on financial assets and liabilities	(6,833)	3,192
Fair Dividend Rate income	335	335
Exempt dividends subject to Fair Dividend Rate	(114)	(124)
Imputation credits	49	61
Non-deductible expenses and other	309	166
<b>Taxable income</b>	<b>660</b>	<b>4,354</b>
<b>Tax at 28%</b>	<b>185</b>	<b>1,219</b>
Imputation credits	(49)	(61)
<b>Total tax expense</b>	<b>136</b>	<b>1,158</b>
<i>Taxation expense comprises:</i>		
Current tax	127	799
Deferred tax	9	359
<b>Total tax expense</b>	<b>136</b>	<b>1,158</b>
<b>Current tax balance</b>		
Opening balance	(535)	1
Current tax movements	(127)	(799)
Tax paid	535	224
Credits used	33	39
<b>Current tax payable</b>	<b>(94)</b>	<b>(535)</b>
<b>Deferred tax balance</b>		
Opening balance	(49)	309
Losses utilised	0	(390)
Accrued dividends	(9)	35
Other	0	(3)
<b>Deferred tax (liability)/asset</b>	<b>(58)</b>	<b>(49)</b>

- i** A deferred tax asset is recognised only if it is probable that future tax profits will be available to utilise the deferred tax asset.

#### Imputation credits

The imputation credits available for subsequent reporting periods total \$94,149 (2019: \$546,590). This amount represents the balance of the imputation credit account at the end of the reporting period, adjusted for imputation credits that will arise from the receipt of dividends recognised as a receivable at 30 June 2020.

## NOTE 6 SHAREHOLDERS' EQUITY

### Share Capital

- i** Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares and warrants are shown in equity as a deduction.

When shares are acquired by the Company, the amount of consideration paid is recognised directly in equity. Acquired shares are classified as treasury stock and presented as a deduction from share capital. When treasury stock is subsequently sold or reissued, the cost of treasury stock is reversed and the realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs, is recognised within share capital.

Barramundi has 208,719,740 fully paid ordinary shares on issue (2019: 172,081,073). All ordinary shares rank equally and have no par value. All shares carry an entitlement to dividends and one vote is attached to each fully paid ordinary share.

#### Buybacks

Barramundi maintains an ongoing share buyback programme. For the year ended 30 June 2020, Barramundi had acquired 1,112,889 shares valued at \$705,988 (2019: 671,901 shares, \$415,837) under the programme which allows up to 5% of the ordinary shares on issue (as at the date 12 months prior to the acquisition) to be acquired. Shares acquired under the buyback programme are held as treasury stock and subsequently reissued to shareholders under the dividend reinvestment plan. There were no shares held as treasury stock at balance date (2019: 33,210).

#### Warrants

On 1 November 2018, 42,153,796 Barramundi warrants were allotted and quoted on the NZX Main Board. One new warrant was issued to all eligible shareholders for every four shares held on record date (31 October 2018). On 1 November 2019, 31,249,518 warrants valued at \$18,437,166, less issue costs of \$14,639 (net \$18,422,527), were exercised at \$0.59 per warrant, and the remaining 10,904,278 warrants lapsed.

#### Dividends

- i** Dividend distributions to the Company's shareholders are recognised as a liability in the financial statements in the period in which the dividends are declared by the Barramundi Board.

Barramundi has a distribution policy where 2% of average NAV is distributed each quarter. Dividends paid during the year comprised:

	2020 \$'000	CENTS PER SHARE		2019 \$'000	CENTS PER SHARE
26 Sep 2019	2,390	1.39	28 Sep 2018	2,337	1.40
19 Dec 2019	2,932	1.44	21 Dec 2018	2,389	1.42
27 Mar 2020	2,975	1.45	28 Mar 2019	2,121	1.25
26 Jun 2020	2,653	1.28	27 Jun 2019	2,238	1.31
	10,950	5.56		9,085	5.38

## NOTE 6 SHAREHOLDERS' EQUITY CONTINUED

**Dividend Reinvestment Plan**

Barramundi has a dividend reinvestment plan which provides ordinary shareholders with the option to reinvest all or part of any cash dividends in fully paid ordinary shares at a 3% discount to the five-day volume weighted average share price from the date the shares trade ex-entitlement. During the year ended 30 June 2020, 6,502,038 ordinary shares totalling \$3,925,414 (2019: 5,506,913 ordinary shares totalling \$3,241,095) were issued in relation to the plan for the quarterly dividends paid. To participate in the dividend reinvestment plan, a completed participation notice must be received by Barramundi before the next record date.


## NOTE 7 EARNINGS PER SHARE




Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares on issue during the year. Diluted earnings per share assumes conversion of all dilutive potential ordinary shares in determining the denominator. Potential ordinary shares include outstanding warrants.

	2020	2019
<b>Basic earnings per share</b>		
Profit attributable to owners of the Company (\$'000)	12,525	7,428
Weighted average number of ordinary shares on issue net of treasury stock ('000)	194,376	168,926
<b>Basic earnings per share</b>	<b>6.44c</b>	<b>4.40c</b>
<b>Diluted earnings per share</b>		
Profit attributable to owners of the Company (\$'000)	12,525	7,428
Weighted average number of ordinary shares on issue net of treasury stock ('000)	194,376	168,926
Diluted effect of warrants on issue ('000)	856	1,045
	195,232	169,971
<b>Diluted earnings per share</b>	<b>6.42c</b>	<b>4.37c</b>


## NOTE 8 TRADE AND OTHER RECEIVABLES


 Trade and other receivables are classified as financial assets at amortised cost and are initially recognised at fair value, and subsequently measured at amortised cost less any provision for impairment. Receivables are assessed on a case-by-case basis for impairment.

 The trade and other receivables' carrying values are a reasonable approximation of fair value.

	2020	2019
	\$000	\$000
Interest receivable	0	3
Dividends receivable	211	172
Unsettled investment sales	0	149
Other receivables and prepayments	48	19
<b>Total trade and other receivables</b>	<b>259</b>	<b>343</b>

## NOTE 9 TRADE AND OTHER PAYABLES

 Trade and other payables are classified as other financial liabilities and are initially recognised at fair value, and subsequently measured at amortised cost.

 The trade and other payables' carrying values are a reasonable approximation of fair value.

	2020	2019
	\$000	\$000
Related party payable (note 11)	463	137
Unsettled purchases of investments	594	0
Other payables and accruals	47	65
<b>Total trade and other payables</b>	<b>1,104</b>	<b>202</b>

## NOTE 10 CASH AND CASH FLOW RECONCILIATION

**Cash and Cash Equivalents**

Cash and cash equivalents are classified as financial assets at amortised cost and comprise cash on deposit at banks.

	2020	2019
	\$000	\$000
Cash - New Zealand dollars	528	745
Cash - Australian dollars	1,888	1,524
<b>Cash and Cash Equivalents</b>	<b>2,416</b>	<b>2,269</b>
<b>Reconciliation of Net Operating Profit after Tax to Net Cash Flows from Operating Activities</b>		
<b>Net operating profit after tax</b>	<b>12,525</b>	<b>7,428</b>
<b>Items not involving cash flows:</b>		
Unrealised (gains)/losses on cash and cash equivalents	(13)	76
Unrealised (gains)/losses on revaluation of investments	(6,849)	3,216
Unrealised losses/(gains) on forward foreign exchange contracts	902	(1,614)
	<b>(5,960)</b>	<b>1,678</b>
<b>Impact of changes in working capital items</b>		
Increase/(decrease) in trade and other payables	902	(2,301)
Decrease in trade and other receivables	84	21
Change in current and deferred tax	(432)	894
	<b>554</b>	<b>(1,386)</b>
<b>Items relating to investments</b>		
Amount paid for purchases of investments	(61,742)	(31,082)
Amount received from sales of investments	50,654	30,873
Net amount received on settlement of forward foreign exchange contracts	885	1,271
Realised gains on investments	(6,731)	(9,176)
(Increase)/decrease in unsettled purchases of investments	(594)	1,233
(Decrease)/increase in unsettled sales of investments	(149)	149
	<b>(17,677)</b>	<b>(6,732)</b>
<b>Other</b>		
Decrease in share buybacks payable	0	18
	<b>0</b>	<b>18</b>
<b>Net cash (outflows)/inflows from operating activities</b>	<b>(10,558)</b>	<b>1,006</b>

## NOTE 11 RELATED PARTY INFORMATION



Parties are considered to be related if one party has the ability to control or exercise significant influence over the other party in making financial or operational decisions.

### Transactions with related parties

The Manager of Barramundi is Fisher Funds Management Limited ("Fisher Funds" or "the Manager"). Fisher Funds is a related party by virtue of the Management Agreement. In return for the performance of its duties as Manager, Fisher Funds is paid the following fees:

**(i) Management fee:** 1.25% (plus GST) per annum of the gross asset value, calculated weekly and payable monthly in arrears. The fee reduces if the Manager underperforms, thereby aligning the Manager's interests with those of the Barramundi shareholders. For every 1% underperformance (relative to the change in the NZ 90 Day Bank Bill Index) the management fee percentage is reduced by 0.1%, subject to a minimum 0.75% per annum management fee.

**(ii) Performance fee:** Fisher Funds may earn an annual performance fee of 10% plus GST (2019: 15% plus GST) of excess returns over and above the performance fee hurdle return (being the change in the NZ 90 Day Bank Bill Index plus 7%) subject to achieving the High Water Mark ("HWM"). From 1 July 2019 the total performance fee amount is subject to a cap of 1.25% of the net asset value and is no longer partially settled by equity share payment, but settled fully in cash.

The HWM is the dollar amount by which the net asset value per share exceeds the highest net asset value per share (after adjustment for capital changes and distributions) at the end of any previous calculation period in which a performance fee was payable, multiplied by the number of shares at the end of the period.

In accordance with the terms of the Management Agreement, when a performance fee is earned, it is paid within 60 days of the balance date.



Performance fees paid to the Manager are recognised as an expense in the Statement of Comprehensive Income and treated in line with a typical operating expense.

For the year ended 30 June 2020, excess returns of \$2,966,757 (2019: \$nil) were generated and the net asset value per share before the deduction of a performance fee was \$0.68 (2019: \$0.69), which exceeded the HWM after adjustment for capital changes and distributions of \$0.57 (2019: \$0.70). Accordingly, the Company has expensed a performance fee of \$301,126 (2019: \$nil was expensed).

**(iii) Administration fee:** Fisher Funds provides corporate administration services and a monthly fee is charged.

### Fees earned, accrued and payable:

	2020	2019
	\$000	\$000
<b>Fees earned by and accrued to the Manager for the year ended 30 June</b>		
Management fees	1,705	1,440
Performance fees	301	0
Administration services	159	159
<b>Total fees earned by and accrued to the Manager</b>	<b>2,165</b>	<b>1,599</b>
<b>Fees payable to the Manager at 30 June</b>		
Management fees	149	124
Performance fees payable in cash	301	0
Administration services	13	13
<b>Total amount payable to the Manager</b>	<b>463</b>	<b>137</b>

## NOTE 11 RELATED PARTY INFORMATION CONTINUED

**Investments by the Manager**

The Manager held shares in the Company until August 2019 when its holding was sold (2019: \$1,390,621). No dividends were paid to the Manager during the year (2019: \$118,755).

**Investment transactions with related parties**

Off-market transactions between Barramundi and other funds managed by Fisher Funds take place for the purposes of rebalancing portfolios without incurring brokerage costs. These transactions are conducted after the market has closed at last sale price (on an arm's length basis). Purchases for the year ended 30 June 2020 totalled \$3,388,954 (2019: \$169,685) and sales totalled \$55,960 (2019: \$464,230).

**Directors**

The directors of Barramundi are the only key management personnel and they are paid a fee for their services. The directors' fee pool is \$157,500 (plus GST if any) per annum (2019: \$157,500). The amount paid to directors (inclusive of GST for three directors) is disclosed in note 4 under directors' fees (all directors earn a director's fee).

The directors or their associates also held shares in the Company at 30 June 2020 and previously held warrants on issue at 30 June 2019. The table below shows a reconciliation of opening and closing share holdings and warrant holdings for all directors or their associates:

	2020	2019
	\$000	\$000
Opening value of shares held by directors or their associates	1,300	1,215
Plus shares issued for warrants exercised	333	23
Plus other share purchases	1,353	0
Plus share price movements	347	62
<b>Closing value of shares held by directors or their associates</b>	<b>3,333</b>	<b>1,300</b>
Opening value of warrants held by directors or their associates	8	0
Plus new warrants issued and price movements	11	8
Less warrants exercised	(19)	0
<b>Closing value of warrants held by directors or their associates</b>	<b>0</b>	<b>8</b>

Dividends of \$260,404 (2019: \$156,434) were also received by directors or their associates as a result of their shareholding.



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## NOTE 12 FINANCIAL RISK MANAGEMENT

The Company is subject to a number of financial risks which arise as a result of its investment activities, including market risk, credit risk and liquidity risk.

The Management Agreement between Barramundi and Fisher Funds details permitted investments. Financial instruments currently recognised in the financial statements also comprise cash and cash equivalents, forward foreign exchange contracts, trade and other receivables and trade and other payables.

### **Market Risk**

All equity investments present a risk of loss of capital, often due to factors beyond the Company's control such as competition, regulatory changes, commodity price changes and changes in general economic climates domestically and internationally. The Manager moderates this risk through careful stock selection, diversification and daily monitoring of the market positions. For corporate governance purposes there is also regular reporting to the Board of Directors. In addition, the Manager has to meet the criteria of authorised investments within the prudential limits defined in the Management Agreement.

The market risk of the Company is concentrated in Australia.

### **Price Risk**

Price risk is the risk of gains or losses from changes in the market price of investments. The Company is exposed to the risk of fluctuations in the underlying value of its listed portfolio companies. There were no companies individually comprising more than 10% of Barramundi's total assets at 30 June 2020 (2019: none).

### **Interest Rate Risk**

Interest rate risk is the risk of movements in interest rates. Surplus cash is held in interest bearing Australian and New Zealand bank accounts. The Company is therefore exposed to the risk of changes in interest income from movements in both Australian and New Zealand interest rates. There is no hedge against the risk of movements in interest rates.

### **Currency Risk**

Currency risk is the risk that the fair value or future cash flows of an investment will fluctuate because of changes in foreign exchange rates. The Company holds assets denominated in Australian dollars and it is therefore exposed to currency risk as the value of these assets in Australian dollars will fluctuate with changes in the relative value of the New Zealand dollar. The Company mitigates this risk by entering into forward foreign exchange contracts as and when the Manager deems it appropriate. At any time during the year the portfolio may be hedged by an amount deemed appropriate by the Manager.

## NOTE 12 FINANCIAL RISK MANAGEMENT CONTINUED

**Market Risk (continued)****Sensitivity Analysis**

The table below summarises the impact on net operating profit after tax and shareholders' equity to reasonably possible changes arising from market risk exposure at 30 June as follows:

		2020	2019
		\$000	\$000
<b>Price risk<sup>1</sup></b>			
Australian listed equity investments	Carrying value	140,067	115,540
	Impact of a 20% change in market prices: +/-	28,013	
	Impact of a 10% change in market prices: +/-		11,554
<b>Interest rate risk<sup>2</sup></b>			
Cash and cash equivalents	Carrying value	2,416	2,269
	Impact of a 1% change in interest rates: +/-	24	23
<b>Currency risk<sup>3</sup></b>			
Cash and cash equivalents	Carrying value	1,888	1,524
	Impact of a +10% change in exchange rates	(172)	(139)
	Impact of a -10% change in exchange rates	210	169
Australian listed equity investments	Carrying value	140,067	115,540
	Impact of a +10% change in exchange rates	(12,733)	(10,504)
	Impact of a -10% change in exchange rates	15,563	12,838
Forward foreign exchange contracts	Carrying value	30	933
	Impact of a +10% change in exchange rates	8,416	6,949
	Impact of a -10% change in exchange rates	(10,286)	(8,493)
Net foreign currency payables/receivables	Carrying value	(385)	323
	Impact of a +10% change in exchange rates	35	(29)
	Impact of a -10% change in exchange rates	(43)	36

<sup>1</sup> The impact of COVID-19 caused the Company to review the adequacy of the market price risk sensitivity analysis. A variable of 20% (2019: 10%) is considered appropriate for market price risk sensitivity based on the impact of COVID-19, as well as based on historical price movements.

<sup>2</sup> Current market circumstances caused the Company to review the adequacy of the interest rate risk sensitivity. The 1% variable used in the previous period is considered to continue to be appropriate to illustrate the impact of COVID-19, as well as a reasonable possible movement based on historic trends. The percentage movement for the interest rate sensitivity relates to an absolute change in the interest rate rather than a percentage change in interest rate.

<sup>3</sup> Current market circumstances caused the Company to review the adequacy of the currency risk sensitivity. The 10% variable used in the previous period is considered to continue to be appropriate to illustrate the impact of COVID-19, as well as a reasonable possible movement based on historic trends.

**Credit Risk**

Credit risk is the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. In the normal course of its business, the Company is exposed to credit risk from transactions with its counterparties.

Australian listed equity investments are held by an independent custodian, Trustees Executors Limited. All transactions in listed securities are paid for on delivery according to standard settlement instructions and are normally settled within three business days. Dividends receivable are due from listed Australian companies and are normally settled within a month after the Ex-Dividend date. The Company has cash and forward foreign exchange contracts with banks registered in New Zealand and Australia which carry a minimum short-term credit rating of S&P AA-.

The Company measures credit risk and expected credit losses using probability of default, exposure at default and loss given default. Management considers both historical analysis and forward looking information in determining any expected credit loss. At balance date, cash at bank was held with counterparties with a credit rating of S&P AA- or equivalent. Trade and other receivables are normally settled within three business days.

Management considers the probability of default to be close to zero as the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12 month expected credit losses as any such impairment would be wholly insignificant to the Company.

The maximum credit risk of financial assets is deemed to be their carrying amount as reported in the Statement of Financial Position.

Other than cash at bank, short term unsettled trades and dividends receivable, there are no significant concentrations of credit risk. The Company does not expect non-performance by counterparties, therefore no collateral or security is required.

**Liquidity Risk**

Liquidity risk is the risk that the assets held by the Company cannot readily be converted to cash in order to meet the Company's financial obligations as they fall due. The Company endeavours to invest the proceeds from the issue of shares in appropriate investments while maintaining sufficient liquidity (through daily cash monitoring) to meet working capital and investment requirements.

Liquidity to fund investment requirements can be augmented through the procurement of a debt facility from a registered bank to a maximum value of 20% of the gross asset value of the Company. There were no such debt facilities at 30 June 2020 (2019: nil).

All derivative financial liabilities held by the Company have contractual maturities of 3 months or less.

There have been no subsequent events to suggest any issues with satisfying working capital and investment requirements and COVID-19 has not impacted the liquidity risk profile.

**Capital Risk Management**

The Company's objective is to prudently manage shareholder capital (share capital, reserves, accumulated deficits) and borrowings (if any).

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, undertake share buybacks, issue new shares and secure borrowings in the short term.

The Company was not subject to any externally imposed capital requirements during the year.

Since announcing a long-term distribution policy in August 2009, the Company continues to pay 2% of average net asset value each quarter.

**NOTE 13 NET ASSET VALUE**

The audited net asset value per share of Barramundi as at 30 June 2020 was \$0.68 (2019: \$0.69), calculated as the net assets of \$141,516,499 divided by the number of shares on issue of 208,719,740 (2019: net assets of \$118,299,331 and shares on issue of 172,081,073).

**NOTE 14 COMMITMENTS AND CONTINGENT LIABILITIES**

There were no unrecognised contractual commitments or contingent liabilities as at 30 June 2020 (2019: nil).

**NOTE 15 FINANCIAL REPORTING BY SEGMENTS**

The Company operates in a single operating segment, being Australian financial investment.

The Company is managed as a whole and is considered to have a single operating segment. There is no further division of the Company or internal segment reporting used by the Directors when making strategic, investment or resource allocation decisions.

There has been no change to the operating segment during the year.

**NOTE 16 SUBSEQUENT EVENTS**

The Board declared a dividend of 1.34 cents per share on 26 August 2020. The record date for this dividend is 10 September 2020 with a payment date of 25 September 2020.

There were no other events which require adjustment to, or disclosure, in these financial statements.

## **Independent auditor's report**

To the shareholders of Barramundi Limited

We have audited the financial statements which comprise:

- the statement of financial position as at 30 June 2020;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies.

### **Our opinion**

In our opinion, the accompanying financial statements of Barramundi Limited (the Company) present fairly, in all material respects, the financial position of the Company as at 30 June 2020, its financial performance and its cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and International Financial Reporting Standards (IFRS).

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### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Company in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* (PES 1) issued by the New Zealand Auditing and Assurance Standards Board and the *International Code of Ethics for Professional Accountants (including International Independence Standards)* issued by the International Ethics Standards Board for Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our firm carries out an agreed-upon procedures engagement for the Company in relation to the performance fee calculation. Our firm also provided factual tax information to Fisher Funds Management Limited (the Investment Manager) that was generic but relevant to the Company. The provision of these other services has not impaired our independence as auditor of the Company.

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### **Key audit matter**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. Given the nature of the Company, we have one key audit matter: *Valuation and existence of Australian listed equity investments*. The matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on the matter.

Key audit matter	How our audit addressed the key audit matter
<p><b>Valuation and existence of Australian listed equity investments</b></p> <p>Australian listed equity investments (the investments) are valued at \$140.1 million and represent 98% of total assets.</p> <p>Further disclosures on the investments are included in note 2 to the financial statements.</p> <p>This was an area of focus for our audit and an area where a significant proportion of audit effort was directed.</p> <p>As at 30 June 2020, all investments were in companies that were listed on the ASX and were actively traded with readily available, quoted market prices. The market prices are quoted in Australian dollars, which are then translated to New Zealand dollars using the exchange rate at 30 June 2020.</p> <p>Management assessed the impact of COVID-19 on the Company’s financial statements including the investments and included additional disclosures in relation to the investments, market price risk sensitivity and liquidity risk.</p> <p>All investments are held by Trustees Executors Limited (the Custodian) on behalf of the Company. Trustees Executors Limited also provides administration services for the Company.</p>	<p>Our audit procedures included updating our understanding of the business processes employed by the Company for accounting for, and valuing, its investment portfolio.</p> <p>We obtained confirmation from the Custodian that the Company was the recorded owner of all the recorded investments.</p> <p>We obtained copies of and assessed Trustees Executors Limited’s Internal Controls Reports for Custody, Investment Accounting and Registry services for the period from 1 April 2019 to 31 March 2020. Trustees Executors Limited has confirmed that there has been no material change to the control environment in the period from 1 April 2020 to 30 June 2020.</p> <p>We agreed the price for all investments held at 30 June 2020 and the exchange rate at which they have been converted from Australian dollars to New Zealand dollars to independent third-party pricing sources.</p> <p>We have considered the impact of COVID-19 on the valuation of investments, including the disclosures provided in note 2.</p> <p>No matters arose from the procedures performed.</p>

## Our audit approach

### Overview



An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement.

Overall materiality: \$707,000, which represents approximately 0.5% of the net assets. We used this benchmark because, in our view, the objective of the Company is to provide investors with a total return on its assets, taking account of both capital and income returns.

As reported earlier, we have one key audit matter, being: *Valuation and existence of Australian listed equity investments*.

### *Materiality*

The scope of our audit was influenced by our application of materiality.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out above. These, together with qualitative considerations, helped us to determine the scope of our audit, the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

### *Audit scope*

We designed our audit by assessing the risks of material misstatement in the financial statements and our application of materiality. As in all of our audits, we also addressed the risk of management override of internal controls including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Company, the type of investments held by the Company, the use of third-party service providers, the related accounting processes and controls, and the industry in which the Company operates.

The Directors are responsible for the governance and the control activities of the Company. The Directors have delegated certain responsibilities to the Investment Manager and Trustees Executors Limited (the Administrator and the Custodian).

In establishing our overall audit approach, we assessed the risk of material misstatement, taking into account the nature, likelihood and potential magnitude of any misstatement. As part of our risk assessment, we considered the Company's interaction with the Investment Manager and the Administrator and the control environment in place at the Administrator and the Custodian.

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### *Information other than the financial statements and auditor's report*

The Directors are responsible for the annual report. Our opinion on the financial statements does not cover the other information included in the annual report and we do not and will not express any form of assurance conclusion on the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard, except that not all other information was available to us at the date of our signing.

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### *Responsibilities of the Directors for the financial statements*

The Directors are responsible, on behalf of the Company, for the preparation and fair presentation of the financial statements in accordance with NZ IFRS and IFRS, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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### *Auditor's responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the External Reporting Board's website at:

<https://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-2/>

This description forms part of our auditor's report.

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### *Who we report to*

This report is made solely to the Company's shareholders, as a body. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders, as a body, for our audit work, for this report or for the opinions we have formed.

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The engagement partner on the audit resulting in this independent auditor's report is Philip Taylor.

For and on behalf of:



Chartered Accountants  
26 August 2020

Auckland



# SHAREHOLDER INFORMATION

## SPREAD OF SHAREHOLDERS AS AT 7 AUGUST 2020

Holding Range	# of Shareholders	# of Shares	% of Total
1 to 999	177	76,675	0.04
1,000 to 4,999	569	1,471,071	0.7
5,000 to 9,999	821	5,529,195	2.65
10,000 to 49,999	2,214	50,461,150	24.18
50,000 to 99,999	544	37,221,402	17.83
100,000 to 499,999	429	78,062,987	37.40
500,000 +	34	35,897,260	17.20
<b>TOTAL</b>	<b>4,788</b>	<b>208,719,740</b>	<b>100%</b>

## 20 LARGEST SHAREHOLDERS AS AT 7 AUGUST 2020

Holder Name	# of Shares	% of Total
ASB NOMINEES LIMITED <ACCOUNT 340941 - ML>	4,492,575	2.15
HOE SENG LIM	2,108,905	1.01
ANTHONY JOHN SIMMONDS + MAUREEN SIMMONDS <AJ & M SIMMONDS PARTNERSHIP A/>	2,010,134	0.96
FORSYTH BARR CUSTODIANS LIMITED <1-CUSTODY>	1,769,434	0.85
FNZ CUSTODIANS LIMITED	1,692,466	0.81
TAREWAI FISHING COMPANY LIMITED	1,644,478	0.79
CUSTODIAL SERVICES LIMITED <A/C 4>	1,557,760	0.75
IVOR ANTHONY MILLINGTON	1,400,000	0.67
FRANZ CHRISTIAN ELIAS	1,300,034	0.62
LEWIS TAIT SUTHERLAND	1,102,037	0.53
ROGER GEORGE JOBSON	1,100,915	0.53
BRYAN THOMAS SEDDON + DOROTHY EDITH ALLISON SEDDON	1,100,000	0.53
NEW ZEALAND DEPOSITORY NOMINEE LIMITED <A/C 1 CASH ACCOUNT>	966,008	0.46
DEREK JOHN SMITH + MAUREEN MARGARET SMITH	900,000	0.43
MIRJANA VILKE	779,600	0.37
CUSTODIAL SERVICES LIMITED <A/C 2>	769,934	0.37
FORSYTH BARR CUSTODIANS LIMITED <2-33>	764,056	0.37
GRAEME EDWARDS + GRAEME RAMSEY <G R EDWARDS FAMILY A/C>	750,000	0.36
LAPAUGE LIMITED	743,783	0.36
BARRY NEVILLE COLMAN	710,000	0.34
<b>TOTAL</b>	<b>27,662,119</b>	<b>13.26</b>

# STATUTORY INFORMATION

## DIRECTORS' RELEVANT INTERESTS IN EQUITY SECURITIES AS AT 30 JUNE 2020 INTERESTS REGISTER

Barramundi is required to maintain an interests register in which the particulars of certain transactions and matters involving the directors must be recorded. The interests register for Barramundi is available for inspection at its registered office. Particulars of entries in the interests register as at 30 June 2020 are as follows:

	Ordinary Shares	
	Held Directly	Held by Associated Persons
A B Ryan <sup>(1)</sup>	8,648	135,465
C M Fisher <sup>(2)</sup>		4,492,575
C A Campbell <sup>(3)</sup>	110,392	
R A Coupe <sup>(4)</sup>	82,956	

(1) A B Ryan purchased 7,904 shares on market in the year ended 30 June 2020 as per the Barramundi share purchase plan (purchase price \$0.63). A B Ryan and associated persons acquired 11,872 shares in the year ended 30 June 2020, issued under the dividend reinvestment plan (average issue price \$0.61). A B Ryan exercised 23,975 warrants in the year ended 30 June 2020.

(2) Associated persons of C M Fisher purchased 2,207,335 shares off market in the year ended 30 June 2020. Associated persons of C M Fisher exercised 457,048 warrants in the year ended 30 June 2020.

(3) C A Campbell purchased 5,928 shares on market in the year ended 30 June 2020 as per the Barramundi share purchase plan (purchase price \$0.63). C A Campbell acquired 9,101 shares in the year ended 30 June 2020, issued under the dividend reinvestment plan (average issue price \$0.61). C A Campbell exercised 18,070 warrants in the year ended 30 June 2020.

(4) R A Coupe purchased 5,928 shares on market in the year ended 30 June 2020 as per the Barramundi share purchase plan (purchase price \$0.63). R A Coupe acquired 6,846 shares in the year ended 30 June 2020, issued under the dividend reinvestment plan (average issue price \$0.61). R A Coupe exercised 13,298 warrants in the year ended 30 June 2020.

## DIRECTORS HOLDING OFFICE

Barramundi's directors as at 30 June 2020 were:

- A B Ryan (Chair)
- C M Fisher
- C A Campbell
- R A Coupe

During the year, there were no appointments to the Board.

In accordance with the Barramundi constitution, at the 2019 Annual Shareholders' Meeting, Alistair Ryan and Carmel Fisher retired by rotation and being eligible were re-elected. Andy Coupe retires by rotation at the 2020 Annual Shareholders' Meeting and being eligible, offers himself for re-election.

## DIRECTORS' INDEMNITY AND INSURANCE

Barramundi has arranged Directors' and Officers' liability insurance covering directors acting on behalf of Barramundi. Cover is for damages, judgements, fines, penalties, legal costs awarded and defence costs arising from wrongful acts committed while acting for Barramundi. The types of acts that are not covered include dishonest, fraudulent, malicious acts or omissions, and wilful breach of statute or regulations.

Barramundi has granted an indemnity in favour of all current and future directors of the Company in accordance with its constitution.

## STATUTORY INFORMATION CONTINUED

### DIRECTORS' RELEVANT INTERESTS

The following are relevant interests of Barramundi's Directors as at 30 June 2020:

<b>A B Ryan</b>	Kingfish Limited	Chair
	Marlin Global Limited	Chair
	Metlifecare Limited	Director
	Kiwibank Limited	Director*
	FMA Audit Oversight Committee	Member
<b>C M Fisher</b>	Kingfish Limited	Director
	Marlin Global Limited	Director
<b>C A Campbell</b>	Kingfish Limited	Director
	Marlin Global Limited	Director
	T&G Global Limited	Director
	Hick Bros Holdings Limited & subsidiary companies	Director
	Woodford Properties Limited	Director
	alphaXRT Limited	Director
	New Zealand Post Limited	Director
	Key Assets Foundation	Trustee
	Key Assets NZ Limited	Director
	Kiwibank Limited	Director
	Asset Plus Limited	Director
	Nica Consulting Limited	Director
	NZME Limited	Director
	Cord Bank Limited	Director
	T&G Insurance Limited	Director
Bankside Chambers Ltd	Director	
Chubb Insurance New Zealand Limited	Director	
<b>R A Coupe</b>	Kingfish Limited	Director
	Marlin Global Limited	Director
	New Zealand Takeovers Panel	Chair
	Coupe Consulting Limited	Director
	Gentrack Group Limited	Director
	Briscoe Group Limited	Director
	Television New Zealand Limited	Chair

\* Retired 30 August 2020

### AUDITOR'S REMUNERATION

During the 30 June 2020 year the following amounts were paid/payable to the auditor, PricewaterhouseCoopers New Zealand.

	<b>\$000</b>
Statutory audit and review of financial statements	36
Non assurance services	2

PricewaterhouseCoopers New Zealand is a registered audit firm and its audit partners are licensed auditors under the Auditor Regulation Act 2011.

### DONATIONS

Barramundi did not make any donations during the year ended 30 June 2020.

# DIRECTORY

## REGISTERED OFFICE

**Barramundi Limited**  
Level 1  
67 – 73 Hurstmere Road  
Takapuna  
Auckland 0622

## DIRECTORS

**Independent Directors**  
Alistair Ryan (Chair)  
Carol Campbell  
Andy Coupe  
Carmel Fisher

## CORPORATE MANAGEMENT TEAM

Wayne Burns  
Beverley Sutton

## NATURE OF BUSINESS

The principal activity of Barramundi is investment in quality, growing Australian companies

## MANAGER

**Fisher Funds Management Limited**  
Level 1  
67 – 73 Hurstmere Road  
Takapuna  
Auckland 0622

## SHARE REGISTRAR

**Computershare Investor Services Limited**  
Level 2  
159 Hurstmere Road  
Takapuna  
Auckland 0622  
Private Bay 92119  
Auckland 1142  
Phone +64 9 4888777  
Email: [enquiry@computershare.co.nz](mailto:enquiry@computershare.co.nz)

## AUDITOR

**PricewaterhouseCoopers New Zealand**  
Level 27  
PwC Tower  
15 Customs Street West  
Auckland 1010

## SOLICITOR

**Bell Gully**  
Level 21  
48 Shortland Street  
Auckland 1010

## BANKER

**ANZ Bank New Zealand Limited**  
23 – 29 Albert Street  
Auckland 1010

## FOR MORE INFORMATION

For enquiries about transactions, changes of address and dividend payments, contact the share registrar above. Alternatively, to change your address, update your payment instructions and to view your investment portfolio including transactions online, please visit: [www.investorcentre.com/NZ](http://www.investorcentre.com/NZ)

## FOR ENQUIRIES ABOUT BARRAMUNDI CONTACT

**Barramundi Limited**  
Level 1, 67 – 73 Hurstmere Road, Takapuna, Auckland 0622  
Private Bag 93502, Takapuna, Auckland 0740  
Phone: +64 9 489 7074 | Fax: +64 9 489 7139 | Email: [enquire@barramundi.co.nz](mailto:enquire@barramundi.co.nz)

*The information contained in this annual report is provided for information purposes only and does not constitute an offer, invitation, basis for a contract, financial advice, other advice or recommendation to conclude any transaction for the purchase or sale of any security, loan or other instrument. In particular, the information contained in this annual report is not financial advice for the purposes of the Financial Advisers Act 2008 and should not be relied upon when making an investment decision. Professional financial advice from an authorised financial adviser should be taken before making an investment.*



Barramundi

LANDING TOMORROW'S TROPHIES

