marlin
growing globally

30 JUNE 2017
ANNUAL REPORT

CONTENTS

CALENDAR

Next Dividend Payable

29 September 2017

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

14 November 2017

Interim Period End

31 December 2017

This report is dated 15 September 2017 and is signed on behalf of the Board of Marlin Global Limited by Alistair Ryan, Chair, and Carmel Fisher, Director.

Alistair Ryan

Alistair Ryan / Chair

Carmel Fisher / Director

ABOUT MARLIN GLOBAL

Marlin Global Limited ("Marlin" or "the Company") is a listed investment company that invests in quality, growing companies based outside New Zealand and Australia. The Marlin 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. Marlin listed on NZX Main Board on 1 November 2007 and may invest in companies that are listed on any approved stock exchange (excluding New Zealand or Australia) or unlisted companies not incorporated in New Zealand or Australia.

INVESTMENT OBJECTIVES

The key investment objectives of Marlin 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 international quality, growth stocks through a single tax efficient investment vehicle.

INVESTMENT APPROACH

The investment philosophy of Marlin 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 16 and 17).

AT A GLANCE

As at 30 June 2017

Net Profit	Gross Performance Return	NAV per share
$15.7m	22.4%	$0.89
$0.79	9.1%	11.2%
Share price	Total Shareholder Return	Share price discount to NAV

DIVIDENDS PAID

During the year ended 30 June 2017 (cents per share)

1.72cps
30 September 2016

1.72cps
22 December 2016

1.66cps
31 March 2017

1.71cps
29 June 2017

6.81cps
Total for the year ended 30 June 2017

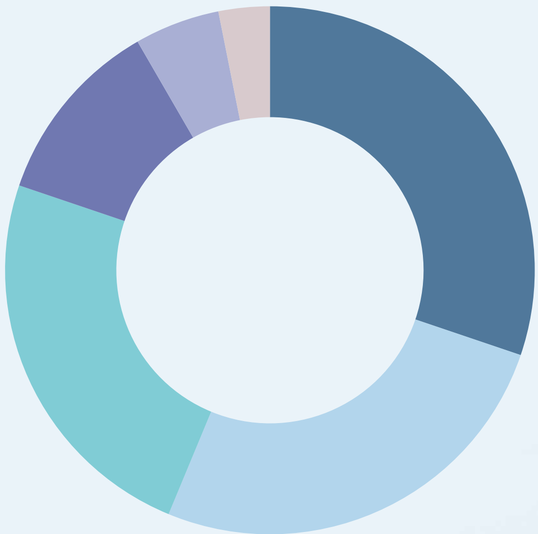
LARGEST INVESTMENTS

As at 30 June 2017

Alphabet	PayPal	Mastercard	LKQ Corporation	Edwards Lifesciences
6%	6%	5%	4%	4%

SECTOR SPLIT

As at 30 June 2017



Information Technology	29%
Consumer	25%
Healthcare	23%
Industrials	11%
Financials	5%
Energy	3%

The Marlin portfolio also holds cash.

DIRECTORS' OVERVIEW

Alistair Ryan / Chair

Marlin posted positive results for shareholders in 2017, reporting a strong net profit of $15.7m and delivering a gross performance return of 22.4% for the year, outperforming its benchmark index[1] which was up 19.2%. Shareholders also enjoyed their continued dividend stream, and a total shareholder return of 9.1%.

Despite the turbulent period in the international arena with many political surprises, including Brexit and the U.S. presidential election, global stocks steadily moved upward. In particular, Marlin's large exposure to the technology sector was rewarded with all of the technology portfolio companies posting double digit gains and generating some of the highest returns for the portfolio for the twelve months to 30 June 2017.

Revenues and Expenses

As a listed investment company, Marlin's profit is primarily generated by gains on its equity investments and dividend income. For the 2017 full year result, gains on investments were $19.5m including the impact of foreign currency. Dividend and interest income was $0.8m, while operating expenses and tax were $4.6m.

Operating expenses were $2.2m higher in the twelve months to 30 June 2017 than they were for the prior twelve months to 30 June 2016. The increase is mainly attributable to fees. In the 2016 period management fees were reduced due to Marlin's underperformance relative to the NZ 90 Day Bank Bill Index and a performance fee was not earned. For the 2017 financial year, the Marlin portfolio experienced much stronger performance and as a result, in addition to the standard management fee of 1.25% (plus GST), a performance fee was earned by Fisher Funds for the period of $1.4m (plus GST).

Dividends

Marlin continues to distribute 2.0% of average net asset value per quarter. Over the 12 month period to 30 June 2017, Marlin paid 6.81 cents per share in dividends. The next dividend will be 1.83 cents per share, payable on 29 September 2017 with an ex-date of 13 September 2017 and a record date of 14 September 2017.

Marlin 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. Currently, shares issued under the reinvestment plan will be issued at a 3% discount.[2]

Governance

The Board's role is to hold the Manager to account for their investment approach and to manage the other aspects involved in helping Marlin achieve its objectives, including capital management and corporate governance. As part of monitoring the Manager's investment approach, the Marlin Investment Committee meets twice a year with the Marlin investment team to specifically discuss investment strategy, monitor risk and liquidity parameters and evaluate investment performance.

1 *Blended index: S&P Large Mid Cap/S&P Small Cap Index (hedged 50% to NZD) from 1 October 2015*

2 *To participate in the dividend reinvestment plan, a completed participation notice must be received by Marlin before the next record date. Full details of the dividend reinvestment plan can be found in the Marlin Dividend Reinvestment Plan Offer Document, a copy of which is available at www.marlin.co.nz/investor-centre/capital-management-strategies/.*

Management Agreement Renewal

On 21 August 2017, the Board announced that the Management Agreement would be renewed for a further term of five years to 31 October 2022. This decision was made after a comprehensive review of the obligations under the Management Agreement provided by the Manager to Marlin since the Management Agreement was last renewed in 2012, including investment performance and the provision of administrative and corporate services.

Annual Shareholders' Meeting

The 2017 Annual Shareholders' Meeting will be held on Tuesday 14th November at 10.30am at the Ellerslie Event Centre in Auckland. All shareholders are welcome to attend, with those who are unable to attend invited to cast their vote on company resolutions prior to the meeting.

Conclusion

The 2017 financial year was a profitable one for Marlin, with the portfolio performing strongly and outperforming its benchmark. Overall the strength of the portfolio demonstrates the Manager's ability to navigate international markets and to handpick quality companies that can continue to grow and yield good returns for shareholders over the medium to long term.

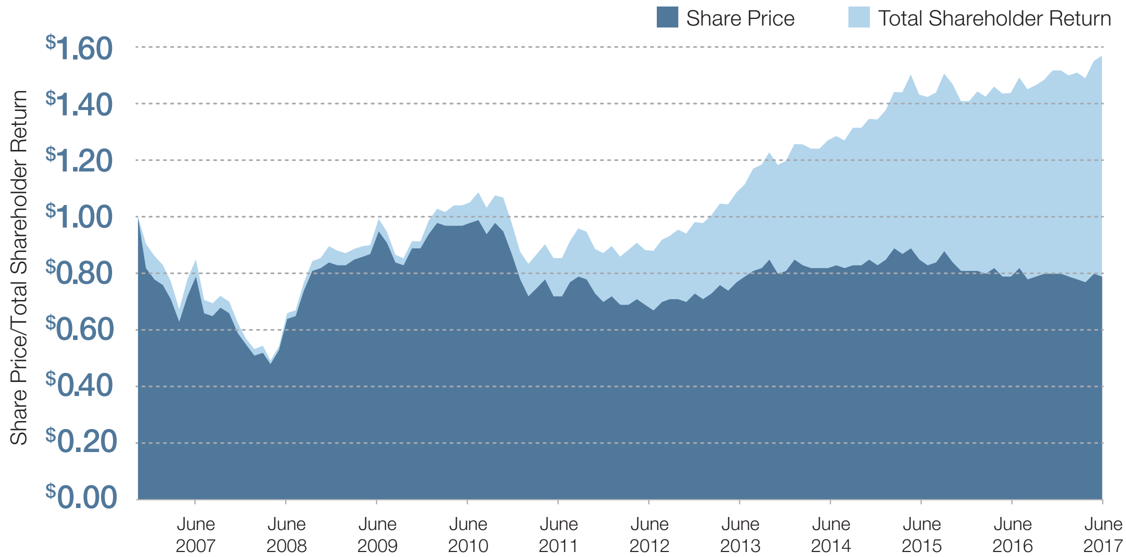
We thank you for your continued support of Marlin and look forward to seeing many of you at the Annual Shareholders' Meeting in November.

On behalf of the Board,

Alistair Ryan

Alistair Ryan / Chair
Marlin Global Limited
15 September 2017

Total Shareholder Return



Corporate Performance

For the year ended 30 June	2017	2016	2015	2014	2013	5 years (annualised)
Total Shareholder Return	9.1%	(0.3%)	14.6%	28.5%	12.2%	12.4%
Dividend Return	8.6%	8.6%	8.9%	10.4%	9.7%	-
Share Price Change	0.0%	(9.2%)	4.8%	16.9%	1.4%	-
Net Profit	$15.7m	($6.9m)	$14.7m	$11.6m	$9.5m	-
Basic Earnings per Share	13.51cps	-6.22cps	13.56cps	10.46cps	8.96cps	-
Adjusted NAV Return	16.8%	(6.7%)	15.4%	11.9%	10.9%	9.3%

As at 30 June	2017	2016	2015	2014	2013
Audited NAV	$0.89	$0.83	$0.97	$0.91	$0.88
Adjusted NAV	$1.62	$1.39	$1.49	$1.23	$1.15
Share price	$0.79	$0.79	$0.87	$0.83	$0.71
Warrant price	-	$0.004	-	-	-
Share price discount/(premium) to NAV[1]	11.2%	4.8%	10.3%	8.8%	19.3%

Manager Performance

For the year ended 30 June	2017	2016	2015	2014	2013	5 years (annualised)
Gross Performance	22.4%	(3.8%)	19.9%	16.0%	14.3%	13.4%
Blended Index[2]	19.2%	(3.9%)	31.6%	12.5%	26.4%	16.5%
Outperformance / (Underperformance) of the Index by the Manager	3.2%	0.1%	(11.7%)	3.5%	(12.1%)	(3.1%)
Performance fee hurdle[3]	7.2%	7.9%	8.7%	7.8%	7.7%	7.9%

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

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

2 Blended index: World Small Cap Gross Index until 30 September 2015 & S&P Large Mid Cap/S&P Small Cap Index (hedged 50% to NZD) from 1 October 2015. Returns shown gross in NZ dollar terms.

3 The performance fee hurdle is the Benchmark Rate (NZ 90 Day Bank Bill Index +5%)

Non-GAAP Financial Information

Marlin uses non-GAAP measures, including adjusted net asset value, gross performance return and total shareholder return. The rationale for using such non-GAAP measures is as follows:

- adjusted net asset value — the underlying value of the investment portfolio adjusted for capital allocation decisions,
- gross performance return — the Manager's portfolio performance in terms of stock selection and hedging of currency movements, and
- total shareholder return — the return to an investor who reinvests their dividends, and if in the money, exercises their warrants at warrant maturity date for additional shares.

All references to adjusted net asset value, gross performance return and total shareholder return in this Annual Report are to such non-GAAP measures. The calculations applied to non-GAAP measures are described in the Marlin Global Non-GAAP Financial Information Policy. A copy of the policy is available at http://marlin.co.nz/about-marlin/marlin-policies/

MANAGER'S REPORT

Ashley Gardyne / Senior Portfolio Manager

International equity markets delivered significant gains in 2017, with the bull market entering its ninth year despite a tumultuous political backdrop. While in the prior year the New Zealand market was a standout performer, fortunes reversed in the 12 months to 30 June 2017 with gains in the US (+17.9%)[1], Europe (+18.8%)[1] and emerging markets (+24.2%)[1] all outpacing New Zealand's S&P/NZX50 Index (+10.4%).

Marlin outperformed the market in 2017, with a gross performance return of 22.4% for the year compared to our market benchmark[2] which was up 19.2%. This was a marked and pleasing improvement on recent years, where despite delivering high absolute returns, we lagged our market benchmark. Over the three years from 2013 to 2016 Marlin delivered a high gross return of 10.2% on an annualised basis. While respectable, these were below the market benchmark return of 12.5% pa over the same period. Our aim is to outperform the market – we are committed to this goal and dissatisfied when we fail to meet it.

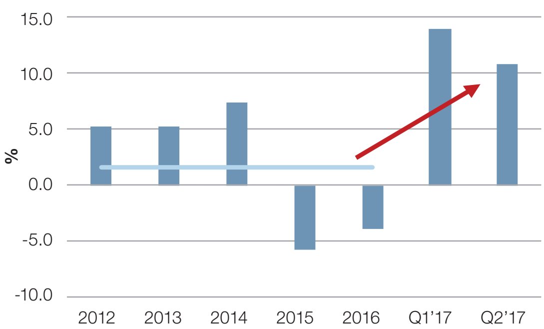
In 2017 we made significant changes to the portfolio and are pleased that performance has improved. We outline in the section 'Portfolio Review' the changes we have made to the portfolio and believe it is well positioned to outperform the market over the medium to long term.

Market backdrop

While the year to 30 June was a tumultuous one for international politics, the impact that political events such as Brexit, the US and French elections, and increasing geopolitical tensions (North Korea and the Middle East), had on markets was surprisingly benign.

Market participants seem instead to be encouraged by a period of low volatility in economic data – with relatively stable (albeit lower than average) inflation and economic growth in the US, steadily improving economic data in Europe and a pickup in Chinese growth. In this environment business confidence has picked up and corporate earnings growth has accelerated, with earnings growth for US companies in the S&P 500 Index growing at an annual rate of more than 10% pa in the first two quarters of 2017. This earnings growth has helped drive many equity indices to record highs.

Chart 1: Pick up in US corporate earnings growth — S&P 500



1 Market total shareholder returns represented by S&P 500 Index, STOXX Europe 600 Index and MSCI Emerging Markets Index respectively

2 S&P Large Mid Cap/S&P Small Cap Index (hedged 50% to NZD)

This improvement in global growth led to increased investor appetite for cyclical businesses. In this environment, banks, materials and industrial companies outperformed the broader market, while more defensive sectors like consumer staples, utilities and healthcare underperformed.

As discussed in the Manager's update in the Marlin interim report, our focus on high quality businesses and steady growers means we have less exposure to these cyclical sectors. Despite our lower exposure to cyclicals, our high exposure to technology stocks helped offset this headwind and a number of our long-standing technology investments delivered strong results (Alibaba, PayPal, eBay, Expedia and Alphabet in particular) that helped us outperform the market.

Investment landscape

While the past 12 months have seen political commotion, the past 10 years have seen radical disruption in the technology sector and also the rise of exchange traded funds (ETFs).

Technological disruption: Rapid technological change is impacting a wide range of traditional businesses. In 2007, only one of the largest five US listed companies was in the technology sector. Now all of the top five are. Technology leaders like Amazon, Alphabet, Facebook and Netflix are seeing their market values rise rapidly and as a result are becoming a larger part of share market indices.

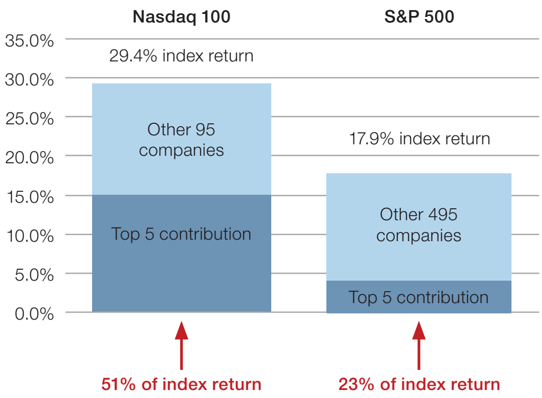
Table 1: Top five S&P 500 constituents — 2007 vs 2017

	2007		2017	
1	Oil	ExxonMobil	Tech	
2	Industrial	GE	Tech	Microsoft
3	Tech	Microsoft	Tech	facebook
4	Telecom	AT&T	Tech	Alphabet
5	Consumer	P&G	Tech	amazon

This is a significant change in just 10 years and much of the growth of these technology companies has come at the expense of traditional businesses in the retail, media and consumer electronics sectors.

The rise of Apple, Microsoft, Alphabet, Facebook and Amazon has also had a dramatic impact on equity markets, with the market capitalisation of each of these businesses increasing by 30-50% over the last year. As shown in the next chart, the scale of these businesses and size of the movements resulted in these five companies alone accounting for 23% of the S&P 500 Index return over the last year, and 51% of the Nasdaq Index return.

Chart 2: Contribution of the top five technology stocks to index returns year to 30 June 2017



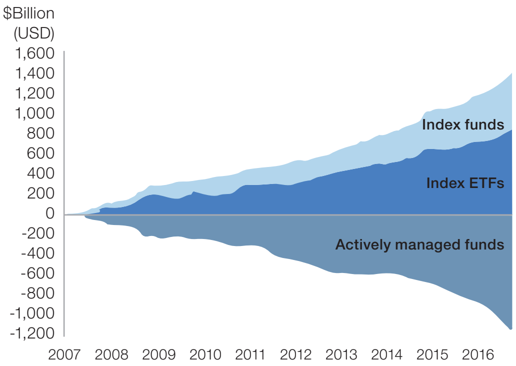
The impact of these businesses on other listed companies and the market more broadly make them very difficult to ignore. Alphabet and Facebook together now account for nearly half of the digital advertising market, and they capture over 75% of each incremental digital ad dollar. This dominance and the rapid growth of digital advertising is coming at the expense of TV, radio networks and newspapers. In a similar vein, Amazon has received a disproportionate amount of press in recent months. Its scale and increasing sphere of influence is starting to impact a growing list of businesses. Amazon's recent acquisition of US supermarket chain Whole Foods saw the share prices of other US grocery chains take a significant hit. Competition from ecommerce and the lure of free and fast delivery via Amazon Prime is contributing to declining same store sales at department store chains like Macy's and Sears. Amazon's recent decision to lease its own fleet of freighter aircraft and launch a freight forwarding business has also sent shockwaves through transportation markets.

Alphabet, Amazon and Facebook's dominance have been enabled by the internet – an invention we have all been using for about 20 years. We are only now seeing the hugely disruptive (but productivity enhancing) impacts of the internet that were speculated in the late 1990s.

Today's technological advances in areas like artificial intelligence, electric and autonomous vehicles, solar power, robotics and 3D printing will have significant and lasting impacts on the economy, business models and the world of investing over the next 20 years. While some of these may turn out to be over-hyped, others will have significant implications for companies across a swath of industries – from automobile production, to electricity generation, the taxi and trucking industries, and oil & gas and coal extraction – to name just a few. This creates significant opportunities for investors.

The rise of ETFs: The rise of passive investing via ETFs has received a lot of airtime over the last year. ETFs give investors broad exposure to all companies in the relevant stock market index, without regard to the prospects of each company. JPMorgan recently estimated that passive and quantitative investors now account for about 60% of the US asset management industry, up from under 30% a decade ago.

Chart 3: Rise of passive investing
Flows from active to passive funds in US shares



To us these two trends (rapid technological change and the rise of ETFs) are somewhat contradictory. On one hand commentators are highlighting the potential demise of many businesses due to disruption, and on the other hand they are suggesting investors invest blindly in all companies despite the obvious challenges many of these businesses face.

We agree with the view that recent innovations will result in strong growth in some areas of the economy and significant destruction in other areas. However, we believe this creates a significant opportunity for active investors like Marlin to navigate this environment and add value for shareholders. Investing blindly in businesses regardless of price and prospects doesn't seem very smart to us.

The increasing dominance of these multinational technology businesses also has an impact on the New Zealand share market – as they increasingly encroach on the turf of New Zealand businesses. Netflix is impacting the viability of Sky TV; Amazon's entry into Australia will impact on TradeMe and our listed retailers like The Warehouse, Kathmandu and Briscoes; and Alphabet and Facebook have dealt a blow to the advertising revenues of NZME.

We believe the reach and dominance of these US tech giants strengthens the argument for international diversification for New Zealand investors who are seeking to build and protect their wealth.

How we seek to add value

All of our effort and focus goes into constructing a portfolio that we believe will outperform the market over the medium term. In an environment where share market turnover is increasingly being transacted by either passive funds that buy everything in an index regardless of fundamentals, or by algorithmic traders focused on short term factors, our approach to investment appears almost contrarian:

- We seek to identify companies that have unique factors that protect them from competition and disruption (we call these factors moats).
- We seek companies where our analysis shows that earnings will be materially higher in five and ten years than they are today.
- We buy these businesses when we believe the market isn't fully appreciating their long term earnings potential – meaning that they are priced attractively and offer high prospective returns. Unlike passive investors, we are price sensitive.
- In this environment of constant technological change we re-evaluate each investment continuously. If new technology or competition threatens the prospects of one of our portfolio companies we act decisively. We are not passive.

These factors are missing from passive investment approaches, but are critical components of our strategy to outperform the market over the medium term.

Portfolio review

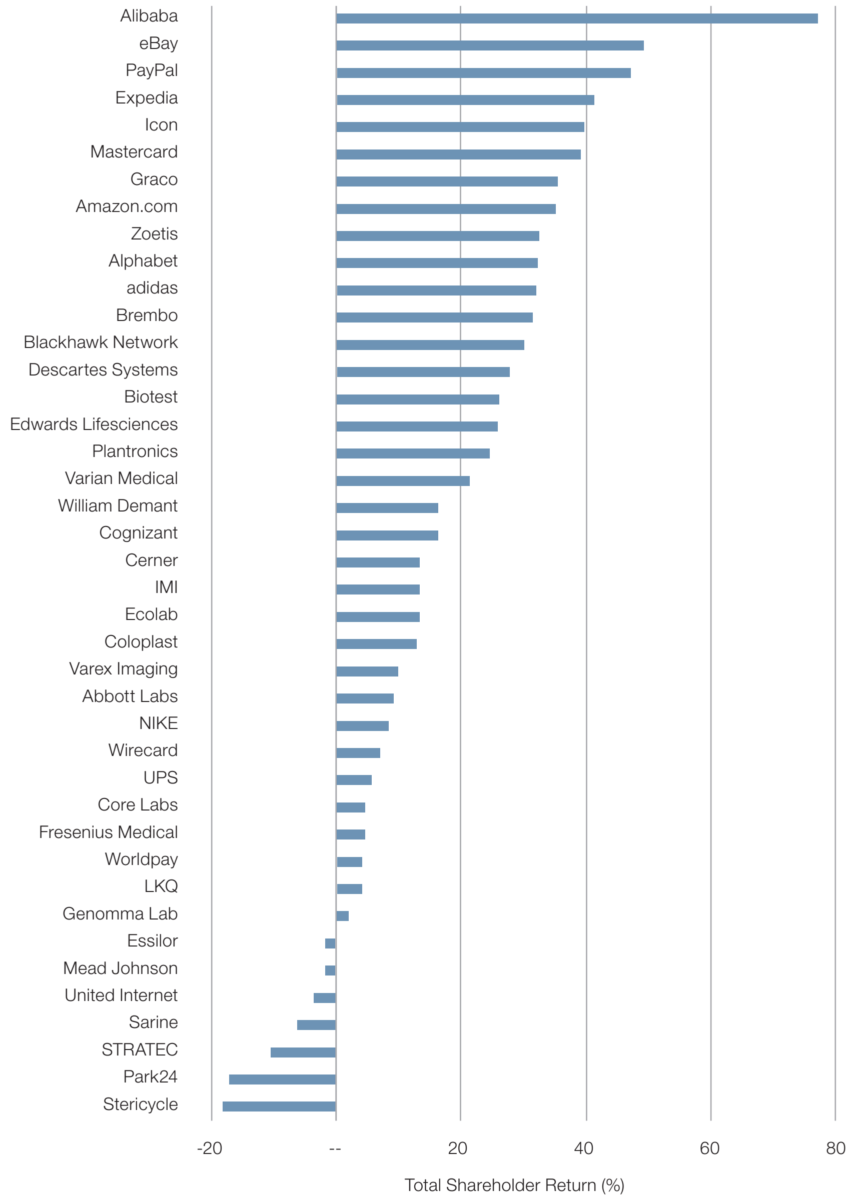
The Marlin portfolio delivered a gross performance return of 22.4% for the year, 3.2% ahead of our market benchmark [3].

The last year was a busy one for the team, with a higher than usual number of new investments and exits from the portfolio. We believe these changes position the portfolio well for the future, and a number of our new investments contributed significantly to Marlin's performance during the year.

The following chart shows the performance of our portfolio holdings during the year. We had a high hit rate, with over 80% of our investments delivering positive returns. While this was pleasing, there were still a number of detractors from performance which we discuss further under 'Biggest Detractors from Performance'.

3 S&P Large Mid Cap/S&P Small Cap Index (hedged 50% to NZD) from 1 October 2015

Chart 4: Portfolio company returns — year to 30 June 2017



Biggest contributors to performance

Chinese ecommerce giant, **Alibaba**, was one of the five largest positions in the Marlin portfolio at the start of the year and was the standout performer for the period. Alibaba gained 77% on the back of a string of strong quarterly results that demonstrated the company's ability to grow rapidly despite its huge scale and dominant market position. At its recent investor day Alibaba announced that it expects to grow its revenues by a staggering 45-49% in 2018, and plans to double the volume of goods sold on its ecommerce platforms by 2020.

eBay was the second best performer during the year, with the company gaining 49% over the period. eBay's investments in its structured data initiatives (to improve its website and attract more traffic) have started to pay off, helping to attract more users to the site and accelerate its revenue growth. While eBay faces strong competition from Amazon, recent results have proved eBay has a strong position catering to niche ecommerce segments.

We significantly increased our weighting in online payment provider, **PayPal**, following its 2015 spin-off from eBay. PayPal has a well-entrenched market position and is uniquely placed to benefit from the rapid growth in digital payments. PayPal gained 47% during the year as it continued to grow payment volumes and earnings per share in excess of 20% pa. It also signed a number of strategic deals with Visa, MasterCard and large US banks which are contributing strongly to growth in new PayPal users. PayPal is the second largest holding in the portfolio.

Biggest detractors from performance

Stericycle, the largest US medical waste collector, fell 18% during the year. While Stericycle has historically benefited from its huge scale and strong pricing power, it became clear to us during the year that its bargaining power with large hospital chains started to deteriorate. After years of large hospital chains consolidating smaller physician practices, it is now starting to use it increased clout to negotiate lower waste collection prices. Pricing power had been a key part of our investment thesis for Stericycle, and without this its growth and margin trajectory have been impacted. As a result of these developments, we exited Stericycle during the year.

Park24, the Japanese car park operator and car sharing business, fell 17% during the year despite relatively solid operating results. The decline in share price came after a 71% gain in the prior year and is largely attributable to a broader sell-off in dividend yielding companies as Japanese bond yields started to rise.

Portfolio additions and exits

Global equity markets are large and dynamic. This broad and constantly evolving opportunity set regularly presents us with new investment opportunities.

2017 was a year of higher than usual turnover for the portfolio as we identified and added eight new companies to the portfolio. To fund these new investments we exited 11 portfolio holdings.

Table 2: Portfolio changes

Portfolio additions	Portfolio exits
Worldpay	United Internet
Core Laboratories	Genomma
Graco	Stericycle
Fresenius Medical Care	Stratec Biomedical
Edwards Lifesciences	Biotest
William Demant	IMI
Essilor	Varian Medical
Abbott Laboratories	Coloplast
	Mead Johnson
	Wirecard
	Plantronics

The common thread running through all of these new portfolio additions is that they are competitively advantaged businesses with earnings prospects we believe are under-appreciated by the market. In most instances, the companies are market leaders in their industries and are businesses we have been following for a number of years.

We discussed the additions **Worldpay**, **Core Laboratories**, **Graco** and **Fresenius** in detail in the Marlin interim report. Since interim year end we have added **Edwards Lifesciences**, **William Demant**, **Essilor** and **Abbott Laboratories**.

New additions

Edwards Lifesciences is a global leader in medical devices for treating structural heart disease. Faulty heart valves used to be repaired or replaced using open heart surgery, which comes with significant risks and long recovery times. Edwards' revolutionary transcatheter aortic valve replacement (TAVR) device replaces the heart valve through an artery via a small incision in the patient's leg — removing the need for open heart surgery and significantly reducing patient recovery times. Edwards' TAVR device was first approved in 2007 and 10 years later is still growing underlying sales at more than 20% pa.

Our investment in Edwards was opportunistic. We bought Edwards after its share price had fallen around 20% following one quarter of weak sales growth. Our analysis showed that the company's long term growth opportunity was intact and that the slowdown was likely to be temporary. Short term investors had essentially over-reacted. When the company went on to report improved growth in May, the share price recovered most of its earlier losses.

William Demant develops, manufactures and sells hearing aids globally and is the second largest player in a consolidated global market. The company benefits from strong organic growth on the back of an aging population, but also technological improvements in hearing aids (making them smaller and allowing them to connect to digital devices) which should drive increased adoption. William Demant has very high incremental profit margins and we believe it has the potential to deliver significant earnings growth over the next few years.

Essilor is the leading manufacturer of ophthalmic lenses for corrective eyewear, which it designs, manufactures and sells globally. The company has a history of continual lens innovation (multi-focal, anti-reflective, transitions, UV protection, polarisation etc.), which has given it significant pricing power and allowed for ongoing market share gains. Essilor has a long track record of consistent growth, and we believe the recently announced merger with frames manufacturer and retailer Luxottica (owner of OPSM and Sunglass Hut) adds the potential for significant cross-sell and synergies.

Abbott Laboratories, is a diversified healthcare company with operations spanning a range of growing market segments including diagnostics, medical devices, nutrition and branded generic pharmaceuticals. Abbott's management team have a long track record of value enhancing capital allocation and have significant shareholdings in the business.

Portfolio exits

We discussed the exits of **United Internet**, **Genomma**, **Stericycle**, **Stratec Biomedical**, **Biotest** and **Wirecard** in the Marlin interim report, and discuss the most recent exits below.

We typically exit an investment for one of three reasons: (i) the prospects of the business have changed and we no longer have high conviction in the idea; (ii) our investment has delivered on our expectations and we now see limited upside; or (iii) we have more attractive investment ideas and simply need to sell something to fund the new idea.

Coloplast, a leader in ostomy and continence care, was a strong performer for the portfolio since we bought it in 2013. However, after years of market share gains and margin improvement our assessment was that these gains were becoming harder for Coloplast to sustain and that the company was fully valued. As a result we elected to exit Coloplast and use the proceeds to part fund our investments in Edwards Lifesciences, William Demant and Abbott Laboratories. **Varian Medical Systems** also delivered a reasonable investment return for Marlin since we first invested in 2013, but we sold this to fund these new healthcare investments.

On the other side of the ledger, **IMI Plc** and **Plantronics** were disappointing investments for us and we decided to exit these businesses as it became clear that the prospects for these businesses had deteriorated.

While **IMI Plc** is a leader in a number of its industrial valve markets, its earnings growth prospects have deteriorated in recent years due to weakness in its end markets (oil & gas, nuclear, air conditioning) that we now deem to be structural. While a new CEO was appointed to turn the company around, we believe the business is challenged.

Plantronics is a leading manufacturer of telephone headsets for office and call centre use. At the time we initiated our position, management were forecasting double-digit revenue growth, driven by a shift towards corporate customers adopting Unified Communication systems. This thesis hasn't played out and revenue growth of closer to 5% pa now appears more likely. This combined with some challenges in their consumer division caused us to re-evaluate the investment and exit our position.

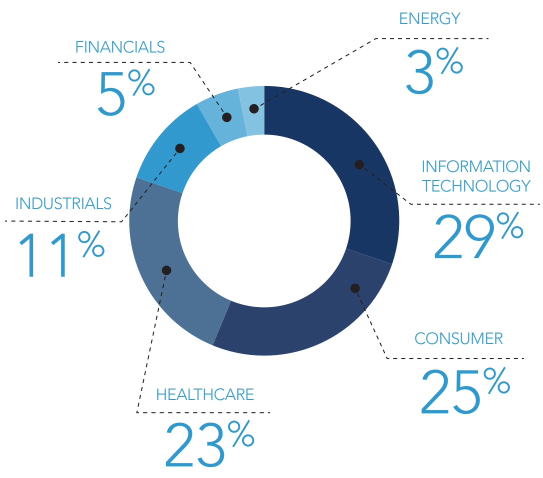
In a positive turn of events, our exit of **Mead Johnson** followed a takeover offer for the company by consumer goods manufacturer Reckitt Benckiser. The takeover offer was at a 30% premium to Mead Johnson's pre-offer trading price.

Portfolio positioning

After a period of significant change, we believe we have constructed a robust portfolio and are enthusiastic about the prospects of each of our portfolio companies.

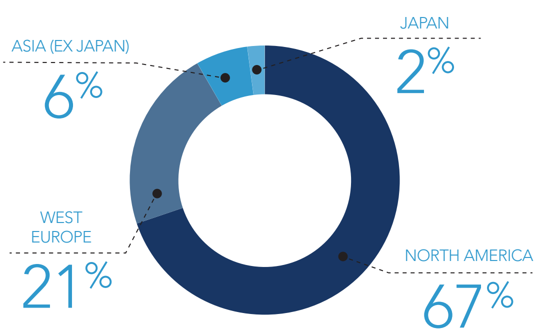
As at 30 June 2017 the portfolio comprised 29 companies, diversified broadly across a range of sectors in 11 countries.

Chart 5: Marlin portfolio — Sector split



The Marlin portfolio also holds cash.

Chart 6: Marlin portfolio — Geographical split



Outlook

While global economic growth is not back to pre-GFC levels, there is growth nonetheless. US GDP grew 2.6% year-on-year in the most recent quarter, economic growth in Europe has been increasing steadily over the last year, recently hitting 2.2%. On top of this, jobs are being created and unemployment is finally beginning to fall in many European countries – with the unemployment rate back at the lowest level in seven years. This improving data has resulted in an acceleration in corporate earnings growth in 2017, and trading updates from our portfolio companies and other listed corporates have been relatively upbeat.

In contrast to this positive backdrop, some fear that plans by the US Federal Reserve to start reducing its balance sheet and unwind quantitative easing could create market volatility later in the year – as could escalating rhetoric between the US and North Korea. Equity valuations are elevated and also causing some unease, but with the S&P500 Index trading on a forward P/E multiple of 18x, valuations are a long way below bubble levels (the S&P 500 P/E multiple hit 30x in the 1999 dotcom bubble).

Equity investing is a long term undertaking and short term market movements are hard to predict. Who would have predicted that global markets would be up more than 15% in a year following Brexit and after a Trump election victory? As we have seen in recent history, market timing predictions are often wrong and can do investors a significant disservice if they cause investors to stay out the market for long periods of time.

We prefer not to make short term timing predictions. Regardless of market spikes and corrections that inevitably occur, equity markets and share prices follow earnings growth over the long run. We see strong growth prospects for the companies in the Marlin portfolio, and believe this will drive a material increase in the value of these businesses over the long term.

Ashley Gardyne / Senior Portfolio Manager
Fisher Funds Management Limited
15 September 2017

Portfolio Holdings Summary as at 30 June 2017

Headquarters	Company	% Holding
Canada	Descartes Systems	3.1%
China	Alibaba	4.0%
Denmark	William Demant	3.1%
France	Essilor International	2.8%
Germany	Adidas	2.3%
	Fresenius Medical Care	3.5%
Ireland	Icon	3.2%
Israel	Sarine Technologies	2.1%
Italy	Brembo	2.5%
Japan	Park 24	1.9%
United Kingdom	Worldpay	3.2%
United States	Abbott Laboratories	3.2%
	Alphabet	6.0%
	Amazon.com	2.9%
	Blackhawk	3.0%
	Cerner Corporation	3.0%
	Cognizant Technology Solutions	4.0%
	Core Laboratories	2.6%
	eBay	3.5%
	Ecolab	3.0%
	Edwards Lifesciences	4.1%
	Expedia	4.1%
	Graco	2.0%
	LKQ	4.2%
	Mastercard	4.6%
	Nike	2.4%
	PayPal	5.8%
	United Parcel Service	1.9%
	Zoetis	3.3%
	Equity Total	**95.3%**
	New Zealand dollar cash	2.0%
	Total foreign cash	2.5%
	Cash Total	**4.5%**
	Forward foreign exchange contracts	0.2%
	TOTAL	**100.0%**

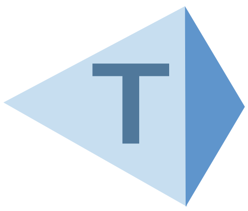
THE STEEPP PROCESS

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 they have proven the ability to provide a high or improving return on invested capital.

Applying this STEEPP analysis, Fisher Funds maintained a portfolio for Marlin Global which comprised 29 securities as at 30 June 2017.

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.

MARLIN PORTFOLIO COMPANIES

CHINA

What does it do?
Alibaba is the largest ecommerce player in China with an overall online shopping market share of over 70%.

Why do we own it?
Alibaba is the online marketplace leader in China and is over five times larger than its nearest competitor. It has sustainable competitive advantages through its extensive network and scale. Alibaba is also a major beneficiary of strong online shopping growth in China due to continued urbanisation, increasing incomes and a poor physical retail infrastructure in many Chinese cities. Alibaba is expected to grow in excess of 25% per annum over the next few years.

UNITED STATES

What does it do?
Abbott Laboratories is a global healthcare company with leading market positions in medical devices, infant formula, adult nutrition, diagnostics and branded generic drugs.

Why do we own it?
Abbott Laboratories is well placed with market leading positions in a number of growing end markets driven by an aging population and emerging market growth. Abbott Laboratories has a long track record of profitable investment into fast growing healthcare segments and we expect it to continue to reinvest in the business to strengthen its competitive position and drive continued growth over the long term.

GERMANY

What does it do?
Adidas is the largest European and second largest global sportswear manufacturer.

Why do we own it?
Adidas is one of the world's leading brands and has a strong track record of growth and shareholder return. After going through a difficult period due to factors that are largely outside the company's control, management have turned the business around and are now growing revenues and earnings rapidly. They have started to take market shares in the lucrative US market, and we see many years of strong growth ahead.

Total Shareholder Return	Total Shareholder Return	Total Shareholder Return
+77%	+9%*	+32%

* purchased during the year

Total shareholder return sourced from Factset and shown in local currency.

Alphabet

UNITED STATES

What does it do?

Alphabet is the holding company which owns the world's leading internet search provider, Google. Google is the world's most visited website and the largest global advertising platform by advertising revenue.

Why do we own it?

Alphabet has wide moats arising from its dominant position in online search, significant intellectual property and a strong brand. We believe Alphabet is well positioned to grow strongly as global advertising budgets gradually shift away from television to digital formats.

Total Shareholder Return

+32%

amazon

UNITED STATES

What does it do?

Amazon.com is the world's largest internet based retailer. It also operates a cloud computing business, Amazon Web Services, which offers data storage and analytical services.

Why do we own it?

Amazon.com sits at the crossroads of two very powerful megatrends — growth in ecommerce and the increasing adoption of public cloud architecture for data storage and analytics. It is the market leader in both these areas with significant scale and network advantages. Ecommerce and public cloud have long growth runways and Amazon.com is in a prime position to monetise these opportunities.

Total Shareholder Return

+35%

BLACKHAWK NETWORK

UNITED STATES

What does it do?

Blackhawk is the leading prepaid gift card network offering gift cards from leading consumer brands (e.g. iTunes, Amazon) with a strong dominance in the supermarket distribution channel. It is the market leader in this growing niche market with only one other significant competitor.

Why do we own it?

Blackhawk has a strong competitive advantage through its extensive distribution network supported by a strong value proposition for all participants in the value chain. It has a strong growth outlook over the medium term through increasing penetration in the US and expansion into international markets. Blackhawk has a strong track record of delivering revenue and earnings growth and earns very high returns on capital invested.

Total Shareholder Return

+30%

ITALY

What does it do?
Based in Italy, Brembo is a global leader in high performance braking systems. The majority of sales come from high-end cars (customers include Ferrari, Audi, Porsche and Mercedes-Benz) and motorcycles (customers include Ducati and Harley Davidson).

Why do we own it?
As the global leader in its industry, with a strong technology advantage arising from its sole involvement in braking systems for Formula 1, it is well positioned to continue increasing global market share.

Total Shareholder Return

+31%

UNITED STATES

What does it do?
Cerner is the world's largest healthcare information technology provider with a range of solutions for all the software needs of healthcare organisations including electronic medical records, practice management and billing systems, as well as applications in the area of population health management (data analytics which predicts medical care requirements for patient populations).

Why do we own it?
Cerner's software is critical to its clients operations. Switching costs are high and switching tendencies are very low. It has superior technology that has allowed it to continuously win market share as the industry consolidates. Cerner has a strong track record and attractive growth outlook as a result of increasing IT requirements in the healthcare sector.

Total Shareholder Return

+13%

UNITED STATES

What does it do?
Cognizant is a leading IT services company providing information technology, consulting and business services to a range of mainly larger global companies.

Why do we own it?
Cognizant is a wide moat company that is deeply ingrained with its customers as a partner in IT and wider business strategy. Cognizant has invested heavily to position itself to capture the significant move of IT towards digital (social, media, analytics and cloud) which should underpin long term growth. Furthermore, Cognizant has a strong management team and a great track record of growth and innovation.

Total Shareholder Return

+16%

UNITED STATES

What does it do?

Core Laboratories is a US based oil services company specialising in enhanced oil production and oil reservoir management with an ultimate goal of maximising the efficiency of hydrocarbon recovery by oil companies.

Why do we own it?

Core Laboratories is a rare wide moat company in the energy sector given its unique and difficult to replicate library of oilfield data that is used by its clients to increase the extraction and return from their oilfields. Core Laboratories offers a strong value proposition to its clients, allowing them to generate higher returns through improved production efficiency at relatively low cost. The company has a track record of generating strong cash flow and returning this to its shareholder base.

Total Shareholder Return

+5%

* *purchased during the year*

CANADA

What does it do?

Descartes is a logistics software business.

Why do we own it?

Descartes' business moat is centred on its Global Logistics Network. This network connects supply chain participants, in real time, giving visibility and control of movement of goods across increasingly regulated and complex global supply chains.

Total Shareholder Return

+28%

UNITED STATES

What does it do?

eBay is the world's largest online marketplace that brings merchants and consumers together through online websites and mobile applications. eBay has over 160 million active users.

Why do we own it?

eBay has an enviable track record of value creation, generates strong cashflow and through new initiatives in data analysis and improving features on its website, is expected to accelerate revenue growth and grow earnings at double digit rates over the next three to five years.

Total Shareholder Return

+49%

UNITED STATES

What does it do?
Ecolab is a market leader in providing cleaning and sanitising solutions for the foodservice, hospitality and healthcare industries. It also provides chemicals and technologies to the water treatment and oil production industries.

Why do we own it?
Ecolab offers a strong value proposition for its vast client base with its product innovations resulting in reduced energy and water usage, lower labour costs and reduced downtime. Ecolab is a high quality company that invests significantly more than its competitors into developing innovative products and this has resulted in continued market share gains. Ecolab has an excellent record of stable growth and strong growth prospects.

Total Shareholder Return

+13%

UNITED STATES

What does it do?
Edwards Lifesciences is the global market leader in the treatment of heart valve disease, which impacts millions of people worldwide and carries a poor prognosis if left untreated. Edward's main product allows for the treatment of this disease without the need for risky open heart surgery.

Why do we own it?
Edwards Lifesciences continues to lead the industry in innovation, investing in the development of new products which both improve medical outcomes for patients and help doctors treat a wider range of previously untreated patients using a lower risk approach. With a dominant market share and continued investment in research and development, Edwards Lifesciences is well positioned for long term growth.

Total Shareholder Return

+26%

** purchased during the year*

FRANCE

What does it do?
Essilor is the leading global manufacturer of corrective lenses, selling to optometrists and other eyewear retailers. More recently, Essilor has expanded into branded sunglasses and online retail, where it owns a number of leading eyewear ecommerce sites.

Why do we own it?
Essilor is the market leader and continues to drive innovation in corrective lenses. It is well positioned to take advantage of the structurally growing prescription eyewear market, driven by an aging population and increased adoption in emerging markets. Essilor's proposed merger with Luxottica, the largest manufacturer and retailer of frames and sunglasses, will create a dominant industry player from manufacturing through to retail.

Total Shareholder Return

-2%

** purchased during the year*

UNITED STATES

What does it do?

Expedia is the largest online travel agent in the US and is ranked in the top two in most markets globally. Expedia aims to provide the latest technology and the widest selection of top vacation destinations, cheap tickets, hotel deals, car rentals, cruise deals and in-destination activities.

Why do we own it?

Expedia has a strong long term growth outlook coming from a combination of travel industry growth and an increasing tendency to book travel online. Additionally, the online travel agency industry has consolidated to two main players who now have considerable size and hotel network advantages, which act as a highly effective barrier to new entrants. We expect Expedia to grow earnings at mid-teen rates over the next few years.

Total Shareholder Return

+41%

GERMANY

What does it do?

Fresenius is a market leader in the global dialysis industry, and is the only vertically integrated player — providing both products and services to the dialysis market.

Why do we own it?

Fresenius has strong growth prospects globally as kidney disease becomes more prevalent in an aging population. Fresenius' depth of knowledge and data around dialysis should allow it to improve patient outcomes while reducing the overall cost of treatment for this growing global dialysis population.

Total Shareholder Return

+5%

** purchased during the year*

IRELAND

What does it do?

Known as a contract research organisation (CRO), Icon provides specialised services in clinical trial management for pharmaceutical and biotechnology companies.

Why do we own it?

The increasing complexity and regulatory requirements of clinical trial management is forcing pharmaceutical and biotechnology companies all over the world to seek the help of specialist CROs such as Icon. Icon's global footprint and broad strengths in clinical management make it one of only a few companies qualified to provide these services. Growth is being driven by this increased shift to outsourcing, the increase in drugs being tested and larger trials required by regulatory bodies such as the FDA.

Total Shareholder Return

+40%

UNITED STATES

What does it do?
LKQ is the largest distributor of alternative replacement parts and components used to repair cars and trucks in the US and Europe.

Why do we own it?
The value proposition is strong, as these alternative parts cost 20%-50% less than new parts and have been growing in popularity with auto repair shops and insurers. LKQ is the only nationwide distributor of these parts in the US and is growing its footprint in Europe. We believe LKQ can grow strongly over the next few years with minimum impact from the economic cycle.

Total Shareholder Return

+4%

UNITED STATES

What does it do?
MasterCard is the second largest payment network in the world, operating in 210 countries and supporting more than 2 billion cards across its network.

Why do we own it?
MasterCard's growth outlook is underpinned by the secular shift to electronic payments and away from cash, particularly in emerging markets where MasterCard has significant presence. These structural growth drivers combined with increasing margins and high cash flow generation (allowing for substantial share buybacks) supports a strong growth outlook over the medium to long term.

Total Shareholder Return

+39%

UNITED STATES

What does it do?
Nike is the world's largest sportswear company, designing, manufacturing and selling high quality footwear, apparel and sporting equipment.

Why do we own it?
Nike's competitive advantage comes from both its iconic brands and scale – with scale allowing Nike to invest more in marketing than its peers while maintaining higher margins and profitability. Nike's focus on product innovation, including in the area of fitness monitoring, continues to provide good growth prospects.

Total Shareholder Return

+8%

UNITED STATES

What does it do?

PayPal is a global leader in online payments.

Why do we own it?

We are attracted to PayPal due to its broad based and sustainable competitive advantages and strong growth prospects. PayPal has technology, scale and global network advantages which give it a considerable advantage over its competitors. Furthermore, PayPal benefits from continued growth in e-commerce.

Total Shareholder Return

+47%

ISRAEL

What does it do?

Sarine Technologies is the worldwide market leader in equipment and tools for the diamond industry. Sarine's products are used to grade, cut and optimise the value of diamonds.

Why do we own it?

Sarine's products are the leading edge of technology, allowing more efficient planning and cutting of diamonds. This offers a strong value proposition to the diamond manufacturing industry. Its business model is geared towards more recurring income and it has also developed new products that allow it increased exposure to the highly profitable retail part of the value chain.

Total Shareholder Return

-6%

UNITED STATES

What does it do?

United Parcel Service (UPS) is the world's largest package delivery company and operates in over 220 countries and territories with its fleet of 100,000 ground vehicles and 530 aircraft.

Why do we own it?

The market dynamics of the global freight industry are compelling, with high barriers to entry given the need for a large international network and delivery route density to be competitive. Despite the size of its business, we believe UPS is well-positioned for robust growth, supported by the growth in e-commerce activity and increasing cross-border trade volumes in Asia and Europe.

Total Shareholder Return

+6%

William Demant

DENMARK

What does it do?
William Demant is a leading manufacturer and retailer of hearing aids. The company has grown from a small private business to the second largest player in the global hearing aid market, with close to 25% market share and operations in more than 30 countries.

Why do we own it?
There are only a handful of players in the hearing devices market and high barriers to entry allow for attractive profit margins for exiting operators. An aging population and improved hearing aid technology (which has improved sound quality and made hearing aids less visible) is driving steady organic growth in the industry. William Demant is also consolidating the retail audiology market, allowing it to increasingly capture the retail profit margin on each hearing aid it sells, in addition to the manufacturing margin. As a result of this strong organic growth and margin expansion potential, we believe the company can deliver double-digit earnings growth over the medium to long term.

Total Shareholder Return

+16%

* purchased during the year

zoetis

UNITED STATES

What does it do?
Zoetis a leader in the animal health space (both livestock and companion animal) — an industry with attractive attributes.

Why do we own it?
Zoetis has a wide moat built around intellectual property, brand and a large direct sales force giving it access to key decision makers (including veterinarians) and end-users. The growth runway is underpinned by a couple of secular growth drivers — increased global protein requirements and increased pet ownership and 'humanisation' of pets.

Total Shareholder Return

+32%

GRACO

UNITED STATES

The Marlin portfolio also held shares in Graco Inc as at 30 June 2017, however this position was exited after strong share price performance resulted in its valuation becoming elevated. We exited Graco to invest in another industrial company.

Total Shareholder Return

+35%

* purchased during the year

JAPAN

The Marlin portfolio also held shares in Park 24 as at 30 June 2017, however this position has now been exited due to a change in investment thesis. The company's growth has become increasingly reliant on its car sharing business and its recent expansion into markets outside of Japan causes us some concern. Park 24 has been a strong performer for the portfolio over the last five years.

Total Shareholder Return

-17%

UNITED KINGDOM

The Marlin portfolio also held shares in WorldPay as at 30 June 2017. We recently exited this position following a takeover offer from US competitor Vantiv Inc at a significant premium to WorldPay's pre-offer share price.

Total Shareholder Return

+4%

** purchased during the year*

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

BOARD OF DIRECTORS

ALISTAIR RYAN

MComm (Hons), CA

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, Barramundi, Kiwibank, Christchurch Casinos, Metlifecare and Lewis Road Creamery. He is also Chair of Evolve Education Group, as well as a member of the New Zealand Racing Board. 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, holding the positions of General Manager Corporate, Company Secretary and Chief Financial Officer, and has served as a director of various SKYCITY subsidiary and associated companies. Prior to SKYCITY, Alistair was a Corporate Services Partner with international accounting firm Ernst & Young, based in Auckland. He is a member of Chartered Accountants Australia and New Zealand and the New Zealand Institute of Company Secretaries. Alistair's principal place of residence is Auckland.

Alistair was first appointed to the Marlin Board on 10 February 2012.

CARMEL FISHER

BCA

Director

Carmel Fisher established Fisher Funds Management Limited in 1998. Carmel's interest and involvement in the New Zealand share market spans nearly 30 years and she is widely recognised as one of New Zealand's pre-eminent investment professionals. Carmel's career started when she left Victoria University with an accounting degree to spend four years in the sharebroking industry. She then managed funds for Prudential Portfolio Managers and Sovereign Asset Management before launching Fisher Funds. Carmel is also a director of Kingfish, Barramundi and New Zealand Trade & Enterprise. Carmel's principal place of residence is Auckland and she can be contacted at Marlin Global's registered office.

Carmel was first appointed to the Marlin Board on 6 September 2007.

CAROL CAMPBELL

BCom, CA

Chair of Audit and Risk Committee
Independent Director

Carol 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 and NZME where she is also Chair of the Audit and Risk Committee. She is also a director of Kiwibank and Chair of Ronald McDonald House Charities in New Zealand. Carol is a director and Chair of the Audit and Risk Committee of Kingfish and Barramundi. 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 Marlin Board on 5 June 2012.

ANDY COUPE

LLB

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 over the last 30 years. Andy was formerly a consultant in investment banking at UBS New Zealand Limited, where his role principally encompassed equity capital markets and takeover transactions involving numerous initial public offerings and secondary market transactions. Andy is a director of Kingfish, Barramundi, Briscoe Group, Coupe Consulting and Gentrack Group. He is also Chair of Farmright, Solid Energy New Zealand, the New Zealand Takeovers Panel and Deputy Chair of Television New Zealand. Andy's principal place of residence is Hamilton.

Andy was first appointed to the Marlin Board on 1 March 2013.

CORPORATE GOVERNANCE STATEMENT

For the year ended 30 June 2017

Role of the Board

The Board of Directors ("the Board") of Marlin Global Limited ("Marlin") is elected by the shareholders to oversee the management of Marlin. The day-to-day management responsibilities of Marlin have been delegated to Fisher Funds Management Limited ("Fisher Funds").

The Board's Charter defines the respective functions and responsibilities of the Board, focusing on the values, principles and practices that provide the corporate governance framework. The Board is responsible for the direction and control of Marlin and is accountable to shareholders and others for Marlin performance and its compliance with the appropriate laws and standards. The Board is committed to strong corporate governance practices and believes that such practices encourage the creation of value for Marlin shareholders, while ensuring the highest standards of ethical conduct and providing accountability and control systems commensurate with the risks involved.

The Board is committed to undertaking its role in accordance with the best practice recommendations for listed companies to the extent that it is appropriate to the nature of the Marlin operations. Marlin's corporate governance practices do not materially differ from the NZX Corporate Governance Best Practice Code ("NZX Code"). Marlin's corporate governance practices have also been prepared with reference to the Financial Markets Authority's Corporate Governance Principles and Guidelines.

Marlin's constitution and each of the charters, codes and policies referred to in this Corporate Governance section are available on the Marlin Policies section of the Marlin website — www.marlin.co.nz

Board Membership

The number of the directors is determined by the Board in accordance with Marlin constitution. The Board currently comprises three independent directors including the Chair and one director who is not deemed to be independent. The Board elects a Chair whose primary responsibility is the efficient functioning of the Board. During the year under review the Board met eight times.

Attendance at Board meetings was as follows:

Board Members	Meetings Attended	Meetings Scheduled
Alistair Ryan (Chair)	8	8
Carmel Fisher	8	8
Carol Campbell	8	8
Andy Coupe	8	8

Profiles of the individual directors can be found on page 28.

Director Independence

In judging whether a director is independent, the Board has regard to the independence guidelines set out in the Board Charter and the NZX Main Board/Debt Market Listing Rules. On appointment, each director is required to provide information to the Board to assess and confirm their independence as part of their consent to act as a director. Directors also confirm their independence 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.

The Board has determined that Alistair Ryan (Chair), Carol Campbell and Andy Coupe are independent directors in terms of the NZX definition. Carmel Fisher is not considered an independent director due to her directorship of Marlin's Manager, Fisher Funds.

Retirement and Re-election of Directors

In accordance with Marlin constitution, one third, or the number nearest to one third, of the directors (excluding any director appointed since the previous annual meeting) retires by rotation at each annual meeting. The directors to retire are those who have been longest in office since their last election. Directors retiring by rotation may, if eligible, stand for re-election.

Diversity Policy

In 2013, the Board established a Diversity Policy under the oversight of the Remuneration and Nominations Committee. 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 while retaining Board responsibility. The Marlin Diversity Policy is limited to the Board and the Corporate Management team.

All appointments to the Board will be based on merit, and will include consideration of the Board's diversity needs, including gender diversity. Under the 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 gender composition was as follows:

	30 June 2017		30 June 2016	
	Female	Male	Female	Male
Directors	2	2	2	2
Corporate Management team	3	1	3	1

The Board believes that Marlin has achieved the objectives set out in its Diversity Policy for the year ended 30 June 2017.

Board Performance

The Board conducts a formal review of its performance annually. Appropriate strategies for improvement are agreed and actioned.

Directors' Remuneration

The fees payable to independent directors are determined by the Board within the aggregate amount approved by shareholders. The current directors' fee pool limit of $125,000 was approved by shareholder resolution at the 2015 ASM. Prior to the 2015 ASM, the directors' fee pool limit was $120,000, approved by shareholders' written resolution in 2007. Any GST is in addition to this approved limit.

Independent directors' fees are determined by the Board on the recommendation of the Remuneration and Nominations Committee. Each year the Remuneration and Nominations Committee reviews the level of directors' remuneration. 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.

Details of remuneration paid to directors are disclosed in note 1 to the financial statements and are further disclosed in the Statutory Information section of this report. Carmel Fisher does not earn a director's fee.

Directors' Shareholding — Share Purchase Plan

A Share Purchase Plan was introduced by the Board in 2012 and states that all independent directors will receive Marlin shares (bought on market) in lieu of 10% of their annual pre-tax directors' fees. Once an individual shareholding reaches 50,000 shares, the independent 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.

Audit and Risk Committee

The Audit and Risk Committee focuses on audit and risk management and specifically addresses responsibilities relative to financial reporting and regulatory conformance. The Audit and Risk Committee operates within the terms of reference set out in the Audit and Risk Committee Charter which was established by the Marlin Board. The Audit and Risk Committee Charter is reviewed by the Audit and Risk Committee and Board annually. The Audit and Risk Committee reports its relevant proceedings to the Board.

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. Accordingly, it monitors developments in the areas of audit, and threats to audit independence, to ensure its policies and practices are consistent with emerging best practice in these areas. The Audit and Risk Committee also recommends to the Board which services, other than the statutory audit, may be provided by PricewaterhouseCoopers as auditor. A statement regarding the current auditors, PricewaterhouseCoopers, independence is included in their Auditor's Report.

During the year, the Audit and Risk Committee held private sessions with the 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.

The Audit and Risk Committee relies on information provided by management and the external auditor. Management determines and makes representations to the Board that Marlin's financial statements and disclosures are complete and accurate. The external auditor has the duty to plan and conduct audits.

As at 30 June 2017, the Audit and Risk Committee comprised independent directors Carol Campbell (Chair), Alistair Ryan and Andy Coupe, all of whom have appropriate financial experience and an understanding of the industry in which Marlin operates. Meetings are held not less than twice a year having regard to Marlin's reporting and audit cycle. During the year under review the Audit and Risk Committee met twice.

Audit and Risk Committee Members	Number of meetings attended
Carol Campbell (Chair)	2
Alistair Ryan	2
Andy Coupe	2

The Audit and Risk Committee may have in attendance members of management, a representative from the Manager, and such other persons including the external auditor, as it considers necessary to provide appropriate information and explanations.

Engagement of the External Auditor

Marlin's current external auditor is PricewaterhouseCoopers, who was appointed by shareholders at the 2005 annual meeting in accordance with the provisions of the Companies Act 1993 ("the Act"). PricewaterhouseCoopers is automatically reappointed as auditor under Part 11, Section 207T of the Act.

PricewaterhouseCoopers, as external auditor of the 2017 financial statements, is invited to 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 Marlin and the independence of the auditor in relation to the conduct of the audit.

Investment Committee

The Investment Committee comprises all Board members and meets at least twice per year. The Investment Committee Charter sets out the objective of the Investment Committee which is to oversee the investment management of Marlin to ensure the portfolio is managed in accordance with the investment mandate and with the long term performance objectives of Marlin. During the year under review the Investment Committee met twice.

Investment Committee Members	Number of meetings attended
Andy Coupe (Chair)	2
Alistair Ryan	2
Carmel Fisher	2
Carol Campbell	2

Remuneration and Nominations Committee

The Remuneration and Nominations Committee comprises all Board members and meets at least once per year. 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 reports its relevant proceedings to the Board. During the year under review the Remuneration and Nominations Committee met once.

Remuneration & Nominations Committee Members	Number of meetings attended
Alistair Ryan (Chair)	1
Carmel Fisher	1
Carol Campbell	1
Andy Coupe	1

The Remuneration and Nominations Committee assess the collective performance of the Board. The Chair also has discussions with directors on individual performance.

Code of Ethics & Standards of Professional Conduct

Marlin has adopted policies of business conduct that provide all directors and representatives with clear guidance on those standards.

The Code of Ethics details the ethical and professional behavioural standards required of the directors and officers. The code also provides the means for proactively addressing and resolving potential ethical issues.

The Conflicts of Interests Policy details the process to be adopted for identifying conflicts of interests and the actions that should be taken.

The Insider Trading Policy details the procedure whereby persons nominated by Marlin (its directors and persons associated with the Manager) may trade in Marlin shares and take up shares purchased under the Marlin dividend reinvestment plan. Nominated persons, with the permission of the Board of Marlin, may trade in Marlin shares only during the trading window commencing immediately after Marlin's weekly disclosure of its net asset value to the New Zealand Stock Exchange ("NZX") and ending at the close of trading two days following the net asset value disclosure. Nominated persons may not trade in Marlin shares when they have price sensitive information that is not publicly available.

No breaches of ethics principles were identified during the year.

Risk Management and Compliance

Under the Risk Management Policy, the Board has overall responsibility for Marlin's system of risk management and internal control. Marlin has in place policies and procedures to identify areas of significant business risk and implement procedures to manage those risks effectively. Key risk management tools used by Marlin include the Audit and Risk Committee function, outsourcing of certain functions to service providers, internal controls, financial and compliance reporting procedures and processes, business continuity planning and insurance.

In addition to Marlin's policies and procedures in place to manage business risks, the Manager has its own comprehensive risk management policy. The Board is informed of any changes to the Manager's policy.

Disclosure, Shareholder and other Stakeholder Communications

The Board recognises the importance of providing to 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 Marlin's performance. It has a system in place for canvassing shareholder views and for communicating the Board's views to shareholders.

Alongside periodic and continuous disclosure to NZX, Marlin maintains a website www.marlin.co.nz, where the most recent net asset value, which is released to the NZX on a weekly basis and at the end of each month, is made available. Corporate governance policies, shareholder reports, monthly updates, market announcements, copies of ASM minutes, presentations, press releases and performance data are also made available.

Information is also communicated to shareholders in the annual and interim reports, quarter update newsletters which are published between these two reports and the monthly updates.

The release of the annual report is followed by the annual meeting which the Board recognises as an important forum at which shareholders can meet and hear from the Board and the Manager. The notice of meeting is circulated at least 10 days prior to the meeting and is also posted on Marlin's website. Shareholders are provided with notes on any resolutions proposed through the notice of meeting each year. This year's meeting will be held on Tuesday 14 November 2017, 10:30am 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.

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

Continuous Disclosure

Marlin is committed to promoting investor confidence by providing complete and equal access to information in accordance with the NZX Listing Rules. Marlin has a Continuous Disclosure Policy designed to ensure this occurs. The Corporate Management team is responsible for ensuring compliance with the NZX continuous disclosure requirements and overseeing and co-ordinating disclosure to the exchange.

Financial Reporting

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.

Financial information released is approved by the Board on the recommendation of the Audit and Risk Committee.

Management Agreement Renewal

The Management Agreement between Marlin and Fisher Funds is subject to renewal every five years. The Board of Marlin announced on 21 August 2017 that the Management Agreement with Fisher Funds was renewed in accordance with the terms and processes set out in the Management Agreement for a further five years to 31 October 2022. The decision to renew was after a comprehensive review of the requirements of the Management Agreement both in terms of investment performance and the provision of administrative and corporate services.

NZX Waivers

Marlin outsources all investment management functions and administration services to its Manager, Fisher Funds, under the Management Agreement entered into when Marlin first listed. The Management Agreement has been amended to reflect the evolving relationship between Marlin 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 Marlin across staff utilisation and costs. There was no substantive change to the nature or scope of services or the actual costs payable.

Marlin was granted a waiver by NZX Regulation on 30 May 2017 from NZX Main Board Listing Rule 9.2.1 so that it is not required to obtain shareholder approval for the entry into the Administration Services Agreement and the amendments to the Management Agreement. The waiver is provided on the conditions specified in paragraph 2 of the waiver decision, which is available on Marlin's website: www.marlin.co.nz/investor-centre/market-announcements/.

DIRECTORS' STATEMENT OF RESPONSIBILITY

For the year ended 30 June 2017

We present the financial statements for Marlin Global Limited for the year ended 30 June 2017.

We have ensured that the financial statements for Marlin Global Limited present fairly the financial position of the Company as at 30 June 2017 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 Marlin Global Board authorised these financial statements for issue on 21 August 2017.

Alistair Ryan **Carmel Fisher**

Carol Campbell **Andy Coupe**

FINANCIAL STATEMENTS CONTENTS

MARLIN GLOBAL LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2017

	Notes	2017	2016
		$000	**$000**
Interest income		31	36
Dividend income		808	930
Other income/(losses)	1(i)	3	(157)
Net changes in fair value of financial assets and liabilities	1(ii)	19,455	(4,590)
Total net income/(loss)		**20,297**	**(3,781)**
Operating expenses	1(iii)	(3,880)	(1,653)
Operating profit/(loss) before tax		**16,417**	**(5,434)**
Total tax expense	3(i)	(730)	(1,467)
Net operating profit/(loss) after tax attributable to shareholders		**15,687**	**(6,901)**
Other comprehensive income		0	0
Total comprehensive income/(loss) after tax attributable to shareholders		**15,687**	**(6,901)**
Earnings per share			
Basic and diluted earnings per share			
Profit/(loss) attributable to owners of the company ($000)		15,687	(6,901)
Weighted average number of ordinary shares on issue net of treasury stock ('000)		116,112	111,007
Basic earnings per share		**13.51c**	**(6.22)c**

The Statement of Accounting Policies set out on pages 39 to 42 and the Notes to the Financial Statements set out on pages 43 to 53 should be read in conjunction with this Statement of Comprehensive Income.

MARLIN GLOBAL LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2017

	Notes	Attributable to shareholders of the company Share Capital	 Retained Earnings/ (Accumulated Deficits)	 Total Equity
		$000	$000	$000
Balance at 1 July 2015		**105,625**	**1,295**	**106,920**
Comprehensive income				
Loss for the year		0	(6,901)	(6,901)
Other comprehensive income		0	0	0
Total comprehensive income for the year ended 30 June 2016		**0**	**(6,901)**	**(6,901)**
Transactions with owners				
Share buybacks	2	(943)	0	(943)
Warrant issue costs		(14)	0	(14)
Dividends paid		0	(8,277)	(8,277)
New shares issued under dividend reinvestment plan	2	2,478	0	2,478
Shares issued from treasury stock under dividend reinvestment plan	2	992	0	992
Total transactions with owners for the year ended 30 June 2016		**2,513**	**(8,277)**	**(5,764)**
Balance at 30 June 2016		**108,138**	**(13,883)**	**94,255**
Comprehensive income				
Profit for the year		0	15,687	15,687
Other comprehensive income		0	0	0
Total comprehensive loss for the year ended 30 June 2017		**0**	**15,687**	**15,687**
Transactions with owners				
Share buybacks	2	(529)	0	(529)
Shares issued for warrants exercised	2	1,139	0	1,139
Dividends paid	2	0	(7,914)	(7,914)
New shares issued under dividend reinvestment plan	2	2,896	0	2,896
Shares issued from treasury stock under dividend reinvestment plan	2	392	0	392
Total transactions with owners for the year ended 30 June 2017		**3,898**	**(7,914)**	**(4,016)**
Balance at 30 June 2017		**112,036**	**(6,110)**	**105,926**

The Statement of Accounting Policies set out on pages 39 to 42 and the Notes to the Financial Statements set out on pages 43 to 53 should be read in conjunction with this Statement of Changes in Equity.

MARLIN GLOBAL LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2017

	Notes	2017	2016
		$000	$000
ASSETS			
Current Assets			
Cash and cash equivalents		4,865	6,321
Trade and other receivables	4	150	738
Financial assets at fair value through profit or loss	6	103,235	89,696
Total Current Assets		**108,250**	**96,755**
TOTAL ASSETS		**108,250**	**96,755**
LIABILITIES			
Current Liabilities			
Financial liabilities at fair value through profit or loss	6	96	16
Current tax payable	3(ii)	300	729
Trade and other payables	5	1,928	1,755
Total Current Liabilities		**2,324**	**2,500**
TOTAL LIABILITIES		**2,324**	**2,500**
EQUITY			
Share capital	2	112,036	108,138
Accumulated deficits		(6,110)	(13,883)
TOTAL EQUITY		**105,926**	**94,255**
TOTAL EQUITY AND LIABILITIES		**108,250**	**96,755**

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

A B Ryan
Chair
21 August 2017

C A Campbell
Chair of the Audit and Risk Committee
21 August 2017

The Statement of Accounting Policies set out on pages 39 to 42 and the Notes to the Financial Statements set out on pages 43 to 53 should be read in conjunction with this Statement of Financial Position.

MARLIN GLOBAL LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2017

	Notes	2017	2016
		$000	**$000**
Operating Activities			
Cash was provided from:			
- Sale of investments		43,031	36,563
- Interest received		32	28
- Dividends received		818	923
- Other income		0	590
Cash was applied to:			
- Purchase of investments		(38,560)	(29,052)
- Operating expenses		(1,662)	(3,645)
- Other expenses		(103)	0
- Taxes paid		(1,159)	(128)
Net cash inflows from operating activities	**7**	**2,397**	**5,279**
Financing Activities			
Cash was provided from:			
- Proceeds from warrants exercised		1,139	0
Cash was applied to:			
- Warrant issue costs		0	(14)
- Share buybacks		(491)	(1,055)
- Dividends paid (net of dividends reinvested)		(4,626)	(4,807)
Net cash outflows from financing activities		**(3,978)**	**(5,876)**
Net decrease in cash and cash equivalents held		**(1,581)**	**(597)**
Cash and cash equivalents at beginning of the year		6,321	7,681
Effects of foreign currency translation on cash balance		125	(763)
Cash and cash equivalents at end of the year		**4,865**	**6,321**

All cash balances comprise short term cash deposits.

The Statement of Accounting Policies set out on pages 39 to 42 and the Notes to the Financial Statements set out on pages 43 to 53 should be read in conjunction with this Statement of Cash Flows.

MARLIN GLOBAL LIMITED

STATEMENT OF ACCOUNTING POLICIES

FOR THE YEAR ENDED 30 JUNE 2017

GENERAL INFORMATION

Entity Reporting

The financial statements for Marlin Global Limited ("Marlin" or "the company") have been prepared in accordance with the requirements of part 7 of the Financial Markets Conduct Act 2013 and the NZX Main Board listing rules.

Legal Form and Domicile

Marlin is incorporated and domiciled in New Zealand.

The company is a limited liability company, incorporated under the Companies Act 1993 on 6 September 2007.

The company is listed on the NZX Main Board and became an FMC Reporting Entity under the Financial Markets Conduct Act 2013 on 1 December 2014.

The company is a profit-oriented entity and began operating as a listed investment company on 1 November 2007.

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

Authorisation of Financial Statements

The Marlin Board of Directors authorised these financial statements for issue on 21 August 2017.

No party may change these financial statements after their issue.

ACCOUNTING POLICIES

Period Covered by Financial Statements

These financial statements cover the audited results from operations for the year ended 30 June 2017.

Statement of Compliance

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). They comply with the New Zealand equivalent to International Financial Reporting Standards ("NZ IFRS") and other applicable Financial Reporting Standards, as appropriate. These financial statements comply with International Financial Reporting Standards ("IFRS") as published by the International Accounting Standards Board.

The following new standard relevant to the company is not yet effective and has not yet been applied in preparing the financial statements:

NZ IFRS 9: Financial Instruments is applicable to annual reporting periods beginning on or after 1 January 2018. The company plans to adopt this standard for the financial year ending 30 June 2019. *NZ IFRS 9* was issued in September 2014 as a complete version of the standard and will replace parts of the existing standard *NZ IAS 39: Financial Instruments Recognition and Measurement* that relate to the classification and measurement of financial instruments, hedge accounting and impairment. *NZ IFRS 9* requires financial assets to be classified into three measurement categories: fair value through profit or loss, fair value through other comprehensive income or amortised cost. This standard is not expected to have a material impact on the classification and measurement of its financial instruments. Minor changes are expected to disclosures about the company's financial instruments, particularly in the year of adoption of the new standard.

There are no other standards, amendments or interpretations that have been issued but are not yet effective that are expected to impact the company's financial statements.

Summary of Significant Accounting Policies

The accounting policies that materially affect the recognition, measurement and disclosure of items in the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Financial Position and Statement of Cash Flows are set out below. These policies have been consistently applied to all the years presented.

Measurement Base

The financial statements have been prepared on the historical cost basis, as modified by the fair valuation of certain assets as identified in specific accounting policies below.

Critical Judgements, Estimates and Assumptions

The preparation of these financial statements did not require the directors to make material judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

Cash and Cash Equivalents
Cash and cash equivalents include cash in hand and short term money market deposits. Cash and cash equivalents are classified as loans and receivables under *NZ IAS 39*.

Statement of Cash Flows
The following are definitions of the terms used in the Statement of Cash Flows:

(a) Operating activities include all principal revenue producing activities and other events that are not financing activities.

(b) Financing activities are those activities that result in changes in the size and composition of the capital structure.

Functional and Presentation Currency
The financial statements are presented in New Zealand dollars, which is the company's functional and presentation currency.

Foreign Currency Transactions and Translations
Foreign currency transactions are translated into the functional currency using exchange rates at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in the Statement of Comprehensive Income within Other Income/(losses).

Assets and liabilities denominated in foreign currencies at balance date are translated to the functional currency at the foreign currency exchange rates at that date. Foreign exchange gains and losses resulting from the translation of these balances at year end are recognised in the Statement of Comprehensive Income within Net Changes in Fair Value of Financial Assets and Liabilities.

Translation differences on monetary financial assets and liabilities such as cash are recognised in the Statement of Comprehensive Income within Other Income/(losses) as foreign exchange gains/(losses) on cash and cash equivalents.

Translation differences on non-monetary financial assets and liabilities such as equities at fair value through profit or loss are recognised in the Statement of Comprehensive Income within Net Changes in Fair Value of Financial Assets and Liabilities.

Interest Income and Dividend Income
Interest is accounted for as earned using the effective interest method.

Dividend income is recognised when the company's right to receive payments is established (ex-dividend date).

Manager's Performance Fee
The performance fee is recognised in the Statement of Comprehensive Income on an accrual basis based on the performance of the company to balance date. Refer to note 11 to the financial statements.

Income Tax
Current tax is calculated by reference to the amount of income taxes payable or recoverable for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted at balance date. 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 accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the entity expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Marlin elected into the Portfolio Investment Entity ("PIE") regime from the company's commencement date.

Goods and Services Tax ("GST")
The company is not registered for GST as its activities relate to financial services. The financial statements include GST where it is charged by other parties as it cannot be reclaimed.

Investments at Fair Value Through Profit or Loss
Classification
Investments in listed entities are classified at fair value through profit or loss in the financial statements under *NZ IAS 39*. This designation on inception is to provide more relevant information given that the investment portfolio is managed, and performance evaluated, on a fair value basis, in accordance with a documented investment strategy.

Recognition and Measurement
All investments at fair value through profit or loss are initially recognised at fair value and are subsequently revalued to reflect changes in fair value.

Net changes in the fair value of investments classified as fair value through profit or loss are recognised in the Statement of Comprehensive Income as they arise.

The fair values of investments at fair value through profit or loss 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, in which case the bid price is used.

Transaction costs for all financial assets carried at fair value through profit or loss are expensed as incurred.

All purchases and sales of investments are recognised at trade date, which is the date on which the company commits to purchase or sell the asset.

All investments are derecognised upon disposal. Any gain or loss arising on derecognition of the investment is included in the Statement of Comprehensive Income. Gain or losses are calculated as the difference between the disposal proceeds and the carrying amount of the item.

Dividend income from investments at fair value through profit or loss is recognised in the Statement of Comprehensive Income when the company's right to receive payments is established (ex-dividend date).

Held for trading financial assets at fair value through profit or loss
Held for trading financial assets at fair value through profit or loss comprise forward foreign exchange contracts. The use of these contracts by the company is limited to the risk management of their investments.

Forward foreign exchange contracts can be used as economic hedges for equity investments against currency risk. Therefore, they are accounted for on the same basis as those investments and are recognised at their fair value. Forward foreign exchange contracts are measured at fair value both upon initial recognition and subsequently. Gains and losses arising from changes in the fair value are recognised in the Statement of Comprehensive Income when they arise.

Fair Value
The fair value of investments at fair value through profit or loss traded in active markets is based on last sale prices at balance date, except where the last sale price falls outside the bid-ask spread, in which case the bid price is used.

The fair value of investments and forward foreign exchange contracts that are not traded in an active market is determined by using valuation techniques. The company uses a variety of methods and makes assumptions that are based on market conditions existing at each year end date. Valuation techniques include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs.

The output of valuation techniques is always an estimate or approximation of a value that cannot be determined with certainty, and the valuation may not fully reflect all factors relevant to the positions the company holds. Valuations are therefore adjusted, where appropriate, to allow for additional factors including liquidity risk and counterparty risk.

The fair value hierarchy has the following levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Investments whose values are based on quoted market prices in active markets are classified within Level 1. The company does not adjust the quoted price for these instruments.

Derivative financial instruments are valued based on observable inputs and are classified within Level 2.

Valuation of investments classified within Level 3 may require significant unobservable inputs, as they trade infrequently or have suspended trading on their shares. As observable prices are not available for these securities, the company uses valuation techniques to derive the fair value.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the company makes short term cash deposits or accrues trade receivables with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets.

Trade and Other Receivables

Trade and other receivables are initially recognised at fair value and subsequently carried at amortised cost less impairment where collection is doubtful. Receivables are assessed on a case-by-case basis for impairment. The fair value of trade receivables is equivalent to their carrying amount.

Trade and Other Payables

Trade payables are initially recognised at fair value and subsequently measured at amortised cost. The fair value of trade and other payables is equivalent to their carrying amount.

Financial Instruments

Financial instruments carried on the Statement of Financial Position include cash and cash equivalents, equity investments, forward foreign exchange contracts, trade receivables, trade payables and borrowings (when used). The various accounting policies associated with these financial instruments have been disclosed above.

Dividends Payable

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 Marlin Board.

Segmental Reporting

Operating segments are identified on the basis of internal reports that are regularly reviewed by the Chief Operating Decision Maker, which for the company is deemed to be the Board of Directors and the Manager, to govern the company's operations and assess its performance.

Operating segments are reported in a manner consistent with the internal reporting provided to the Board of Directors and the Manager.

Earnings Per Share

Basic earnings per share is calculated by dividing 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 is calculated by dividing profit attributable to equity holders of the company by the weighted average number of ordinary shares plus the dilutive effect of potential ordinary shares outstanding during the year. Potential ordinary shares include outstanding warrants.

Share Capital

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, net of tax. Share capital bought back by the company reduces share capital and may be held as treasury stock at the value of the consideration paid. Treasury stock may later be re-issued which increases share capital by the fair value of the shares on issue date.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1 — STATEMENT OF COMPREHENSIVE INCOME

	2017	2016
	$000	$000
(i) Other income/(losses)		
Foreign exchange gains/(losses) on cash and cash equivalents	3	(157)
Total other income/(losses)	**3**	**(157)**
(ii) Net changes in fair value of financial assets and liabilities		
Investments designated at fair value through profit or loss		
International equity investments	19,775	(2,571)
Foreign exchange losses on equity investments	(2,077)	(4,079)
Total gains/(losses) on designated financial assets	**17,698**	**(6,650)**
Investments at fair value through profit or loss — held for trading		
Gains on forward foreign exchange contracts	1,757	2,060
Total gains on financial assets and liabilities held for trading	**1,757**	**2,060**
Net changes in fair value of financial assets and liabilities	**19,455**	**(4,590)**
(iii) Operating expenses		
Performance fee (note 8 and note 11)	1,645	0
Management fee (note 8)	1,453	880
Administration services (note 8)	159	159
Directors' fees (note 8)	144	144
Custody, brokerage and transaction fees	241	227
Investor relations and communications	93	107
NZX fees	42	43
Professional fees	40	26
Auditor's fees:		
- Statutory audit and review of financial statements	33	29
- Other assurance services	0	4
- Non-assurance services	2	2
Other operating expenses	28	32
Total operating expenses	**3,880**	**1,653**

Other assurance services relate to a share and warrant register audit and non-assurance services relate to agreed upon procedures performed at the annual meeting and in respect of the performance fee calculation. No other fees were paid to the auditor during the year (2016: nil).

NOTE 2 — SHARE CAPITAL

	2017	2016
	$000	$000
Opening balance	108,138	105,625
New shares issued under dividend reinvestment plan	2,896	2,478
Shares issued from treasury stock under dividend reinvestment plan	392	992
New shares issued for new warrants exercised	1,139	0
Warrant issue costs	0	(14)
Share buybacks held as treasury stock	(529)	(943)
Closing balance	**112,036**	**108,138**

Ordinary shares

As at 30 June 2017 there were 118,431,288 (30 June 2016: 113,369,629) fully paid Marlin shares on issue, including treasury stock of 165,681 shares (30 June 2016: nil). All ordinary shares are classified as equity, rank equally and have no par value. All shares (with the exception of treasury stock) carry an entitlement to dividends and one vote attached to each fully paid ordinary share.

Warrants

On 14 July 2015, 27,546,716 new Marlin warrants were allotted and listed on the NZX Main Board. One new warrant was issued to all eligible shareholders for every four shares held on record date (13 July 2015). The net cost of issuing warrants is deducted from share capital. On 5 August 2016, 1,419,270 warrants were exercised at $0.81 per warrant and the remaining 26,127,446 warrants lapsed.

Treasury stock

On 28 October 2016, Marlin announced the continuation of its share buyback programme of its ordinary shares in accordance with Section 65 of the Companies Act 1993. All the shares acquired under the buyback scheme are initially held as treasury stock but are available to be re-issued. The cost of treasury stock (including transaction costs) is deducted from share capital.

At 30 June 2017, 165,681 ordinary shares were held as treasury stock (30 June 2016: nil).

Dividends

Marlin has a distribution policy where 2% of average NAV is distributed each quarter. Total dividends per share for the year ended 30 June 2017 were 6.81 cents per share (30 June 2016: 7.47 cents per share). Total dividends paid for the year ended 30 June 2017, prior to any reinvestment, totalled $7,913,874 (30 June 2016: $8,277,454). Individual dividends paid for the year ended 30 June 2017 were; 1.72 cents per share on 30 September 2016, 1.72 cents per share on 22 December 2016, 1.66 cents per share on 31 March 2017 and 1.71 cents per share on 29 June 2017.

Dividend Reinvestment Plan

Marlin 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. During the year ended 30 June 2017, 4,321,386 ordinary shares (2016: 4,370,749 ordinary shares) 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 Marlin before the next record date.

NOTE 3 — TAXATION

	2017 $000	2016 $000
(i) Total tax expense		
Operating profit/(loss) before tax	**16,417**	**(5,434)**
Non-taxable realised gain on financial assets and liabilities	(10,877)	(9,684)
Non-taxable unrealised (gain)/loss on financial assets and liabilities	(6,821)	16,334
Exempt dividends subject to Fair Dividend Rate	(816)	(924)
Fair Dividend Rate income	4,568	4,846
Non-deductible expenses and other	136	102
Taxable income	**2,607**	**5,240**
Tax at 28%	**730**	**1,467**
Taxation expense comprises:		
Current tax	723	1,466
Foreign tax credits forfeited	7	1
Total tax expense	**730**	**1,467**
(ii) Current tax balance		
Opening balance	(729)	606
Current tax movements	(723)	(1,466)
Tax paid	1,159	132
Credits used	(7)	(1)
Current tax payable	**(300)**	**(729)**
(iii) Deferred tax balance		
Opening balance	0	4
Other	0	(4)
Deferred tax asset	**0**	**0**

(iv) Imputation credits

Imputation credits available for subsequent reporting periods total $304,435 (2016: $729,050). 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 2017.

NOTE 4 — TRADE AND OTHER RECEIVABLES

	2017 $000	2016 $000
Related party receivable (note 8)	0	586
Interest receivable	4	8
Dividends receivable	23	51
Unsettled investment sales	0	54
Other receivables and prepayments	123	39
Total trade and other receivables	**150**	**738**

Trade receivables are classified as loans and receivables under *NZ IAS 39*. Total loans and receivables are $5,014,821 (30 June 2016: $7,059,904) being cash plus trade and other receivables.

NOTE 5 — TRADE AND OTHER PAYABLES

	2017 $000	2016 $000
Related party payable (note 8)	1,788	125
Unsettled purchases of investments	0	1,578
Other payables and accruals	102	52
Share buyback payable	38	0
Total trade and other payables	**1,928**	**1,755**

Trade payables are classified as other financial liabilities under *NZ IAS 39*. All payables are contractually required to be paid within three months.

NOTE 6 — FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	2017 $000	2016 $000
Financial Assets:		
Investments designated at fair value through profit or loss		
International listed equity investments	103,047	89,334
Financial assets at fair value through profit or loss — held for trading		
Forward foreign exchange contracts	188	362
Total financial assets at fair value through profit or loss	**103,235**	**89,696**
Financial Liabilities:		
Financial liabilities at fair value through profit or loss — held for trading		
Forward foreign exchange contracts	96	16
Total financial liabilities at fair value through profit or loss	**96**	**16**

Although investments at fair value through profit or loss are treated as current assets from an accounting point of view, the investment strategy of the company is to hold for the medium to long term.

All investments at fair value through profit or loss are valued using last sale prices from an active market, except eight stocks where the last sale price was outside the bid-ask spread and therefore bid price was used (June 2016: all investments valued using last sale prices except nine stocks where the last sale price was outside the bid-ask spread and therefore bid price was used).

All investments are classified as Level 1 in the fair value hierarchy (2016: all investments).

Forward foreign exchange contracts are valued using observable market prices (as they are not quoted), and they are classified as Level 2 in the fair value hierarchy. The notional value of forward foreign exchange contracts held at 30 June 2017 was $40,740,999 (30 June 2016: $31,692,770).

NOTE 7 — RECONCILIATION OF NET OPERATING PROFIT/(LOSS) AFTER TAX TO NET CASH FLOWS FROM OPERATING ACTIVITIES

	2017	2016
	$000	**$000**
Net operating profit/(loss) after tax	**15,687**	**(6,901)**
Items not involving cash flows:		
Unrealised (gains)/losses on cash and cash equivalents	(125)	763
Unrealised (gains)/losses on revaluation of investments	(6,567)	13,616
	(6,692)	**14,379**
Impact of changes in working capital items		
Increase in trade and other payables	173	96
Decrease/(increase) in trade and other receivables	588	(705)
Change in current and deferred tax	(429)	1,339
	332	**730**
Items relating to investments		
Amount paid for purchases of investments	(38,560)	(29,052)
Amount received from sales of investments	43,031	36,563
Realised gains on investments	(12,887)	(9,028)
Decrease/(increase) in unsettled purchases of investments	1,578	(1,578)
(Decrease)/increase in unsettled sales of investments	(54)	54
(Increase)/decrease in share buybacks payable	(38)	112
	(6,930)	**(2,929)**
Net cash inflows from operating activities	**2,397**	**5,279**

NOTE 8 — 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.

The Manager of Marlin is Fisher Funds Management Limited ("Fisher Funds" or "the Manager"). Fisher Funds is a related party by virtue of the Manager's common directorship and a Management Agreement.

The Management Agreement with Fisher Funds provides for the provisional payment of a management fee equal to 1.25% (plus GST) per annum of the gross asset value, calculated weekly and payable monthly in arrears. This management fee is reduced by 0.10% for each 1.0% per annum by which the Gross Return achieved on the portfolio during each financial year is less than the change in the NZ 90 Day Bank Bill Index over the same period but subject to a minimum management fee of 0.75% (plus GST) per annum of the average gross asset value for that period. The annual management fee is finalised at 30 June and any adjustment (where the management fee is less than 1.25%) is offset against future management fee payments due to Fisher Funds. For the year ended 30 June 2017, no management fee adjustment was necessary (30 June 2016: $586,394 was recognised as a prepayment in the Statement of Financial Position). Management fees (including GST) for the year ended 30 June 2017 totalled $1,452,879 (30 June 2016: $879,592).

Marlin is party to an Administration Services Agreement with Fisher Funds for the provision of administration services and a regular monthly fee is charged. The Manager received $158,700 (including GST) for the year ended 30 June 2017 (30 June 2016: $158,700).

In addition, a performance fee may be earned by the Manager if portfolio returns exceed the performance fee hurdle of the change in NZ 90 Day Bank Bill Index plus 5% per annum, to the extent the high water mark is also exceeded. Performance fees are calculated weekly and payable annually at the end of each financial year. A performance fee of $1,645,381 (30 June 2016: no fee earned) has been earned by the Manager for the year ended 30 June 2017, refer to note 11. The performance fee to be paid to the Manager is included within payables.

There were no marketing costs incurred by Fisher Funds on behalf of Marlin included within investor relations and communications for the year ended 30 June 2017 (30 June 2016: $15,516).

The amount payable to Fisher Funds at 30 June 2017 in respect of management fees, performance fees and administration services was $1,787,632 (30 June 2016: $125,494).

The Manager held shares in the company at 30 June 2017 which total 0.69% of the total shares on issue (30 June 2016: 0.72% of the total shares on issue and 0.43% of the total warrants on issue). Dividends were also received by the Manager as a result of its shareholding.

Off-market transactions between Marlin 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). During the year ended 30 June 2017, off-market transactions between Marlin and other funds managed by Fisher Funds totalled nil for purchases and nil for sales (year ended 30 June 2016: $1,675,292 for purchases and nil for sales).

The directors of Marlin are the only key management personnel as defined by *NZ IAS 24 Related Party Disclosures* and they earn a fee for their services which is disclosed in note 1(iii) under directors' fees (only independent directors earn a director's fee). The directors also held shares in the company at 30 June 2017 which total 0.43% of total shares on issue (30 June 2016: 0.42% of the total shares on issue and 0.18% of total warrants on issue). Dividends were also received by the directors as a result of their shareholding. The directors did not receive any other benefits which may have necessitated disclosure under *NZ IAS 24*.

NOTE 9 — FINANCIAL RISK MANAGEMENT POLICIES

The company is subject to a number of financial risks which arise as a result of its investment activities, including market risk (price, interest rate and currency), credit risk and liquidity risk.

The Management Agreement between Marlin 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.

Capital Risk Management
The company's objective when managing capital (share capital, reserves and borrowings, if any) is to prudently manage shareholder capital.

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 make borrowings in the short term.

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

In August 2010, the company announced a long term distribution policy of paying out 2% of average net asset value each quarter which continues to apply.

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 and diversification, daily monitoring of the market positions and 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 country in which Marlin's exposure is 10% or greater of the portfolio is the United States 64% (2016: Germany 16% and United States 57%).

The maximum market risk resulting from financial instruments is determined as their fair value.

Price Risk
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 Marlin's total assets at 30 June 2017 (30 June 2016: none).

Interest Rate Risk
Surplus cash is held in foreign currency accounts overseas as well as in interest bearing New Zealand bank accounts. Amounts held are subject to varying rates of interest and therefore the company is exposed to the risk of movements in these interest rates. There is no hedge against the movement in interest rates.

The company may use short term fixed rate borrowings to fund investment opportunities. There were no borrowings at 30 June 2017 (30 June 2016: none).

Currency Risk
The company holds monetary and non-monetary assets denominated in international currencies. It is therefore exposed to currency risk as the value of cash held in international currencies will fluctuate with changes in the relative value of the New Zealand dollar compared to the international currencies. 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.

A full sensitivity analysis for foreign currency has not been provided in note 10 to the financial statements as Marlin is exposed to the fluctuations of several foreign currencies. At 30 June, the following monetary and non-monetary foreign currency assets (converted to New Zealand dollars) were held:

NOTE 9 — FINANCIAL RISK MANAGEMENT POLICIES CONTINUED

	30 June 2017	30 June 2016
	NZ$000	NZ$000
Canadian Dollars	3,315	1,944
Danish Kroner	3,416	3,141
Euros	12,384	18,581
Japanese Yen	2,128	2,844
Mexican Pesos	0	790
Pounds Sterling	3,507	1,951
Singapore Dollars	2,377	2,919
Swiss Francs	14	14
US Dollars	78,743	59,619

Credit Risk

In the normal course of its business, the company is exposed to credit risk from transactions with its counterparties.

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

All transactions in listed securities are paid for on delivery according to standard settlement instructions. The company invests cash with banks registered in New Zealand and internationally which carry a minimum short term credit rating of S&P A-1 (or equivalent).

Listed securities are held in trust by an independent trustee company.

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

Liquidity Risk

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. Such liquidity can be augmented by short term borrowings from a registered bank to a maximum value of 20% of the gross asset value of the company. No such borrowings have arisen to date.

NOTE 10 — SENSITIVITY ANALYSIS

The sensitivity of the year end result and shareholders' equity to reasonably possible changes in market conditions (based on historic trends) at 30 June is as follows:

2017: Company ($000)

EQUITY PRICES

	Carrying Amount	-10%		+10%	
		Profit	Equity	Profit	Equity
Investments designated at fair value through profit or loss	103,047	(10,305)	(10,305)	10,305	10,305

INTEREST RATE

	Carrying Amount	-1%		+1%	
		Profit	Equity	Profit	Equity
Cash and cash equivalents	4,865	(49)	(49)	49	49

FOREIGN EXCHANGE RATE

	Carrying Amount	-10%		+10%	
		Profit	Equity	Profit	Equity
Cash and cash equivalents					
- US dollar	1,886	210	210	(171)	(171)
- Euro	510	57	57	(46)	(46)
- Other foreign currencies	326	34	34	(28)	(28)
Net trade payables/receivables:					
- US dollar	23	3	3	(2)	(2)
Investments designated at fair value through profit or loss					
- US dollar	76,670	8,519	8,519	(6,970)	(6,970)
- Euro	11,951	1,328	1,328	(1,086)	(1,086)
- Other foreign currencies	14,426	1,603	1,603	(1,311)	(1,311)
Financial assets and liabilities at fair value through profit or loss – held for trading:					
- US dollar	164	3,548	3,548	(2,903)	(2,903)
- Euro	(78)	(689)	(689)	563	563
- Other foreign currencies	6	(151)	(151)	123	123

NOTE 10 — SENSITIVITY ANALYSIS CONTINUED

2016: Company ($000)

EQUITY PRICES

	Carrying Amount	-10% Profit	-10% Equity	+10% Profit	+10% Equity
Investments designated at fair value through profit or loss	89,334	(8,933)	(8,933)	8,933	8,933

INTEREST RATE

	Carrying Amount	-1% Profit	-1% Equity	+1% Profit	+1% Equity
Cash and cash equivalents	6,321	(63)	(63)	63	63

FOREIGN EXCHANGE RATE

	Carrying Amount	-10% Profit	-10% Equity	+10% Profit	+10% Equity
Cash and cash equivalents					
- US dollar	2,008	223	223	(183)	(183)
- Euro	540	60	60	(49)	(49)
- Other foreign currencies	1,048	110	110	(90)	(90)
Net trade payables/receivables:					
- US dollar	(1,264)	(141)	(141)	115	115
- Other foreign currencies	(209)	(23)	(23)	19	19
Investments designated at fair value through profit or loss					
- US dollar	58,703	6,523	6,523	(5,337)	(5,337)
- Euro	17,851	1,983	1,983	(1,623)	(1,623)
- Other foreign currencies	12,780	1,420	1,420	(1,162)	(1,162)
Financial assets and liabilities at fair value through profit or loss – held for trading:					
- US dollar	172	(2,442)	(2,442)	1,998	1,998
- Euro	190	(899)	(899)	735	735
- Other foreign currencies	(16)	(181)	(181)	148	148

Price Risk
A variable of 10% was selected as this is a reasonably expected movement based on historic trends in equity prices. The table above summarises the impact on profit and equity at 30 June if equity prices were 10% higher/lower with all other variables held constant.

Interest Rate Risk
A variable of 1% was selected as this is reasonably expected movement based on past overnight cash rate movements. 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. The table above summarises the impact on profit and equity if interest rates were 1% higher/lower with all other variables held constant.

Currency Risk
A variable of 10% was selected as this is reasonably expected movement based on historic trends in exchange rate movements. The table above summarises the impact on profit and equity if exchange rates were 10% higher/lower with all other variables held constant.

NOTE 11 — PERFORMANCE FEE

The Management Agreement with Fisher Funds provides for an annual performance fee for outperforming the benchmark rate and providing excess returns.

The performance fee payable to the Manager under the agreement is 15% of the lesser of:

a) the excess return for the applicable period multiplied by the number of shares on issue at the end of the period; or

b) 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 on issue at the end of the period.

Excess return is defined as the excess above a benchmark return which is the change in the NZ 90 Day Bank Bill Index in the period plus 5% per annum.

Subject to all regulatory requirements, the Manager will use 25% of the performance fee to acquire shares in Marlin on-market within 90 days of receipt of the performance fee. This obligation shall cease if and to the extent that the Manager holds 4.99% of the shares then on issue in the company. Any shares acquired by the Manager must be held for at least 180 days from the date of payment of the performance fee.

At 30 June 2017 the net asset value per share, before the deduction of a performance fee, of $0.90 (30 June 2016: $0.83) was above the high water mark net asset value per share of $0.82 (being the highest net asset value per share at the end of the last calculation period of 30 June 2015 adjusted for any capital changes and distributions).

Accordingly, the company has expensed a performance fee of $1,645,381 (including GST) in its Statement of Comprehensive Income for the year ended 30 June 2017 (30 June 2016: nil).

NOTE 12 — NET ASSET VALUE

The audited net asset value of Marlin as at 30 June 2017 was $0.89 per share (30 June 2016: $0.83 per share) calculated as the net assets of $105,927,487 divided by the number of shares on issue of 118,431,288.

NOTE 13 — CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACTUAL COMMITMENTS

There were no material contingent liabilities or unrecognised contractual commitments as at 30 June 2017 (30 June 2016: nil).

NOTE 14 — SEGMENTAL REPORTING

The company operates in a single operating segment being international financial investment.

NOTE 15 — SUBSEQUENT EVENTS

On 21 August 2017, the Board declared a dividend of 1.83 cents per share. The record date for this dividend is 14 September 2017 with a payment date of 29 September 2017.

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

Independent auditor's report

To the shareholders of Marlin Global Limited

Marlin Global Limited's financial statements comprise:

- the statement of financial position as at 30 June 2017;
- 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 statement of accounting policies and the notes to the financial statements.

Our opinion

In our opinion, the financial statements of Marlin Global Limited (the Company), present fairly, in all material respects, the financial position of the Company as at 30 June 2017, 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).

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 (Revised) *Code of Ethics for Assurance Practitioners* (PES 1) issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our firm carries out other services for the Company including agreed upon procedures in relation to the annual shareholder meeting count of votes and the performance fee calculation. The provision of these other services has not impaired our independence.

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Our audit approach

Overview

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

Overall materiality: $529,600, which represents 0.5% of net assets. We used this benchmark because, in our view, the objective of the Company is to provide investors with a total return on the assets, taking account of both capital and income returns.

We agreed with the Audit and Risk Committee that we would report to them misstatements identified during our audit above $52,900 as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Because of the significance of the investments to the financial statements, we have determined that there is one key audit matter: valuation and existence of investments designated at fair value through profit or loss.

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 Company 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 and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in the 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 the third party service providers, the 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 Fisher Funds Management Limited (the Investment Manager) and Trustees Executors Limited (the Administrator). The Company has also appointed Trustees Executors Limited (the Custodian) to act as Custodian of the Company's investments.

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 Administrator and the control environment in place at the Administrator and the Custodian.

Key audit matters

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 investments designated at fair value through profit or loss. 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
Valuation and existence of investments designated at fair value through profit or loss Investments designated at fair value through profit or loss (the Investments) are valued at $103.0 million and represent 95% of total assets. Further disclosures on the Investments are included at note 6 to the financial statements. This was an area of focus for our audit and the area where significant audit effort was directed. As at 30 June 2017, all Investments are in companies that are listed on stock exchanges outside of New Zealand and Australia and are actively traded with readily available, quoted market prices. The market prices are quoted in foreign currencies, which are then translated to New Zealand dollars using the applicable exchange rate at 30 June 2017. All Investments are held by the Custodian on behalf of the Company and administered by the Administrator.	Our audit procedures included updating our understanding of the business processes employed by the Company for accounting for, and valuing, their investment portfolio. We obtained confirmation from the Custodian that the company was the recorded owner of all recorded investments. Our procedures also included obtaining the Administrator's and Custodian's Internal Controls Report for Custody, Investment Accounting and Registry services for the periods ended 30 September 2016 and 31 March 2017. The Administrator and Custodian have confirmed that there has been no material change to their control environment in the period from 1 April 2017 to 30 June 2017. Our audit procedures over the valuation of the Investments included agreeing the price for all Investments held at 30 June 2017, and the exchange rate at which they have been converted from the foreign currency to New Zealand dollars, to independent third party pricing sources. We had no matters arising from the procedures performed.

Information other than the financial statements and auditor's report

The Directors are responsible for the annual report. The annual report is expected to be made available to us after the date of this auditor's 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 when it becomes available 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.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Directors.

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.

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.

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.

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

For and on behalf of:

PricewaterhouseCoopers

Chartered Accountants Auckland
21 August 2017

SHAREHOLDER INFORMATION

Spread of Shareholders as at 11 August 2017

Holding Range	# of Shareholders	# of Shares	% of Total
1 to 999	82	33,600	0.03
1,000 to 4,999	290	745,551	0.63
5,000 to 9,999	871	5,950,751	5.02
10,000 to 49,999	1,715	36,159,351	30.49
50,000 to 99,999	273	18,222,651	15.37
100,000 to 499,999	210	37,481,715	31.6
500,000 +	17	20,003,350	16.87
TOTAL	3,458	118,596,969	100%

20 Largest Shareholders as at 11 August 2017

Holder Name	# of Shares	% of Total
FORSYTH BARR CUSTODIANS LIMITED <1-CUSTODY>	6,071,843	5.12
FNZ CUSTODIANS LIMITED	1,960,601	1.65
ANTHONY JOHN SIMMONDS + MAUREEN SIMMONDS + HERON HILL TRUSTEE COMPANY LIMITED <AJ & M SIMMONDS FAMILY A/C>	1,659,151	1.40
HETTINGER NOMINEES LIMITED	1,317,688	1.11
THOMAS VINCENT BRIEN + JILLIAN MAUREEN BRIEN	957,637	0.81
ASB NOMINEES LIMITED <339992 A/C>	956,727	0.81
ANTHONY JOHN SIMMONDS + MAUREEN SIMMONDS <AJ & M SIMMONDS PARTNERSHIP A/>	860,067	0.73
BRYAN THOMAS SEDDON + DOROTHY EDITH ALLISON SEDDON	800,000	0.67
ZONDA TRUSTEES LIMITED	797,500	0.67
MARLIN GLOBAL LIMITED <TREASURY STOCK A/C>	744,228	0.63
GERARDUS VAN DEN BEMD	575,355	0.49
RUSSELL IAN MOLLER	569,495	0.48
ESTATE PAUL JAN KRIHA DECEASED	563,848	0.48
EDWARD ALLAN HUDSON	551,500	0.47
JOHN LICCO SARFATI	550,000	0.46
PETER JOHN MOLLER + VICTOR ROSS ALEXANDER BEDFORD + JEAN ELSPETH MOLLER <JEM FAMILY A/C>	542,710	0.46
JOHN HASTIE + ERICA DAWNE HASTIE	525,000	0.44
CUSTODIAL SERVICES LIMITED <A/C 4>	474,061	0.40
DEREK LLOYD HARLAND + MICHAEL GEORGE STEPHENS <THE PIWAKAWAKA A/C>	455,014	0.38
LLOYD JAMES CHRISTIE	441,400	0.37
TOTAL	**21,373,825**	**18.02%**

STATUTORY INFORMATION

Directors' Relevant Interests in Equity Securities as at 30 June 2017

Interests Register
Marlin 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 Marlin is available for inspection at its registered office. Particulars of entries in the interests register as at 30 June 2017 are as follows:

	Ordinary Shares Held Directly	Ordinary Shares Held by Associated Persons
A B Ryan(1)	48,768	
C M Fisher(2)		1,221,191
C A Campbell(3)	36,575	
R A Coupe(4)	23,927	

(1) A B Ryan purchased 6,000 shares on market in the year ended 30 June 2017 as per the Marlin share purchase plan. A B Ryan received 4,104 shares in the year ended 30 June 2017, issued under the dividend reinvestment plan (average issue price $0.77). A B Ryan exercised 6,000 warrants and was issued 6,000 shares in the year ended 30 June 2017. Subsequent to the balance date, A B Ryan purchased 6,303 shares on market as per the Marlin share purchase plan on 25 August 2017.

(2) Subsequent to balance date, and as at 1 September 2017, associated persons of C M Fisher have purchased 339,000 shares on market as required under the Marlin Management Agreement obligations relating to 25% of the net performance fee due to Fisher Funds Management Limited.

(3) C A Campbell purchased 4,500 shares on market in the year ended 30 June 2017 as per the Marlin share purchase plan. C A Campbell received 3,077 shares in the year ended 30 June 2017, issued under the dividend reinvestment plan (average issue price $0.77). C A Campbell exercised 4,500 warrants and was issued 4,500 shares in the year ended 30 June 2017. Subsequent to the balance date, C A Campbell purchased 4,727 shares on market as per the Marlin share purchase plan on 25 August 2017.

(4) R A Coupe purchased 4,500 shares on market in the year ended 30 June 2017 as per the Marlin share purchase plan. R A Coupe received 2,014 shares in the year ended 30 June 2017, issued under the dividend reinvestment plan (average issue price $0.77). R A Coupe exercised 2,349 warrants and was issued 2,349 shares in the year ended 30 June 2017. Subsequent to the balance date, R A Coupe purchased 4,727 shares on market as per the Marlin share purchase plan on 25 August 2017.

Directors Holding Office

Marlin's directors as at 30 June 2017 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 Marlin constitution, at the 2016 Annual Shareholders' Meeting, Alistair Ryan retired by rotation and being eligible was re elected. Andy Coupe retires by rotation at the 2017 Annual Shareholders' Meeting and being eligible, offers himself for re-election.

Directors' Remuneration

The following table sets out the total remuneration received by each director from Marlin for the year ended 30 June 2017. The directors' fees disclosed in the financial statements include a portion of non-recoverable GST expensed by Marlin.

Directors' remuneration* for the 12 months ended 30 June 2017	
A B Ryan (Chair)	$50,000(1)
C A Campbell	$37,500(2)
R A Coupe	$37,500(3)

** excludes GST*

(1) $5,000 of this amount was applied to the purchase of 6,000 shares under the Marlin share purchase plan.

(2) $3,750 of this amount was applied to the purchase of 4,500 shares under the Marlin share purchase plan. C A Campbell receives $5,000 as Chair of Audit and Risk Committee.

(3) $3,750 of this amount was applied to the purchase of 4,500 shares under the Marlin share purchase plan. R A Coupe receives $5,000 as Chair of Investment Committee.

Carmel Fisher does not earn a director's fee.

Directors' Indemnity and Insurance

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

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

Employee Remuneration

Marlin does not have any employees. Corporate management services are provided to Marlin by Fisher Funds Management Limited.

Directors' Relevant Interests

The following are relevant interests of Marlin's Directors as at 30 June 2017:

A B Ryan	Kingfish Limited	Director
	Barramundi Limited	Director
	Christchurch Casinos Limited	Director
	Metlifecare Limited	Director
	Lewis Road Creamery Limited	Director
	Evolve Education Group Limited	Director
	The New Zealand Racing Board	Board Member
	Audit Oversight Committee	Member

C M Fisher	Kingfish Limited	Director
	Barramundi Limited	Director
	Fisher Funds Management Limited	Director
	New Zealand Trade & Enterprise	Director
	Tower Investments Limited	Director

C A Campbell	Kingfish Limited	Director
	Barramundi Limited	Director
	T&G Global Limited	Director
	Hick Bros Holdings Limited & associated companies	Director
	Woodford Properties Limited	Director
	alphaXRT Limited	Director
	New Zealand Post Limited	Director
	NZME Limited	Director
	Key Assets NZ Limited	Director
	Kiwibank Limited	Director
	NPT Limited	Director
	Nica Consulting Limited	Director
	Cord Bank Limited	Director
	Key Assets Foundation	Trustee
	Ronald McDonald House Charities NZ	Chair

R A Coupe	Kingfish Limited	Director
	Barramundi Limited	Director
	New Zealand Takeovers Panel	Chair
	Coupe Consulting Limited	Director
	Farmright Limited	Chair
	Solid Energy New Zealand Limited	Chair
	Gentrack Group Limited	Director
	Briscoe Group Limited	Director
	Television New Zealand Limited	Deputy Chair

Auditor's Remuneration

During the 30 June 2017 year the following amounts were paid/payable to the auditor, PricewaterhouseCoopers New Zealand.

	$000
Statutory audit and review of financial statements	33
Other assurance services	0
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

Marlin did not make any donations during the year ended 30 June 2017.

DIRECTORY

Registered Office
Marlin Global Limited
Level 1
67-73 Hurstmere Road
Takapuna
Auckland 0622

Directors
Independent Directors
Alistair Ryan (Chair)
Carol Campbell
Andy Coupe

Director
Carmel Fisher

Corporate Management Team
Brigitte Adelinger
Beverley Sutton
Kate Teppett

Nature of Business
The principal activity of Marlin Global is investment in quality, growing companies based outside New Zealand and Australia.

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 Bag 92119
Auckland 1142

Phone: +64 9 488 8777
Email: enquiry@computershare.co.nz

Auditor
PricewaterhouseCoopers New Zealand
Level 8
188 Quay Street
Auckland 1142

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.computershare.co.nz/investorcentre

For enquiries about Marlin contact
Marlin Global Limited
Level 1, 67-73 Hurstmere Road, Takapuna, Auckland 0622
Private Bag 93502, Takapuna, Auckland 0740

Phone: +64 9 484 0365 | Fax: +64 9 489 7139 | Email: enquire@marlin.co.nz

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marlin

growing globally

Printed onto Advance laser, which is produced from Elemental Chlorine Free (ECF) pulp from virgin wood. This wood is sourced from managed farmed trees in an ISO14001 and ISO9001 (International Quality Management Standard) accredited mill, that generates a portion of their power from tree waste, saving 200 million litres of diesel oil annually.