

**Barramundi Limited**

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# **Annual Meeting of Shareholders**

**28 October 2016**



# Preliminary Matters

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- 2015 Meeting Minutes
- 2016 Annual Report
- Voting by way of poll
- Voting papers

# Agenda

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- Chairman's Overview
- Manager's Review
- Questions relating to the management and operations of the business
- Annual Meeting Resolutions
  - Re-election of Alistair Ryan
  - Auditor's Remuneration



# Please note

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- The information given during this presentation is class advice and is not to be taken as 'personalised financial advice'
- A disclosure statement is available on request

# Introduction

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## Board of Directors

- Alistair Ryan (Chair)
- Carmel Fisher
- Carol Campbell
- Andy Coupe

## Senior Portfolio Manager

- Manuel Greenland

## Senior Investment Analyst

- Terry Tolich

## Corporate Manager

- Glenn Ashwell

# Proxy Count

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Resolution	For	Against	Discretionary	Total	Abstain
Re-elect Alistair Ryan	9,238,241	60,586	1,864,182	11,163,009	1,137,625
Fix auditor's remuneration	8,061,440	181,269	2,734,862	10,977,571	1,323,063

Proxy votes to date: 12.3 million

# Presentation of Annual Result

Chairman's Overview

# Investment Objectives

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- A high real rate of return
  - income and capital growth
  - within acceptable risk parameters
- Access to a diversified portfolio
  - Australian growth stocks
  - single tax-efficient vehicle



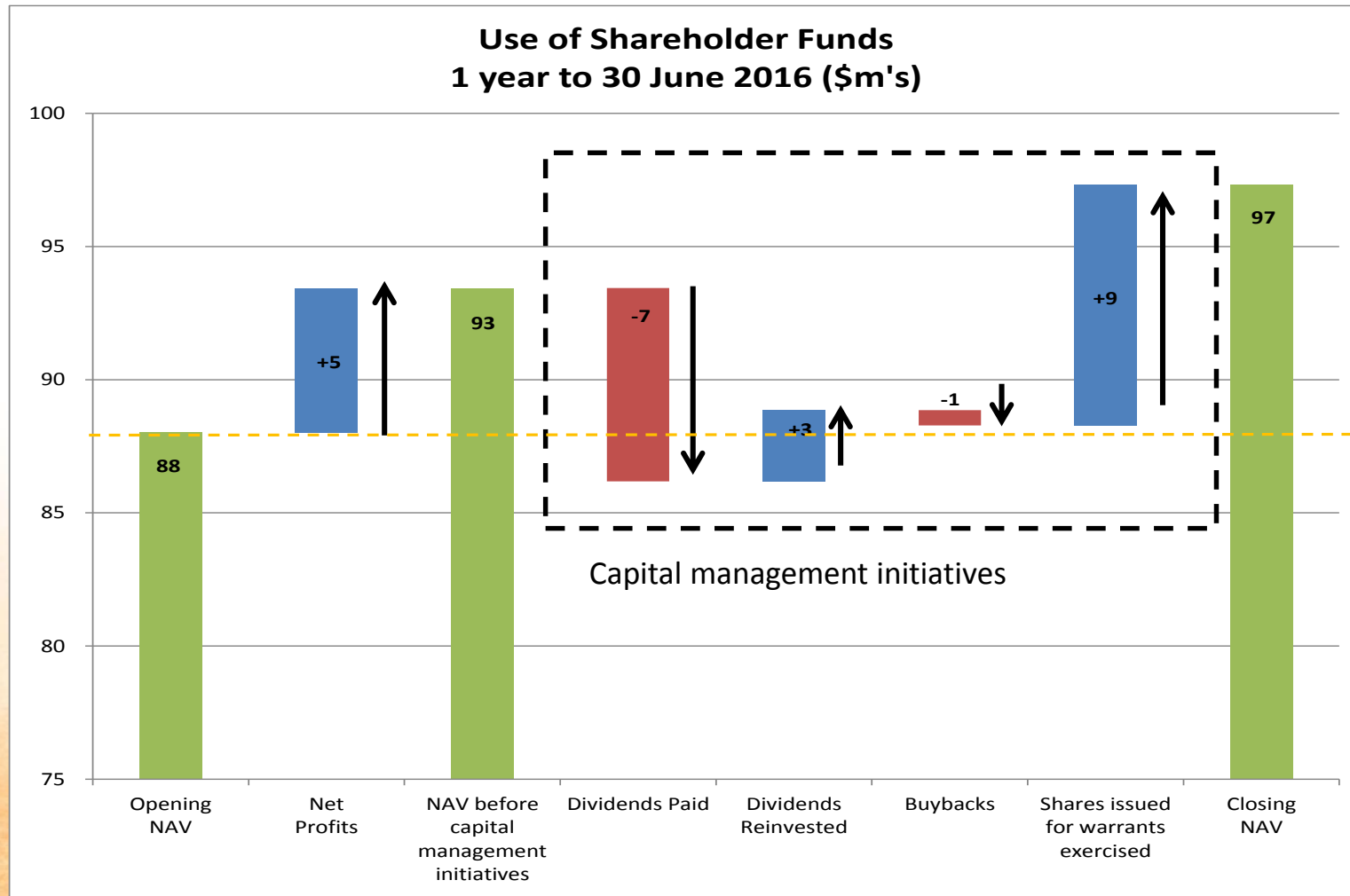
# Overview of the Year

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- Net profit \$5.4m (2015: \$8.3m)

# Use of Shareholders' Funds

## Year ended 30 June 2016 (\$m)



# Overview of the Year

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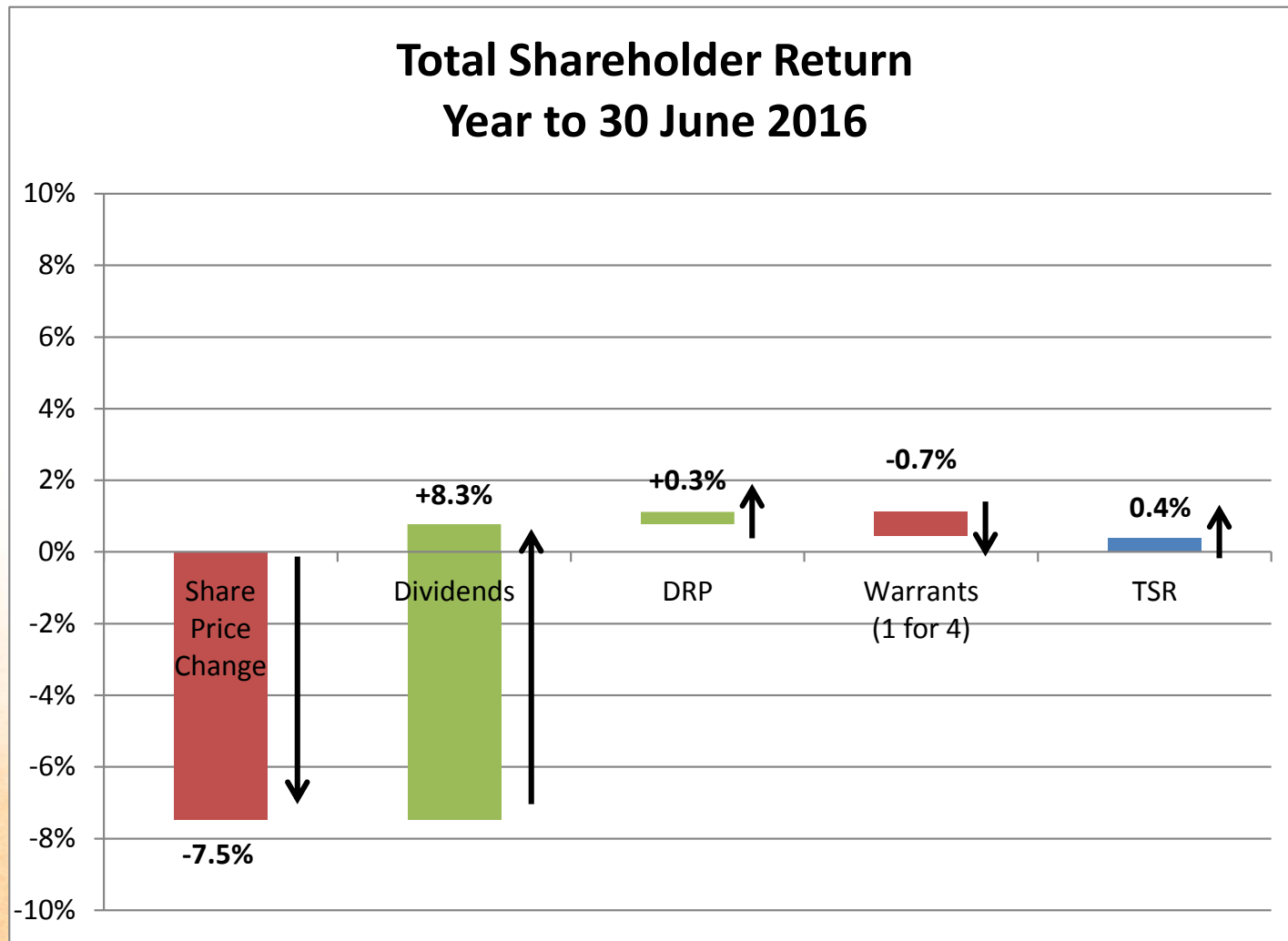
- Net profit \$5.4m (2015: \$8.3m)
- Total Shareholder Return\* +0.4%  
(2015: +15.7%)

*\*Assumes all dividends are reinvested and all warrants are exercised, but excludes imputation credits.*



# Total Shareholder Return

## 1 Year to 30 June 2016



*\* Assumes all dividends are reinvested, but excludes imputation credits.*

# Overview of the Year

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- Net profit \$5.4m (2015: \$8.3m)
- Total Shareholder Return\* +0.4%  
(2015: +15.7%)
- 5.52 cents per share paid in  
dividends (2015: 5.56cps)
- Dividend Return +8.2% (2015: +8.7%)

*\*Assumes all dividends are reinvested and all warrants are exercised, but excludes imputation credits.*



# Overview of the Year

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- Net profit \$5.4m (2015: \$8.3m)
- Total Shareholder Return\* +0.4%  
(2015: +15.7%)
- 5.52 cents per share paid in  
dividends (2015: 5.56 cps)
- **Adjusted NAV Return\* +6.3% (2015:  
+10.1%)**

*\*Assumes all dividends are reinvested and all warrants are exercised, but excludes imputation credits.*

# Manager's Performance

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	For year to 30 June 2016	Five Years (accumulated)
Gross Return	+11.0%	+55.2%
S&P/ASX 200 Index (hedged 70% to NZD)^	+3.3%	+24.6%

*^S&P/ASX Small Ords Industrial Gross Index until 30 September 2015 & S&P/ASX 200 Index  
(hedged 70% to NZD) from 1 October 2015*

# Post Year End Update

## 1 July – 30 September 2016

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	to 30 September 2016
Adjusted NAV Return*	+3.9%
Total Shareholder Return*	+3.9%
Gross Performance	+4.5%
S&P/ASX 200 Index (hedged 70% to NZD)^	+5.5%

*\*Assumes all dividends are reinvested and all warrants are exercised, but excludes imputation credits.*

*^S&P/ASX Small Ords Industrial Gross Index until 30 September 2015 & S&P/ASX 200 Index (hedged 70% to NZD) from 1 October 2015*

# FX Hedging

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- Protect the portfolio against NZD/AUD exchange rate
- Portfolio 50% hedged at 30 June
- \$4.7m recovery against FX losses

# Warrants

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- Warrant holders had the option to convert all or some of their warrants into Barramundi shares in May 2016
- 14.7m warrants were exercised, providing an additional \$9.1m to invest in the Barramundi portfolio
- The Board is considering a new warrant issue for November



# Governance & Management Agreement

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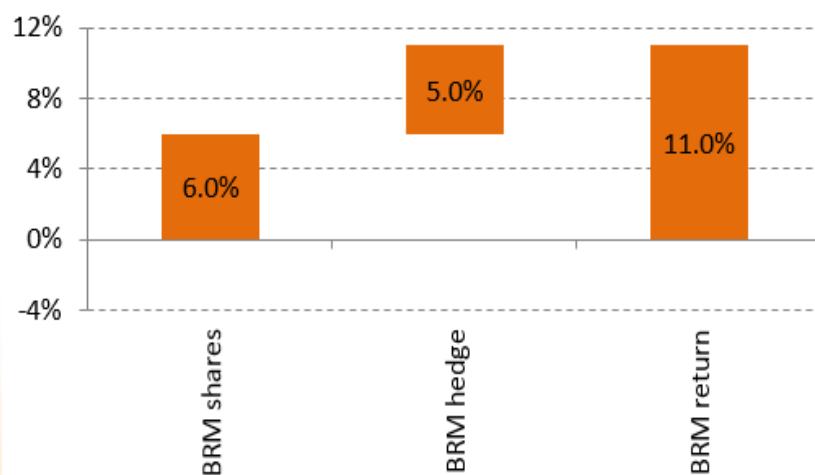
- Robust governance practices
- Effective board and committee procedures and debate
- Management Agreement renewed after rigorous process

# Manager's Review

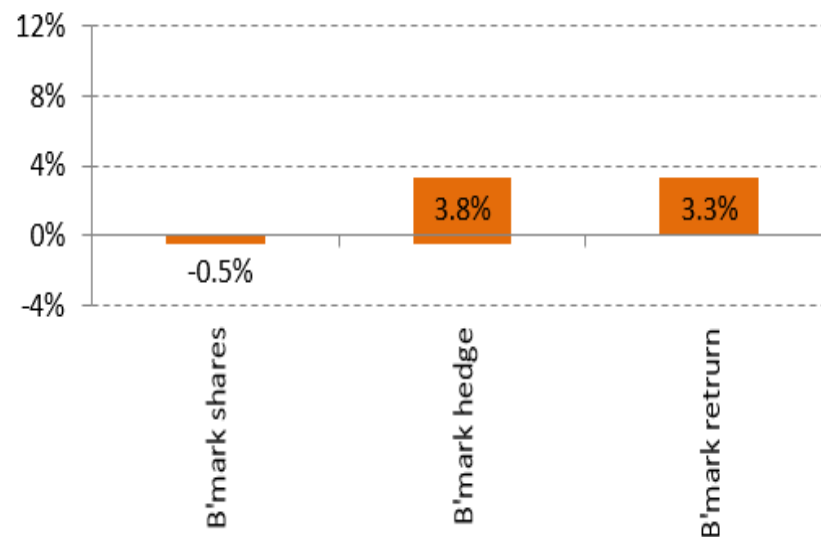
Carmel Fisher

# 2016 performance

Portfolio contribution FY16 (NZD)



B'mark contribution FY16 (NZD)



# Manager's Review

Manuel Greenland

# What we said we would do

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**Maintain the focus on quality**



**Out-perform in hard markets**

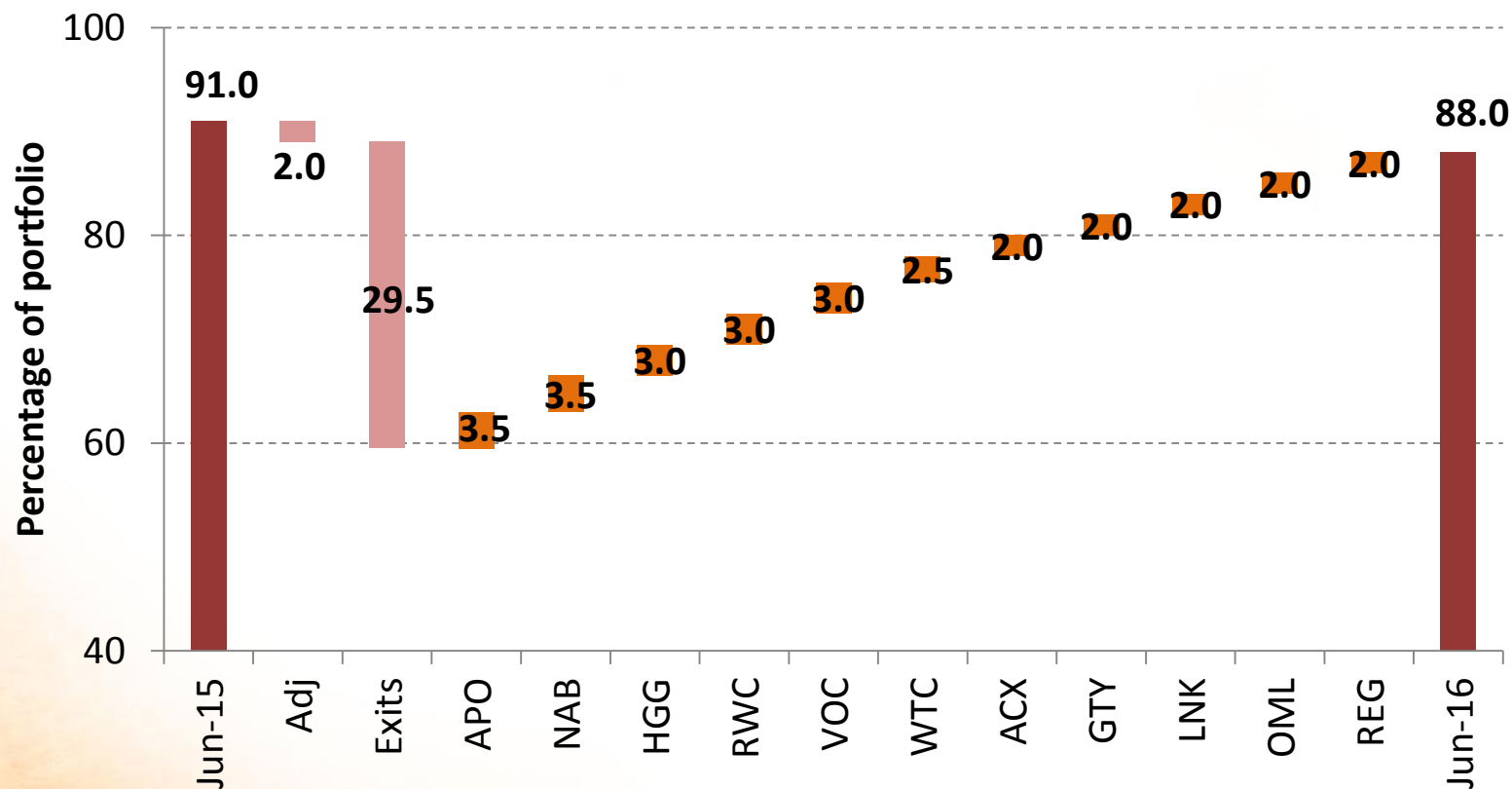


**Diversified set of high conviction ideas**





# Portfolio changes



# Quality New Additions

Company	What it does	ROE
APN Outdoor	Out of home advertising	19%
Ooh!Media	Out of home advertising	11%
National Aust. Bank	Banking	12%
Reliance Worldwide	Plumbing fittings	18%
Vocus Communications	Telecommunications	9%
Link Group	Superannuation admin.	25%
Wisetech Global	Logistics SaaS	14%
Aconex	Construction SaaS	25%
Gateway Lifestyle	Retirement Living	10%

# What has driven exits

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Medibank

N. Scali

Veda

ANZ

RFG

CSV

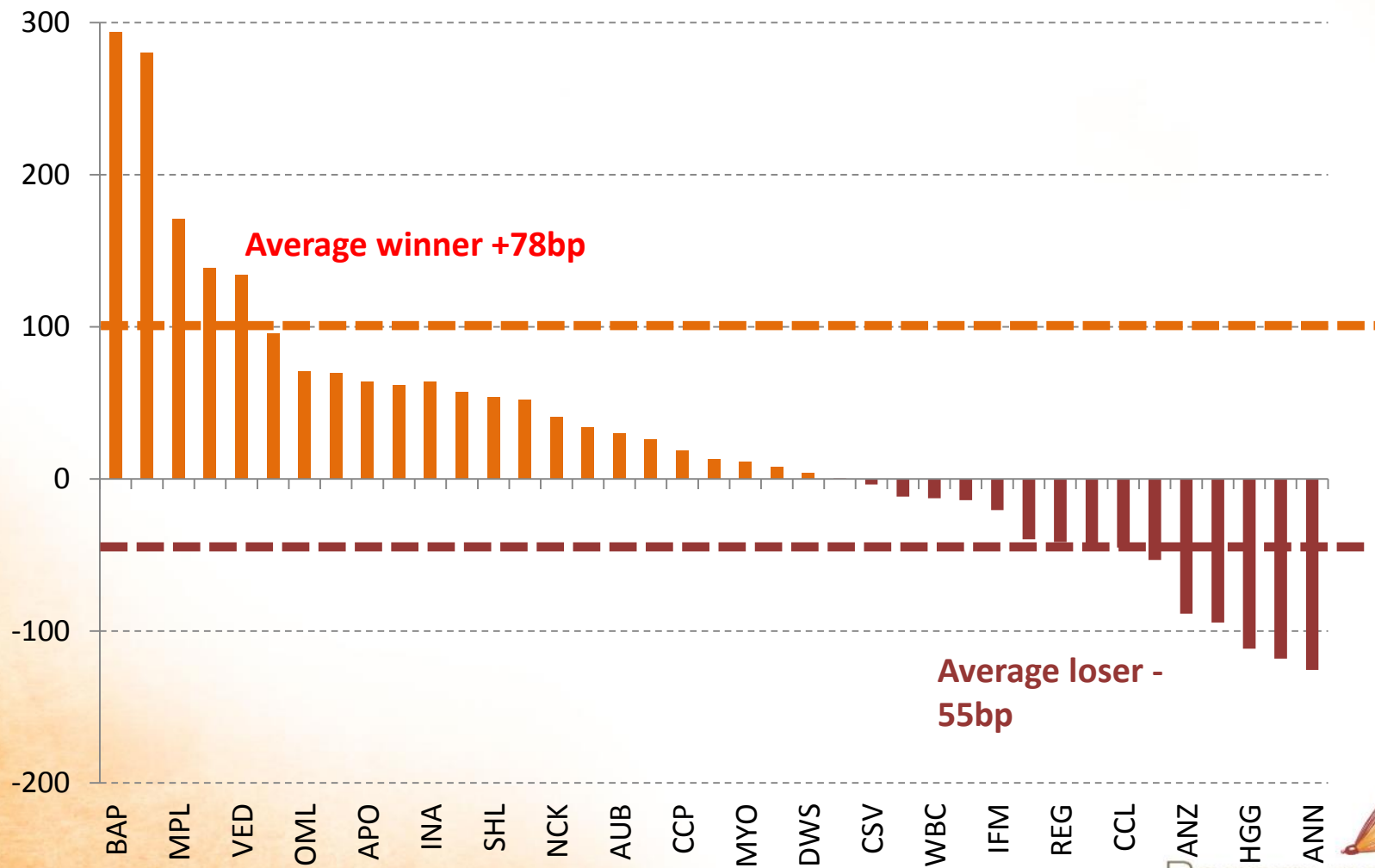
X

Aurizon

MYOB

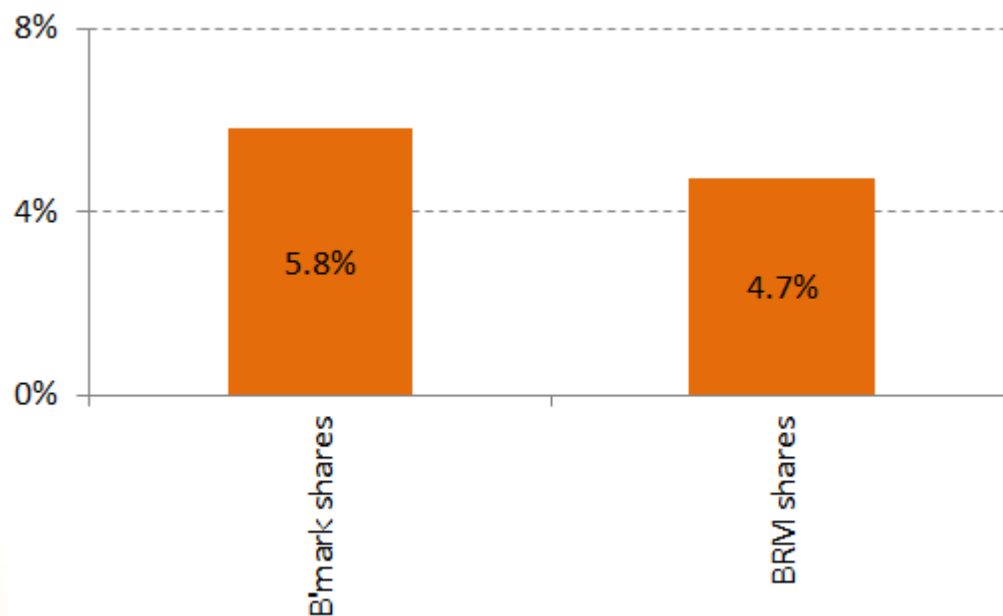
FLT

# Stock Performance



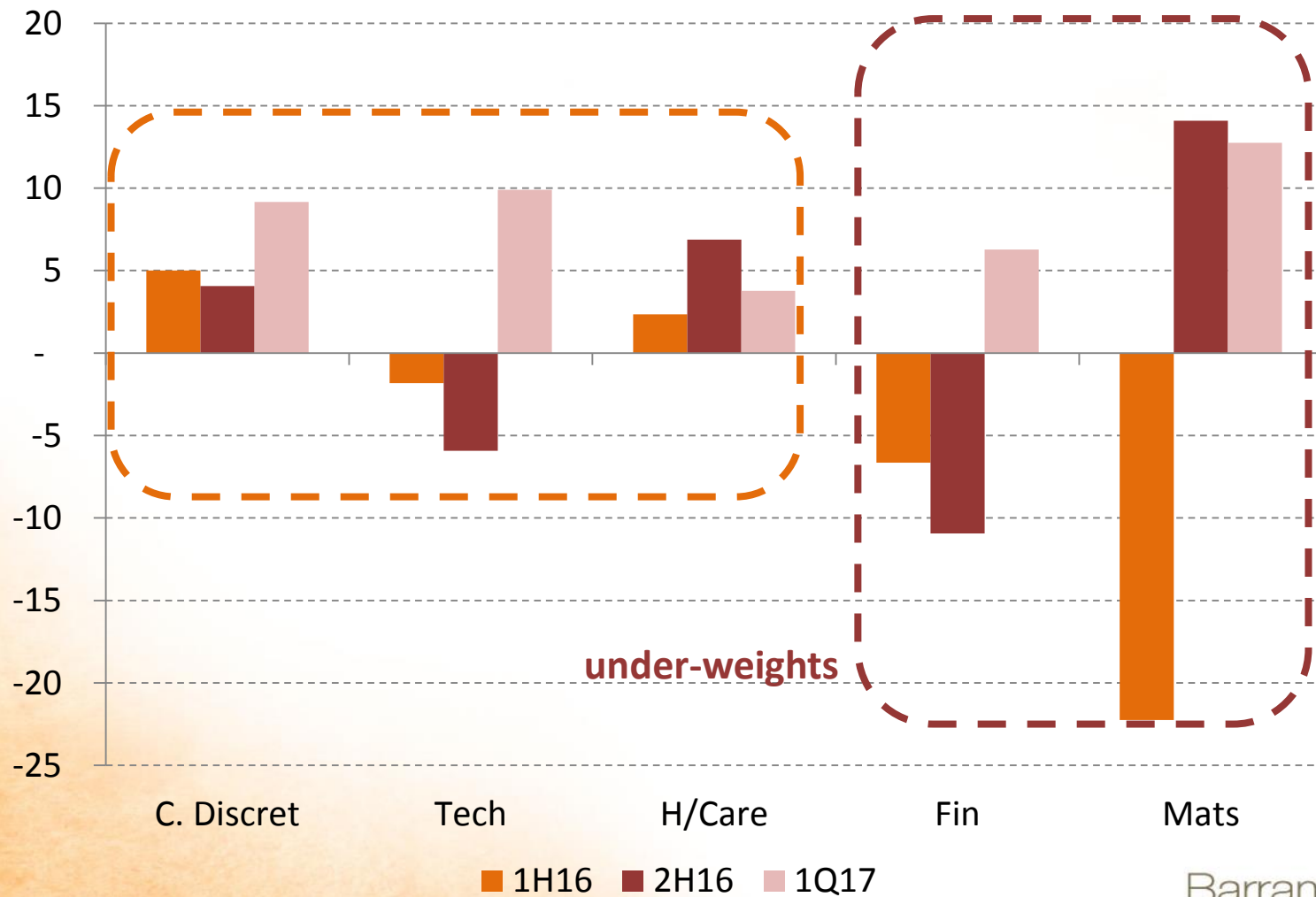
# Quarter to date performance

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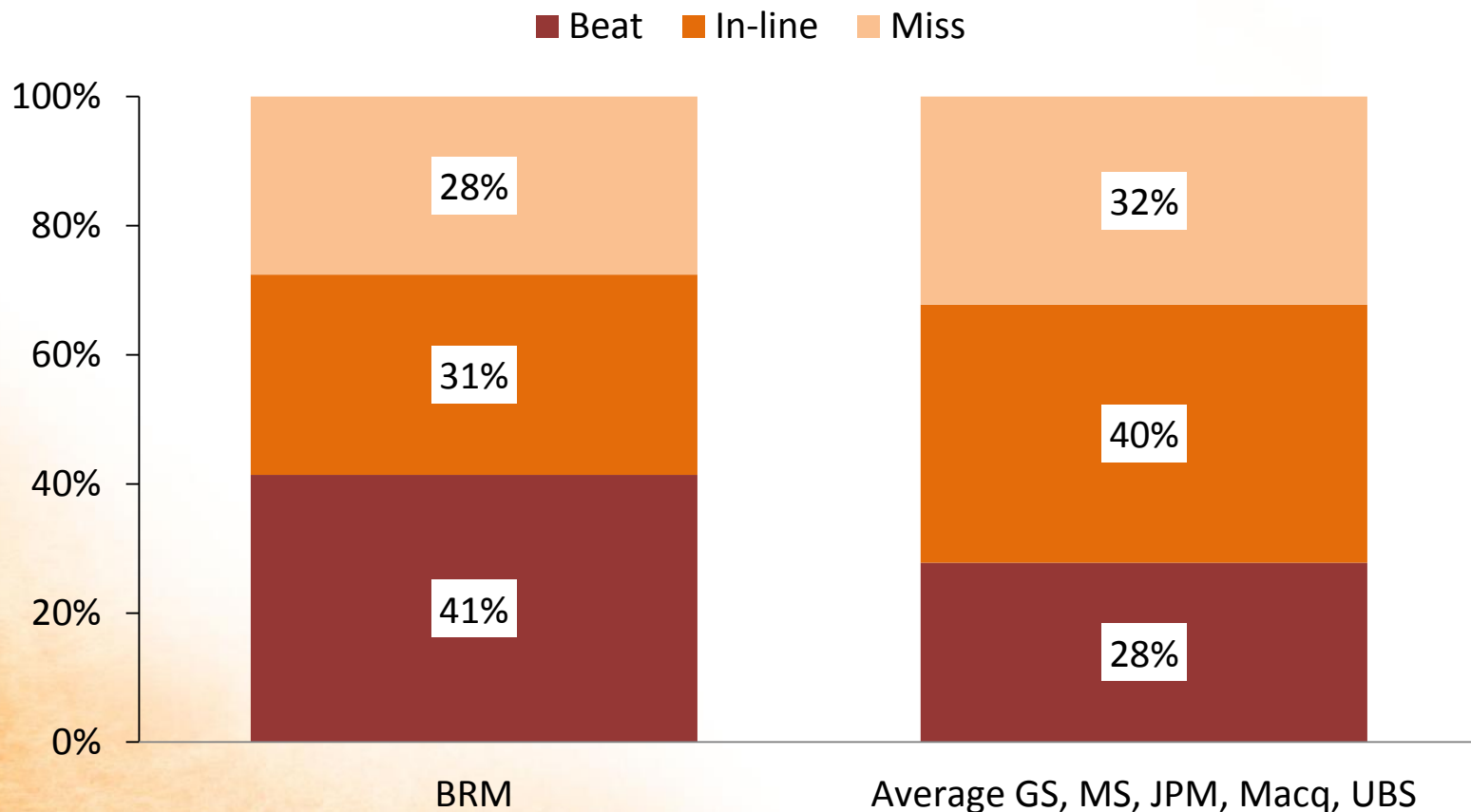


# Banks & miners hurt

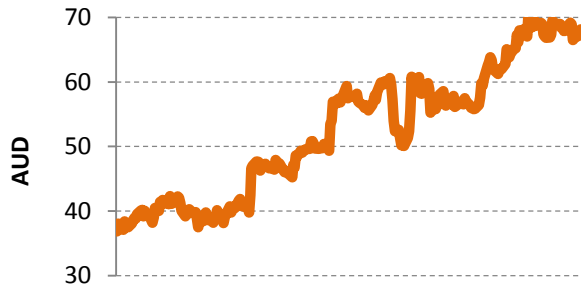


# Reporting season went well

## EPS Surprise Jun-16 Result Season

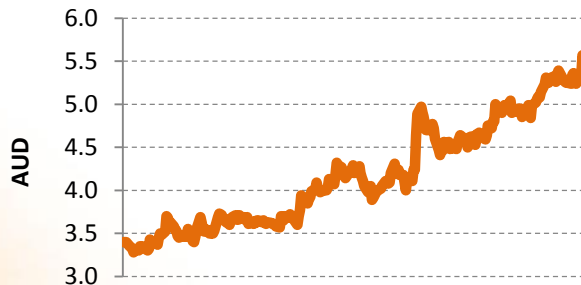


# What went especially well



## **Dominos +85%**

- Management skill
- Technology and brand edge
- Customer focus



## **Bapcor +63%**

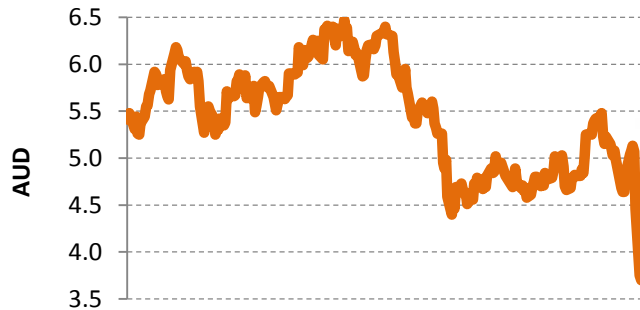
- Scale advantage
- Trusted reputation
- Strong financial position



## **Medibank +43%**

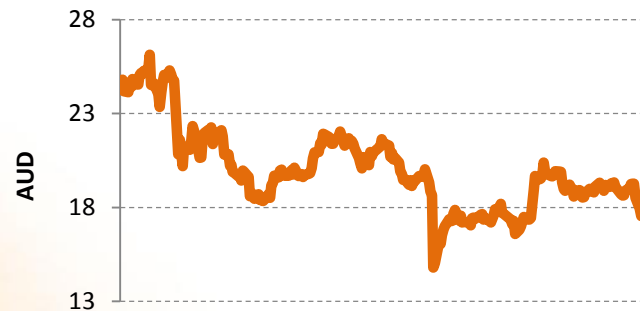
- Scale advantage
- Supportive market structure
- Management capability

# What went against us



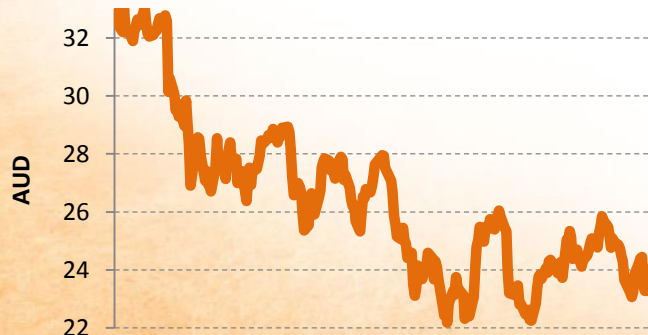
## Henderson -30%

- Distribution strength
- Diversified solutions for clients
- Strong investment performance
- *Brexit caused significant damage*



## Ansell -25%

- Scale advantage
- Differentiated products
- *Weakness in global demand and some management mis-steps*



## ANZ -25%

- Regulatory advantage
- Supportive market structure
- Growth instead of mortgage assets
- *Excess exposure to mining and Asia*

# Australian Outlook

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- Commodity price recovery
- Mining sector stress relieved
- Income prospects improving
- Fiscal stimulus due
- Employment robust



- Elevated house prices
- Commodity price sustainability
- Confidence
- Global growth concerns

# Where to next...

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# General Questions from Shareholders

(not relating to resolutions)

# Annual Meeting

## 2016 resolutions

# 2016 Annual Meeting Resolutions

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- Introduce and propose
- Discussion, questions
- Enter your vote on voting paper and lodge your voting paper at end of resolutions

# Matters of Business

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- Annual Report
- Resolutions:
  - Re-elect Alistair Ryan
  - Auditor's remuneration

# Resolution 1

## Re-election of Alistair Ryan

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*To re-elect Alistair Ryan as a Director of  
Barramundi Limited*



## Resolution 2

# Auditor's Remuneration

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*That the Directors be authorised to fix the remuneration of the auditors for the ensuing year*



# Conclusion

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- Complete and sign voting paper
- Voting papers in the voting boxes
- If you need a voting paper please see Computershare
- Results to NZX

# Thank you