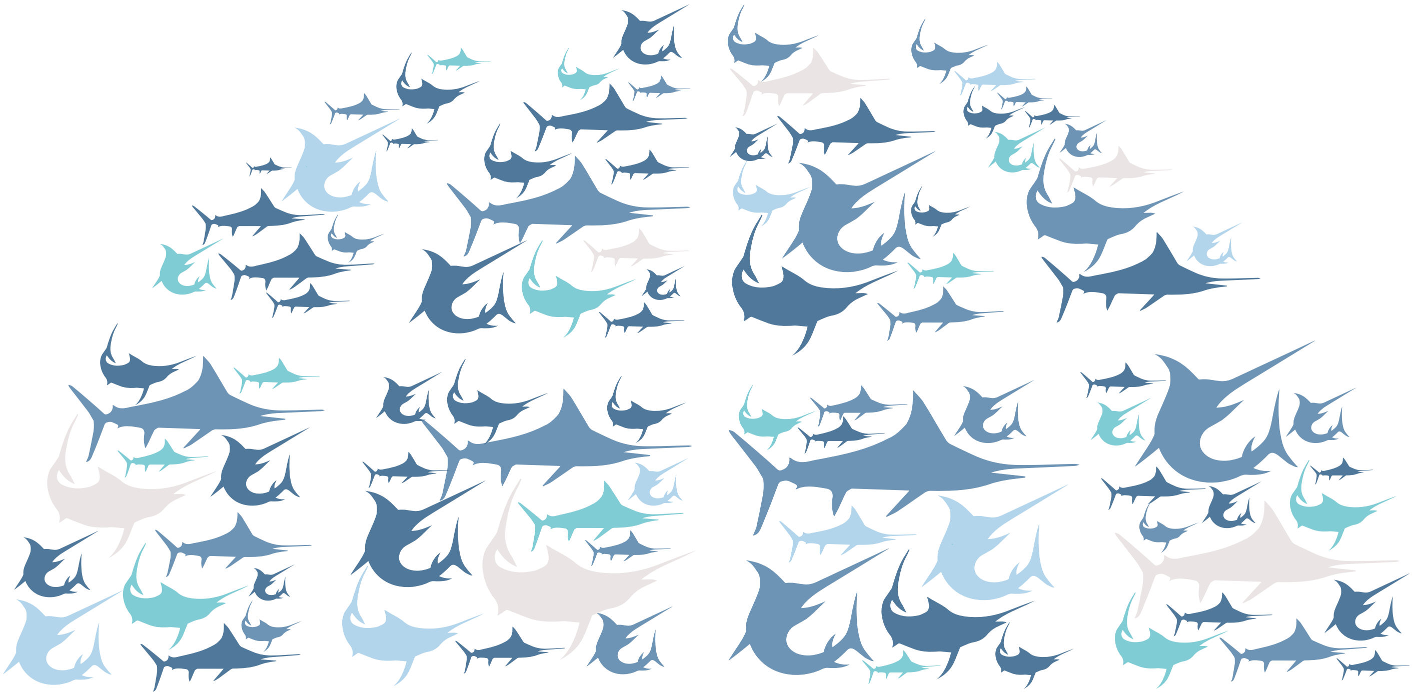
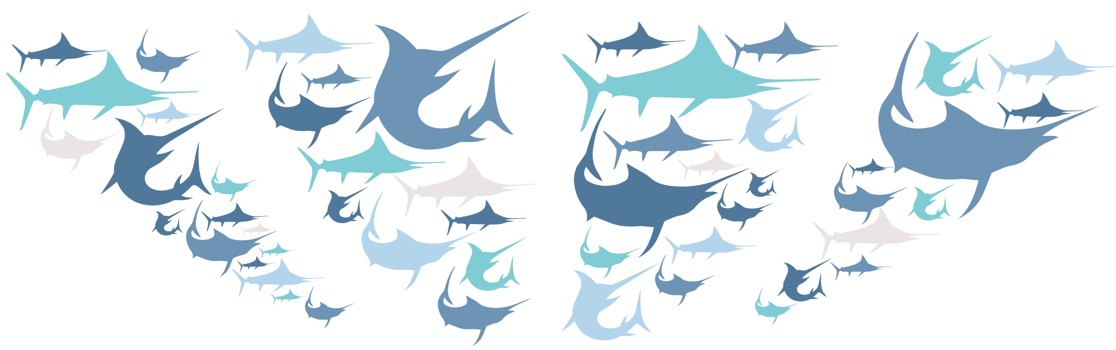


MARLIN GLOBAL LIMITED

ANNUAL REPORT

30 JUNE 2019



CONTENTS

CALENDAR

Next Dividend Payable

26 September 2019

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

18 October 2019

This report is dated 3 September 2019 and is signed on behalf of the Board of Marlin Global Limited by Alistair Ryan, Chair, and Carmel Fisher, Director.

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 10 and 11).

AT A GLANCE

For the 12 months ended 30 June 2019

Net profit	Gross performance return	Total shareholder return	Adjusted NAV return
$8.4m	+10.1%	+15.5%	+6.8%

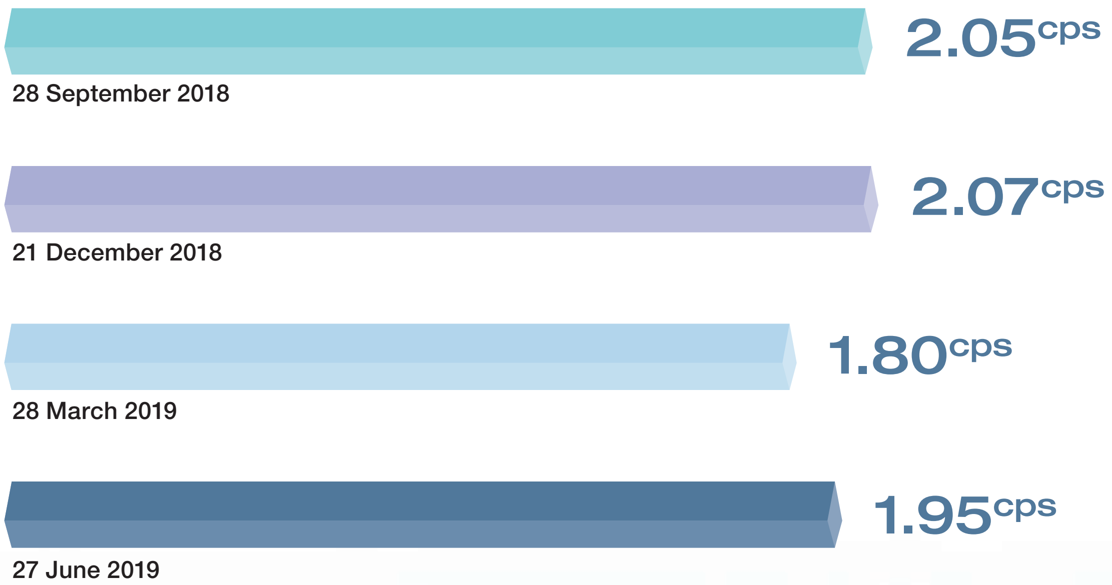
As at 30 June 2019

Share price	NAV per share
$0.90	$0.96

DIVIDENDS PAID

During the year ended 30 June 2019 (cents per share)

Total for the year ended 30 June 2019 7.87 cents per share (2018 : 7.59 cps)



LARGEST INVESTMENTS

As at 30 June 2019

Alphabet	Facebook	Alibaba Group	PayPal	Mastercard
9%	6%	6%	5%	5%

These are the largest five percentage holdings in the Marlin portfolio. The full Marlin portfolio and percentage holding data as at 30 June 2019 can be found on page 18.

SECTOR SPLIT

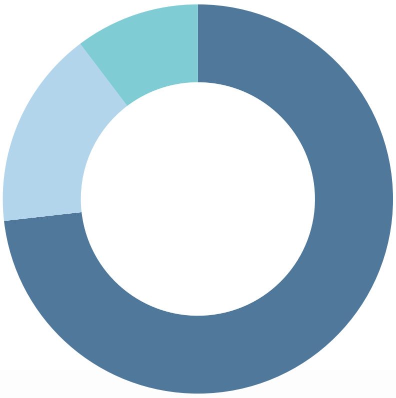
As at 30 June 2019

Consumer Discretionary	26%
Communication Services	19%
Healthcare	18%
Information Technology	18%
Financials	9%
Industrials	8%

The Marlin portfolio also holds some cash

GEOGRAPHICAL SPLIT

As at 30 June 2019



North America	71%
West Europe	16%
Asia	10%

The Marlin portfolio also holds some cash

DIRECTORS' OVERVIEW

Alistair Ryan
Chair

"It was another year of twists and turns with Trump, trade wars and interest rates dominating the headlines."

We are pleased to report that Marlin achieved a positive result for the 2019 financial year despite a challenging market backdrop. The portfolio lifted 6.8%[1] after expenses, fees and tax, outperforming the market benchmark[2] which rose 2.1% for the year.

Global markets suffered a sharp correction in the last quarter of the 2018 calendar year, before rebounding in the final months of the June 2019 year.

Given the challenging macroeconomic environment the Marlin portfolio was bound to be tested, however the Manager consistently applied its proven investment strategy to achieve a return ahead of the market. The company produced a net profit result of $8.4m, (2018 $23.8m), and shareholders received a total shareholder return[3] (which includes the change in share price, dividends paid per share and the impact of warrants) of +15.5% for the 2019 period, (2018: +21.5%).

Revenues and Expenses

The 2019 net profit result comprised gains on investments of $10.6m, dividend and interest income of $1.0m, other income $0.2m, less operating expenses of $2.4m, and less tax of $1.1m. Operating expenses were $2.6m lower than the corresponding period due to there being no performance fee payable to the Manager in the 2019 year.

Dividends

Marlin continues to distribute 2.0% of average net asset value per quarter. Over the 12 month period to 30 June 2019, Marlin paid 7.87 cents per share in dividends. The next dividend will be 1.93 cents per share, payable on 26 September 2019 with a record date of 12 September 2019.

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. 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/.[4]

Warrants

Marlin has a regular warrant programme. In May 2018, 29.0m new Marlin warrants were allotted. One new warrant was issued to all eligible shareholders for every four shares held on record date (1 May 2018). The warrants were exercisable at $0.75 per warrant in a period up to the exercise date of 12 April 2019. 23.4m warrants were exercised (79%) and the funds from the issue of new Marlin shares were invested across the companies in the Marlin portfolio. Warrants continue to be a part of the overall Marlin capital management programme. As Marlin's capital base increases, its on-market liquidity increases and its relevance in the market grows.

Share Buybacks

The Share Buyback programme is another part of Marlin's capital management programme. Share buybacks are utilised when the share price to NAV discount is greater than 8%. During the 12 months to 30 June 2019, the share price to NAV discount fluctuated between 0% and 17%. Over the period, Marlin took advantage of the deeper share price to NAV discounts and purchased approximately 1.0m shares. Shares purchased under the buyback programme are held as treasury stock and subsequently reissued to shareholders under the dividend reinvestment plan.

Annual Shareholders' Meeting

The 2019 Annual Shareholders' Meeting will be held on Friday 18 October at 10:30am at the Ellerslie Event Centre in Auckland. All shareholders are encouraged to attend, with those who are unable to attend invited to cast their vote on company resolutions prior to the meeting. All information presented at the annual meeting will be available on Marlin's website at the conclusion of the meeting.

[1] *Adjusted NAV return - the net return to an investor after expenses, fees and tax.*

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

[3] *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.*

[4] *Participation forms for the Dividend Reinvestment Plan (DRP) can be obtained by contacting either Marlin or Computershare Investor Services Limited.*

DIRECTORS' OVERVIEW CONTINUED

Conclusion

The 2019 year was certainly a challenging period for global share markets which have been strongly influenced by global trade tensions, interest rate movements & global economic developments. It was encouraging that Marlin was able to generate a positive return in such an environment. The Board is pleased at the Manager's continued focus on investing in quality companies which have continued to grow and yield satisfying returns for shareholders.

We would like to thank you for your continued support and welcome each of the new shareholders who have joined us during the year, and we look forward to seeing many of you at our Annual Shareholders' Meeting in October.

On behalf of the Board,

Alistair Ryan

Alistair Ryan / Chair
Marlin Global Limited
3 September 2019

Company Performance

For the year ended 30 June	2019	2018	2017	2016	2015	5 years (annualised)
Total Shareholder Return	15.5%	21.5%	9.1%	(0.3%)	14.6%	11.8%
Adjusted NAV Return	6.8%	23.2%	16.8%	(6.7%)	15.4%	10.6%
Dividend Return	9.2%	9.6%	8.6%	8.6%	8.9%	
Net Profit	$8.4m	$23.8m	$15.7m	($6.9m)	$14.7m	
Basic Earnings per Share	6.68cps	20.20cps	13.51cps	-6.22cps	13.56cps	
OPEX ratio	1.9%	4.2%	3.8%	1.5%	3.5%	
OPEX ratio (before performance fee)	1.9%	1.8%	2.1%	1.5%	2.2%	

As at 30 June	2019	2018	2017	2016	2015
NAV (as per financial statements)	$0.96	$1.02	$0.89	$0.83	$0.97
Adjusted NAV	$2.13	$2.00	$1.62	$1.39	$1.49
Share Price	$0.90	$0.86	$0.79	$0.79	$0.87
Warrant Price	-	$0.06	-	$0.004	-
Share Price Discount to NAV[1]	6.2%	13.7%	11.2%	4.8%	10.3%

Portfolio Performance

For the year ended 30 June	2019	2018	2017	2016	2015	5 years (annualised)
Gross Performance Return	10.1%	26.6%	22.4%	(3.8%)	19.9%	14.5%
Blended Index[2]	2.1%	17.1%	19.2%	(3.9%)	31.6%	12.5%
Performance fee hurdle [3]	7.0%	7.0%	7.2%	7.9%	8.7%	

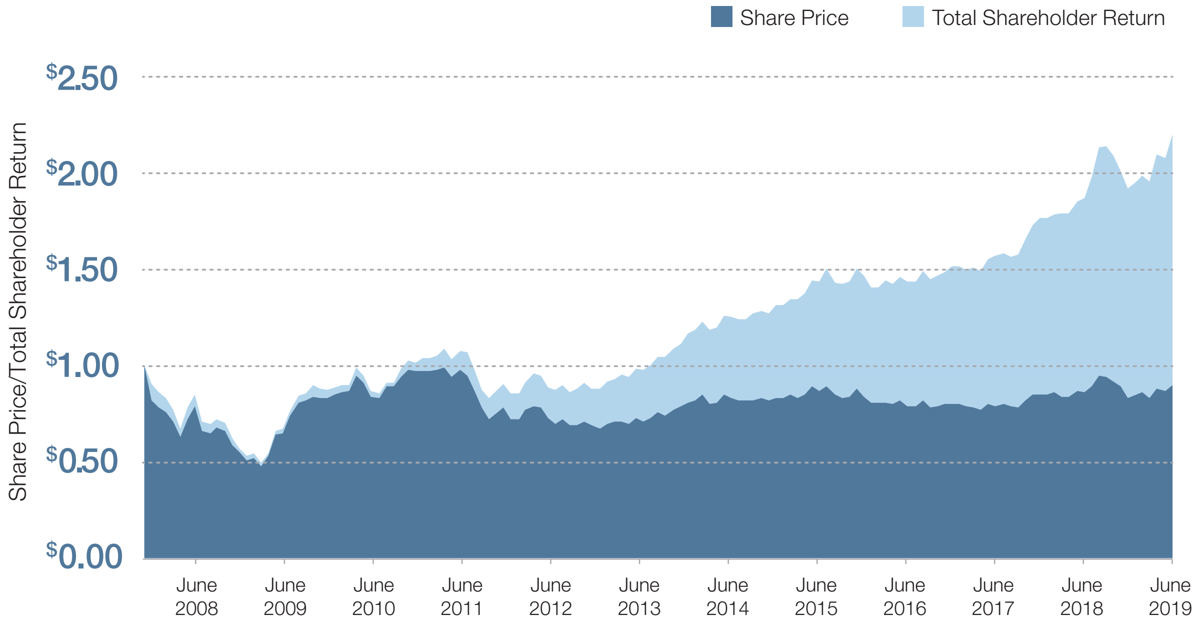
NB: All returns have been reviewed by an independent actuary.

1 *Share price discount 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%).*

Total Shareholder Return



Non-GAAP Financial Information

Marlin uses the following non-GAAP measures:

- adjusted net asset value – the underlying value of the investment portfolio adjusted for capital allocation decisions after expenses, fees and tax,
- adjusted NAV return – the net return to an investor after expenses, fees and tax,
- gross performance return – the Manager's portfolio performance in terms of stock selection and currency hedging, before expenses, fees and tax,
- total shareholder return – the return to an investor who reinvests their dividends, and if in the money, exercises their warrants at warrant maturity date for additional shares,
- OPEX ratio – the percentage of a Marlin's assets used to cover operating expenses excluding tax and brokerage, and
- dividend return – how much Marlin pays out in dividends each year relative to its share price.

All references to the above measures in this Annual Report are to such non-GAAP measures. The calculations applied to non-GAAP measures are described in the Marlin Non-GAAP Financial Information Policy. A copy of the policy is available at http://marlin.co.nz/about-marlin/marlin-policies/.

THE STEEPP PROCESS

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

The STEEPP criteria are as follows:

S

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.

T

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.

E

EARNINGS HISTORY

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

Applying this STEEPP analysis, Fisher Funds constructed a portfolio for Marlin which comprised 25 securities as at 30 June 2019.

EARNINGS GROWTH FORECAST

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

PEOPLE/ MANAGEMENT

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

PRICE/ VALUATION

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

MANAGER'S REPORT

Ashley Gardyne
Senior Portfolio Manager

"Given the volatile environment, we were pleased the Marlin portfolio outperformed its global benchmark[1] and delivered strong returns for the year."

Marlin had a good year in 2019 despite an underwhelming year in global equity markets. A sharp correction in markets in late 2018 provided a number of attractive investment opportunities that contributed to the portfolio's performance. The portfolio was further supported by the strong performance of a number of our long-term holdings including Adidas, MasterCard and Abbott Laboratories. Marlin's gross performance return of +10.1% for the year compared favourably with the global benchmark[1] which gained 2.1%.

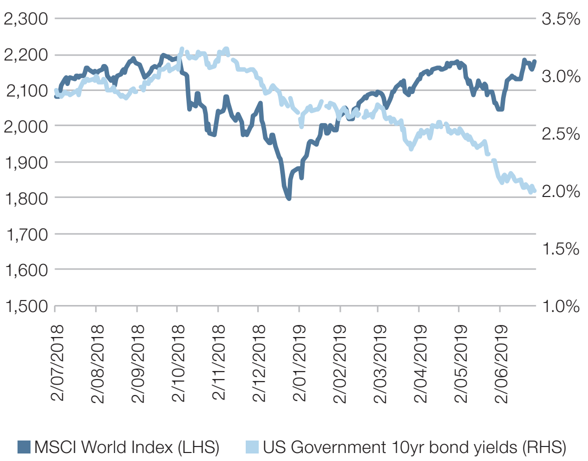
After a near decade-long bull market, global share markets caught their breath in the year to 30 June 2019, with the MSCI World Index gaining just 5%.

While markets ended the year near their starting point, this masked a sharp drop in the December quarter when markets recorded their worst quarterly performance since 2011. The MSCI World Index fell 14% during the December quarter, driven by weakening global economic data, ongoing US-China trade tensions, and concerns that continued interest rate hikes by the US Federal Reserve would crimp economic growth.

This spike in volatility created opportunities for active investors and we used this market weakness to add Tencent Holdings to the portfolio (discussed below). We also added to a number of our long-term positions including Alibaba, MasterCard and PayPal.

Markets have since rebounded and the US S&P 500 Index recently hit record highs following its best six month performance in 22 years. The rebound came as markets took comfort in accommodative comments by Federal Reserve Chair Jerome Powell, who said he is ready to cut interest rates if the economic environment deteriorates further.

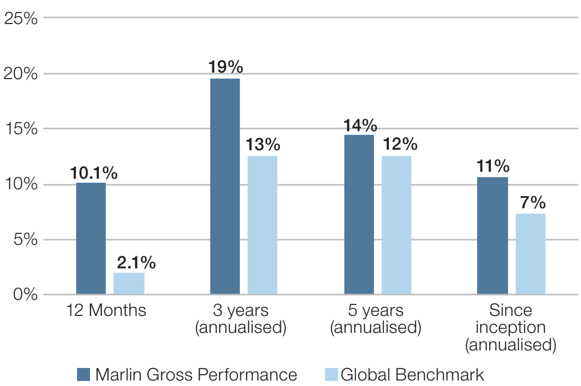
Chart 1: Global markets recently reclaimed highs after a weak start to the year



Following the recent rebound in markets and sharp drop in interest rates, we are starting to see signs of exuberance and excess in certain parts of the market. We discuss these risks and how we have shaped the portfolio to navigate them in more detail below.

Given the volatile environment, we were pleased the Marlin portfolio outperformed its global benchmark[1] and delivered strong returns for the year. We believe Marlin's performance relative to the global benchmark over the longer term (shown below) demonstrates the value that Fisher Funds' investment process can add.

Chart 2: Marlin annualised returns: Gross Performance vs Global Benchmark (to 30 June)



Market exuberance and playing defence

At an aggregate level, global equity markets do not look overly stretched. The price-to-earnings ratio (a measure of market valuation) of the MSCI World Index is 16 vs its 20-year average of 15.

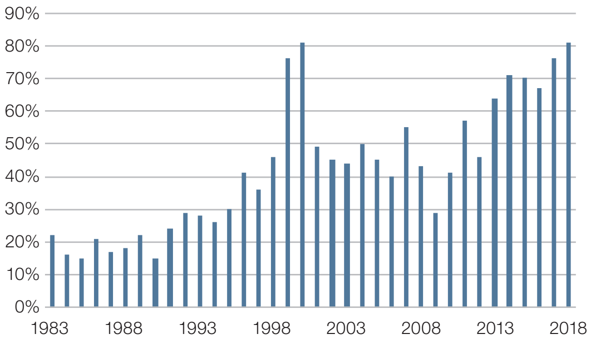
That said, when you look a little closer, we are starting to see signs of excess in pockets of the market, driven in part by lots of capital chasing returns in a low interest rate environment.

One of these signs of excess is the US initial public offering (IPO) market springing to life in recent months. A host of new listings has seen a group of unicorns (start-ups with a $1 billion+ valuation) including Uber, Lyft, Beyond Meat and Pinterest list on the stock

[1] *S&P Large Mid Cap/S&P Small Cap Index (50% hedged to NZD).*

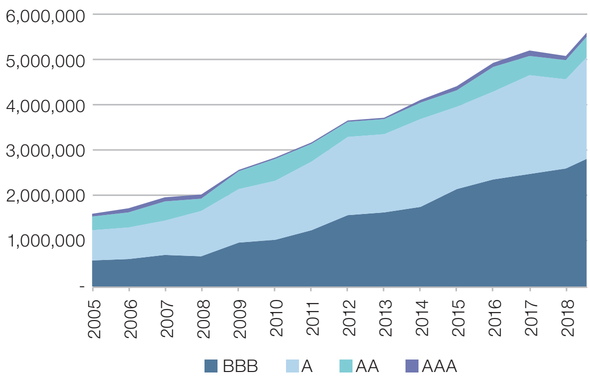
market. A busy IPO schedule can highlight investor overexuberance, with owners of these businesses taking the opportunity presented by elevated valuations to sell shares and take money off the table. One of the common threads in many of these IPOs is that the businesses are generally still loss-making and some are yet to prove they have a viable business model. The percentage of loss-making US IPOs is now back to levels seen in 1999.

Chart 3: Percentage of US IPOs that are loss-making



There are areas of risk-taking and excess in other parts of the equity market as well. We have been witnessing increasing debt levels in certain sectors, with companies borrowing to fund acquisitions or simply to repurchase shares. One side-effect of the scramble for yield by investors is that some corporates are playing the game of borrowing money in order to pay unsustainable dividend yields, which can be rewarded with a higher share price (at least temporarily). This has led to high debt levels among smaller businesses and in low growth sectors like manufacturing and retail, as a lack of organic growth forces them to take elevated risks. On the other hand, many of the largest and most profitable businesses like Apple, Microsoft and Visa have little or no debt.

Chart 4: Explosion in BBB debt (one notch above junk status)



Source: Bloomberg Barclays US Corporate Bond Index

The hunt for yield has also driven some of the traditional defensive parts of the market like utilities and consumer staples companies to valuation levels that we think are extreme. The chart of the S&P 500 Low Volatility Index below (which comprises these sorts of companies) illustrates that these businesses are now very expensive compared to the broader market.

Chart 5: Defensive businesses expensive vs history (price-to-earnings multiple)

All of these dynamics mean investors need to pick their spots in the current market. We believe that longer term it will pay to avoid the excesses we are seeing in the IPO market. We also believe investors should avoid companies that are growing just by borrowing at low interest rates and investing in questionable projects or repurchasing shares. To make matters more complex, investors should also be wary of some of the more highly-priced consumer staples and utilities stocks, as their defensiveness may prove illusory at these stretched valuation levels.

Despite this difficult backdrop, we are comfortable with the portfolio and how it is positioned. Most of the companies in our portfolio are high quality businesses with limited or no debt. They are also experiencing steady organic growth and have valuations we view as reasonable. But the fact remains that after a 10 year bull market, there are clearly some areas of exuberance.

Portfolio additions and exits

We are spending more of our time looking for businesses with defensive characteristics given some of these excesses and given we are getting further through the economic cycle. At the margin, we are trying to add defensive businesses to the portfolio and reduce our exposure to more cyclical investments.

There was less turnover in the portfolio in 2019. We sold out of five companies in 2019, compared with nine in 2018 when we were still completing the portfolio restructuring we started in January 2017.

As a result of this restructuring process, we now have a portfolio of high quality growth businesses that we would like to own for the long term. While no investment is forever, and we will always need to react to changes in business fundamentals, we do expect turnover to be lower going forward. We aim to make only a handful of changes to the portfolio each year.

New portfolio additions

Dollar General is an example of a more defensive business that we have recently added to the portfolio. Dollar General is the largest dollar store chain in the US. Unlike the dollar store chains you see in New Zealand, customers go to Dollar General for their everyday shopping needs. They are more like convenience stores, but with a broad selection and prices that are well below those of local grocery stores and pharmacies. As a result, consumers go to Dollar General for fill-in shops between their weekly grocery store visits. Dollar General sells a range of everyday household items including food and cleaning products, as well as toys, stationery, and basic apparel.

The company has a talented management team, a scale advantage over its competitors and has delivered 29 years of consecutive same-store sales growth. It offers both value (near Walmart prices) and convenience and its stores offer an attractive proposition to a growing cohort of financially stretched US households.

There are currently 15,000 Dollar General stores across the US and it is rolling out approximately 1,000 new stores every year. We believe the company will deliver low double-digit earnings growth as the company expands its store base, takes market share and repurchases shares. We also like Dollar General's defensive characteristics, with sales growth actually accelerating in the last two recessions as consumers traded down.

We also added US discount retailer **Dollar Tree** to the portfolio. Dollar Tree is not dissimilar to Dollar General, but sells a mix of everyday products at a fixed price of $1. Dollar Tree has a longstanding management team that are significant shareholders in the business and continue to grow the business by rolling out new stores. Combined with Dollar General, they dominate this space, with approximately 90% market share.

Another aspect to the Dollar Tree investment case is the potential for the business to move away from the $1 fixed price offering, which they are currently trialling, which potentially increases its revenue and margin opportunity from each store.

Tyler Technologies is the leading provider of software to the local government sector in the US. The specialised nature of this software has resulted in hundreds of regional software players providing specific solutions, but none with the broad coverage and scale of Tyler. Local authorities are well behind the software adoption curve in the US and most of these entities will need to upgrade their systems over the next 10 years, driving steady growth for Tyler. Tyler has a longstanding management team and a great track record, having grown earnings per share by over 15% per annum over the last decade.

Tencent Holdings is a company we have followed for quite some time, but had always viewed as fully valued. Equity market turbulence in 2018 finally gave us the opportunity to add Tencent to the portfolio at an attractive price (with its share price falling more than 40% from its peak).

Tencent is China's largest online gaming company and social network, with leading positions also in digital payments, music & video streaming, and cloud computing. Tencent's WeChat is the largest social media and messaging platform in China, with over a billion users on the platform and average usage of over an hour per day. Its online gaming and social media businesses are highly cash generative and this cash flow is being reinvested in new growth areas including its video and music streaming services (think Netflix and Spotify) and its mobile payments business Tencent Pay (like PayPal). Tencent is run by its founder, Pony Ma, and we see many years of growth ahead.

Electronic Arts (EA) is one of the world's leading video game publishers, with hit franchises including FIFA, Madden and Star Wars. EA's game titles are a mix of licensed content, original IP and collaboration with external partners. The gaming industry is transitioning from a hit-driven revenue model, based on game units sold, to more of a recurring revenue model, where customers spend money on in-game items, which may be cosmetic or improve game play. The result of this transition is that Electronic Arts is able to better monetise its games, with these new digital revenue streams also carrying higher profit margins.

On top of this, longer term there is the opportunity for video games to be streamed utilising cloud technology. This could dramatically increase the number of potential gamers. Streaming, which the EA CEO believes will become a reality in the next 2-3 years, means gamers would no longer need a console for game delivery, removing a US$400 barrier for new players.

Portfolio exits

Cerner is the world's largest provider of software for hospitals. In recent years, Cerner has seen a deterioration in growth in its Electronic Health Records (EHR) business. After years of regulatory support for EHR adoption, many hospitals now have adequate systems and growth is starting to wane as a result. The slowdown in growth has also led to extra costs creeping into the business as Cerner invested in its salesforce and new product development to try to keep the growth story alive. Overall, we are not convinced growth will be as easy to come by going forward and we have sold our position.

We invested in **Core Laboratories** in 2016 in a depressed energy market and our view was that long-term growth in the business was driven more by production volumes than the oil price. Oil demand is expected to increase for the foreseeable future, requiring increased investment in exploration and production and driving demand for services from companies like Core Labs. However, significant productivity gains in US shale wells have meant that more oil can now be produced from fewer wells, decreasing the amount of Core Labs products needed per barrel of oil. Secondly, because of these gains, US shale oil has been able to meet the bulk of the incremental global oil demand, pushing out any meaningful investment in deepwater exploration. We do not have clarity as to when these headwinds will ease and given these uncertainties have decided to exit our holding.

eBay's growth had slowed in recent years in an increasingly competitive ecommerce environment. We continued to hold our investment in **eBay** as we believed it was making credible steps to acquire new users and build promising high margin revenue streams in digital payments and advertising. However, given the competitive challenges the business faces, we decided to exit our holding when activist investors Elliott Management and Starboard Value took stakes in the company earlier this year and its share price spiked by over 20%.

While **Expedia** is a well-run business, our concern lies with its relationship with Google, which impacts our assessment of its moat and our confidence in the company's future growth and margin structure. We have witnessed Google continue to get more involved in the travel search market and this is forcing Expedia and Booking.com to continually spend more on Google advertising for customer leads. On top of this, the travel industry is highly cyclical and Expedia is a business we would rather not own late in the economic cycle.

By reducing our exposure to highly cyclical businesses like Expedia and increasing our weighing in less economically sensitive businesses like Dollar General and Dollar Tree, we are trying to improve the defensiveness of the portfolio at the margin.

Performance of portfolio holdings

The majority of Marlin's portfolio companies delivered positive returns over the year, and over 60% of Marlin's positions contributed to our outperformance of the global benchmark[1].

While last year's top performers were technology companies, it was pleasing to see some of our more traditional businesses deliver solid returns in 2019. The top three performers this year (Adidas, Ecolab and Abbott Laboratories) were from the consumer, industrial and healthcare sectors.

Performance highlights and lowlights

Adidas (+47% for the year) was the top performer in the portfolio over the last year. Adidas has had a strong run, closing the valuation gap to peers, Nike and Puma. The company continues to take market share in the US and China, which are strategic growth markets, while also shifting the sales mix towards the direct-to-consumer (DTC) channel, driving structurally higher profitability. The company's message of authenticity, personalisation and sustainability is resonating with its customers and Adidas's success in collaborating with influencers outside of sport, such as Beyoncé, is broadening the brand's appeal.

Ecolab (+42%) has done a good job this year passing on price increases to customers, helping offset inflation in raw material costs and resulting in a return to margin expansion. Ecolab's 20,000 strong salesforce is increasingly working with customers on digital initiatives, with the dual goals of helping customers improve their operations, while also reducing Ecolab's customer support costs. The company's share price has also benefitted from the market's demand for high quality growth companies with defensive / recurring earnings streams.

Abbott (+40%) was also a top performer this year, driven by strong and accelerating growth across all key healthcare segments. In particular, successful launches of medical devices in blood glucose monitoring for diabetics and heart valve repair have put Abbott at the forefront of two fast-growing and potentially multi-billion dollar markets. With a strong pipeline and excellent track-record of execution we expect this strong growth to continue.

Cognizant (-19%) underperformed over the last year as it struggled with making the transition from providing basic IT outsourcing services to higher value digital consulting and IT services. Its growth was further hampered by some customer specific headwinds, particularly among its banking and healthcare clients who themselves face some budgetary pressures. Demand for digital services is expected to continue growing strongly as clients in every industry work to modernise their IT infrastructure, build better client facing applications, move to the cloud and extract insights from the data they collect. Cognizant is seen as a leading provider in the digital space. We see growth accelerating as the company moves past some of these headwinds.

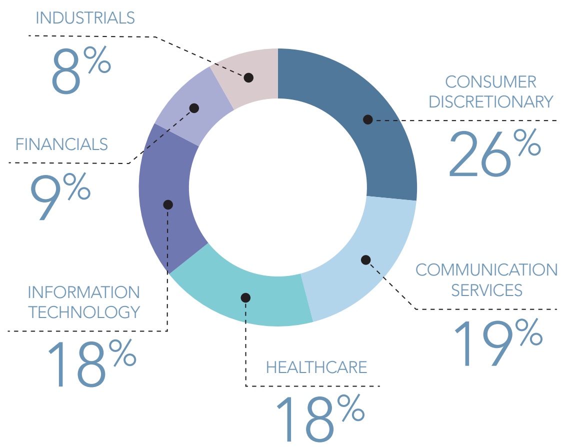
Fresenius (-19%) underperformed due to a slowdown in growth in its US dialysis care market and concerns over potential regulatory changes aimed at reducing the cost of dialysis care. The company has already started to turn the US dialysis business around, with growth accelerating over the last couple of quarters. We expect Fresenius to continue playing a critical role providing care to an ever-increasing dialysis patient population. In our opinion, the company's push into home dialysis and value-based care should more than offset any regulatory headwinds.

Core Labs (-60%) has suffered in an environment where US shale production growth has more than met oil demand and new offshore oil and gas projects have been few and far between. After optimism that the market was improving in mid-2018, Core Labs share price fell 60% over the last year as these green shoots disappeared. We were aware of the risks associated with a cyclical business like Core Labs and as a result it was the smallest position in our portfolio. As discussed earlier we have now sold our holding in Core Labs.

Portfolio positioning

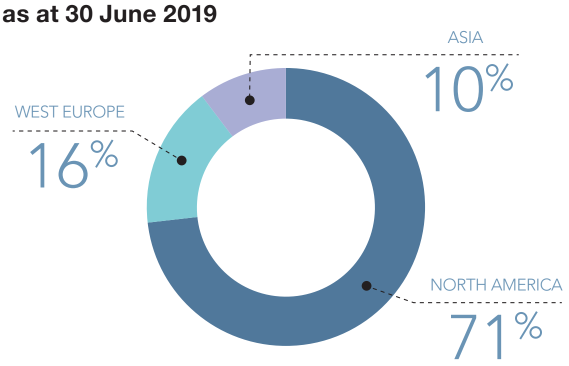
The Marlin portfolio comprised 25 companies at 30 June 2019, diversified across a range of sectors and countries.

Chart 6: Marlin portfolio - Sector split as at 30 June 2019



The Marlin portfolio also holds cash.

Chart 7: Marlin portfolio - Geographical split as at 30 June 2019



The Marlin portfolio also holds cash.

Outlook

We were pleased with the performance of the Marlin portfolio in 2019, despite the subdued and sometimes choppy equity market environment. We remain optimistic about the long-term prospects for the companies we own, but continue to work hard to identify new promising investments across the globe.

Over the last year, global economic growth has moderated and manufacturing indices have weakened. Growth in global trade has also slowed, driven in part by this economic weakness, but also by increasing trade tensions. Low interest rates are also causing excesses in certain parts of the market, which investors need to be aware of.

In this environment, we believe active stock picking becomes more important. Marlin is invested in businesses that are growing steadily despite the weak economic backdrop. We are also focused on avoiding parts of the market where we see dangers lurking. This includes the IPO market and companies that are delivering growth by taking on increasing leverage.

While there are some risks on the horizon, we retain a positive outlook on balance. As famous investor Peter Lynch said, "Far more money has been lost by investors preparing for corrections than has been lost in corrections themselves." Rather than try to time the market, we simply focus on trying to identify the right businesses and hold on to them for the long term.

Ashley Gardyne / Senior Portfolio Manager
Fisher Funds Management Limited
3 September 2019

Portfolio Holdings Summary as at 30 June 2019

Headquarters	Company	% Holding
Canada	Descartes Systems	1.9%
China	Alibaba Group	5.6%
	Tencent Holdings	4.0%
France	EssilorLuxottica International	3.2%
Germany	Adidas	4.8%
	Fresenius Medical Care	4.4%
Ireland	Icon	3.7%
United States	Abbott Laboratories	4.6%
	Alphabet	8.7%
	Cognizant Technology Solutions	3.0%
	Dollar General	4.4%
	Dollar Tree	3.1%
	Ecolab	1.9%
	Edwards Lifesciences	2.2%
	Electronic Arts	3.3%
	Facebook	5.8%
	Hexcel Corporation	3.5%
	LKQ	2.4%
	Mastercard	5.0%
	PayPal	5.3%
	Signature Bank	3.8%
	TJX Companies	4.8%
	Tyler Technologies	2.0%
	United Parcel Service	2.7%
	Zoetis	2.8%
	Equity Total	**96.9%**
	New Zealand dollar cash	0.9%
	Total foreign cash	1.3%
	Cash Total	**2.2%**
	Forward foreign exchange contracts	0.9%
	TOTAL	**100.0%**

MARLIN PORTFOLIO COMPANIES

The following is a brief introduction to each of your portfolio companies, with a description of why Fisher Funds believes they deserve a position in the Marlin portfolio. Total shareholder return is for the year to 30 June 2019 and is based on the closing price for each company plus any capital management initiatives. For companies that are new to the portfolio in the year, total shareholder return is from the first purchase date to 30 June 2019.

Abbott

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.

Total Shareholder Return

+40%

adidas GROUP

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 increase their market share in the lucrative US market, and we see many years of strong growth ahead.

Total Shareholder Return

+47%

Alibaba.com

CHINA

What does it do?

Alibaba is the largest e-commerce 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.

Total Shareholder Return

-9%

Total shareholders return in local currency sourced from Factset.

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 will grow strongly as global advertising budgets gradually shift from television to digital formats.

Total Shareholder Return

-4%

Cognizant

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

-19%

DESCARTES

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 (GLN). The GLN 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

+13%

DOLLAR GENERAL

UNITED STATES

What does it do?

Dollar General is the leading discount retailer in the US, selling a range of everyday household items including food and cleaning products, as well as toys, stationery, and basic apparel. Dollar General has a talented management team, strong track record, and a scale advantage over its competitors. Its stores offer an attractive proposition to a growing cohort of US households that are financially stretched and are not well served by traditional retailers.

Why do we own it?

There are currently 15,000 Dollar General stores across the US and the company is rolling out approximately 1,000 new stores every year. We believe the company should continue to deliver low double-digit earnings growth as Dollar General expands its store base at attractive returns, takes market share, and repurchases shares.

Total Shareholder Return

+12%

Purchased during year

DOLLAR TREE

UNITED STATES

What does it do?

Within Dollar Tree, there are two banners, Dollar Tree and Family Dollar, with the latter being acquired in 2015. Both banners have around 7,500 stores.

Dollar Tree is a best in class retailer. Over the last 5-years, same-store-sales growth has averaged 3%, and 5% over the last decade. Very impressive when you consider everything in store has a fixed price of US$1.

Family Dollar is a slightly different discount store with a multi-price point offering and selling predominantly everyday items.

Why do we own it?

When Dollar Tree brought Family Dollar in 2015, the retailer was underperforming due to lack of investment. After three years of paying down debt, Dollar Tree is now in a financial position to ramp up Family Dollar investment through store remodels and customer proposition initiatives, which we expect to flow through into better financial results. Dollar Tree is also considering a move away from its US$1 fixed price, which if executed well, could be a tailwind for sales growth.

Total Shareholder Return

+9%

Purchased during year

ECOLAB

UNITED STATES

What does it do?

Ecolab is 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 their 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

+42%

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

+27%

UNITED STATES

What does it do?

Electronic Arts ('EA') is one of the world's leading video game publishers, with hit franchises including FIFA, Madden and Battlefield. EA's game titles are a mix of licensed content, original IP and collaboration with external partners. The company's games are played across consoles, PC's and mobile devices with consoles representing a significant proportion of revenue.

Why do we own it?

The company operates in an industry that we believe is positioned for sustainable revenue growth and margin expansion. The gaming industry is transitioning from a hit-driven revenue model, based on game units sold, to more of a recurring revenue model, where customers not only pay the up-front cost of a game, but also spend money on in-game items, which may be cosmetic or improve game play. The result of this transition is that Electronic Arts is able to better monetise games, with these new digital revenue streams also having higher profit margins.

Total Shareholder Return

-10%

Purchased during 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. They are 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, if approved by regulators, create a dominant industry player from manufacturing through to retail.

Total Shareholder Return

-3%

UNITED STATES

What does it do?

Facebook owns four of the most dominant social networking and messaging platforms in the world – the Facebook app, Instagram, Messenger and WhatsApp. It monetises these platforms by selling advertising slots to millions of businesses globally.

Why do we own it?

The average US user spends over an hour a day on Facebook and Instagram combined. This high user engagement, combined with Facebook's unparalleled ability to deliver an audience of over 2 billion users to advertisers, has created one of the most valuable advertising platforms in the world. We see significant growth ahead as Facebook captures a considerable share of advertising dollars as media budgets move away from TV and towards digital platforms.

Total Shareholder Return

-1%

GERMANY

What does it do?

Fresenius is a market leader in the global dialysis industry. They are also the only vertically integrated player, providing both equipment 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 them to improve patient outcomes while reducing the overall cost of treatment for the growing global dialysis population.

Total Shareholder Return

-19%

UNITED STATES

What does it do?

Hexcel is a leading supplier of advanced composite materials (like carbon fibre) for aerospace, wind turbines and automobiles. Advanced composites are generally lighter and stronger than traditional materials such as aluminum, which has seen the composite content of aircraft and other industrial applications increase significantly over time.

Why do we own it?

The aerospace composite industry has high barriers to entry due to scale, the close integration of processes with its aerospace manufacturer clients, and the lengthy qualification processes required to be able to supply Airbus and Boeing's aircraft programmes. Only a few manufacturers are qualified to supply composite parts and materials to these aerospace customers.

Total Shareholder Return

+23%

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 are 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 the shift to outsourcing, growth in the number of drugs being tested, and larger trials required by regulatory bodies such as the FDA.

Total Shareholder Return

+16%

UNITED STATES

What does it do?
LKQ is the largest distributor of alternative replacement parts 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

-17%

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

+35%

PayPal

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 edge over its competitors. Furthermore, PayPal benefits from continued growth in ecommerce.

Total Shareholder Return

+37%

Signature Bank

UNITED STATES

What does it do?
Signature Bank is a specialist regional bank, lending largely to wealthy families and private businesses in and around New York. They have a sticky deposit base that comes from managing transactional business accounts for businesses like law firms, accounting firms, and property management companies, a long track record of profitable growth and a very strong history of credit control.

Why do we own it?
Signature Bank has an uncomplicated relationship driven business model and industry profitability. Its ability to attract and retain senior bankers from other firms through an attractive profit sharing compensation model has allowed them to grow loans and deposits at over 20% pa over the last 10 years. It is still a small bank in a very large market and we see many more years of growth ahead.

Total Shareholder Return

-4%

Tencent 腾讯

CHINA

What does it do?
Tencent is China's largest online gaming company with over 50% market share and also owns WeChat, the leading social network and messaging platform with over a billion users. The WeChat app is deeply ingrained into daily life in China with the average user spending an hour a day on the platform. Tencent also has leading positions in a range of adjacencies including digital payments (WeChat Pay), music & video streaming, and cloud computing.

Why do we own it?
While Tencent's core business is its gaming business, the WeChat platform is allowing it to create significant value in adjacent areas such as advertising and payments which we do not think is fairly reflected in the current share price. The digital advertising opportunity in China is large and rapidly growing, and WeChat is ideally placed to capitalise given its share of online time and ability to connect businesses with users. Payments is also a large opportunity in a market where credit and debit cards aren't widely used.

Total Shareholder Return

+31%

Purchased during year

MARLIN PORTFOLIO COMPANIES CONTINUED

UNITED STATES

What does it do?
TJX Companies (TJX) is an off-price retailer in the US, which also has stores in Canada, Europe and Australia. The company sells branded clothing, such as Nike and Ralph Lauren, as well as some homeware at a 20%-60% discount to a full-price retailer (think Briscoe's, but predominantly for apparel). TJX can sell inventory cheaper than other retailers as it sources stock from store closures, order cancellations and manufacturer overruns – allowing them to sell at a significantly lower price.

Why do we own it?
The company has a longstanding management team with a strong track record. TJX has a good growth runway for new store openings and growing sales at existing stores. TJX should grow its earnings at close to 10% per annum, while paying a steady and increasing dividend.

Total Shareholder Return

+13%

UNITED STATES

What does it do?
Tyler Technologies is the leading provider of software to the local government sector in the US. The specialised nature of this software has resulted in hundreds of regional software players that provide some solutions, but none with the broad coverage and scale of Tyler (ERP, finance, billing and collection, HR, payroll, justice/courts, public safety, appraisal, and tax). Tyler is the only company that can offer a full suite of products and it continues to extend its lead through both research & development and bolt-on acquisitions.

Why do we own it?
Local authorities are well behind the software adoption curve in the US and two-thirds of local authorities are still maintaining old in-house systems or using legacy systems that are no longer supported by competitive vendors. Most of these government entities will need to upgrade over the next 10-20 years. Despite being the industry leader, Tyler only has around 15% market share and we see continued market share gains and margin expansion over the long term.

Total Shareholder Return

-1%

Purchased during year

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 over 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 ecommerce activity and increasing cross-border trade volumes in Asia and Europe.

Total Shareholder Return

+1%

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 like veterinarians. The growth runway is underpinned by a number of secular growth drivers, including increased global protein requirements, increased pet ownership and the 'humanisation' of pets.

Total Shareholder Return

+34%

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

BOARD OF DIRECTORS

ALISTAIR RYAN *MComm (Hons), FCA*

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

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

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

CAROL CAMPBELL *BCom, CA*

Chair of Audit and Risk Committee
Independent Director

Carol Campbell is a chartered accountant and a member of Chartered Accountants Australia and New Zealand. Carol has extensive financial experience and a sound understanding of efficient board governance. Carol holds a number of directorships across a broad spectrum of companies, including T&G Global, New Zealand Post, NZME and Kiwibank. Carol is also a director of Kingfish and 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.

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

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 was an investment analyst and portfolio manager for several stockbroking and institutional firms before launching Fisher Funds as a boutique fund manager. She was managing director of Fisher Funds for 20 years before retiring and selling the company in 2017. Carmel is also a director of Kingfish, Barramundi and New Zealand Trade & Enterprise. Carmel's principal place of residence is Auckland.

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

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

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 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 2019

Marlin's board recognises the importance of good corporate governance and is committed to ensuring that the company meets best practice governance principles to the extent that it is appropriate for the nature of the Marlin operations. Strong corporate governance 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 responsible for establishing and implementing the company's corporate governance frameworks, and is committed to fulfilling this role in accordance with best practice having appropriate regard to applicable laws, the NZX Corporate Governance Code ("NZX Code") and the Financial Markets Authority Corporate Governance in New Zealand - Principles and Guidelines. The board oversees the management of Marlin, with the day-to-day management responsibilities of Marlin being delegated to Fisher Funds Management Limited ("Fisher Funds" or "the Manager").

As at 30 June 2019, Marlin was in compliance with the NZX Code, with the exception of recommendations 4.3[1] and 5.3[2] for the reasons explained under the relevant principles.

The corporate governance policies and procedures, and board and committee charters, are regularly reviewed by the board against the corporate governance standards set by NZX, any regulatory changes, and developments in corporate governance practices.

The Marlin constitution and each of the charters, codes and policies referred to in this section are available on the Marlin website (www.marlin.co.nz) under the "About Marlin" "Policies" section.

Principle 1 – Code of ethical behaviour
Directors should set high standards of ethical behaviour, model this behaviour and hold management accountable for these standards being followed throughout the organisation.

Code of Ethics & Standards of Professional Conduct

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

The Code of Ethics & Standards of Professional Conduct covers a wide range of areas including: standards of behaviour, conflicts of interest, proper use of company information and assets, compliance with laws and policies, reporting concerns and receiving gifts.

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

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

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

Securities Trading Policy

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

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.

[1] *Marlin does not have a formal environmental, social and governance (ESG) framework.*

[2] *There is no CEO remuneration disclosure as Marlin delegates its management personnel requirements to Fisher Funds pursuant to an Administration Services Agreement.*

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

The Securities Trading Policy is available on the Marlin website.

Conflicts of Interest Policy

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

Principle 2 – Board composition and performance
To ensure an effective board, there should be a balance of independence, skills, knowledge, experience and perspectives.

Board charter

Marlin's board operates under a written charter which defines the respective functions and responsibilities of the board, focusing on the values, principles and practices that provide the corporate governance framework.

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

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

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

The board charter is available on the Marlin website.

Nomination and appointment of directors

In accordance with Marlin's constitution and NZX Listing Rules, each director must retire (but may offer themselves for re-election at the third annual meeting following his or her appointment) or every three years (whichever is the longer). Procedures for the appointment and removal of directors are contained in Marlin's constitution and the board charter. The Remuneration and Nominations Committee is responsible for identifying and nominating candidates to fill director vacancies for board approval.

Written agreement

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

Director information and independence

The board comprises four directors with diverse backgrounds, skills, knowledge, experience and perspectives. Information about each director including a profile of experience, length of service and attendance at board meetings is available on pages 28 and 31 of this Annual Report and also on the Marlin website.

The board takes into account guidance provided under the NZX Listing Rules and the factors specified in the NZX Corporate Governance Code in determining the independence of directors. Director independence is considered annually. Directors have undertaken to inform the board as soon as practicable if they think their status as an independent director has or may have changed.

As at 30 June 2019, the board considers that Alistair Ryan (Chair), Carol Campbell and Andy Coupe are independent directors and therefore a majority of the board are independent directors. As at 30 June 2019, the board considers that Carmel Fisher is not an independent director by virtue of the previous roles she held within Fisher Funds.

Information in respect of directors' ownership interests is available on page 62.

Diversity

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

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

The board's gender composition was as follows:

	Number		Proportion	
2019	Female	Male	Female	Male
Directors	2	2	50%	50%

	Number		Proportion	
2018	Female	Male	Female	Male
Directors	2	2	50%	50%

The board believes that Marlin has achieved the objectives set out in its Diversity Policy for the year ended 30 June 2019.

Director training

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

Assessment of director performance

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

Independent Chair and separation of the Chair and Chief Executive

The Chair of the board is an independent director. Marlin delegates its management personnel requirements to Fisher Funds pursuant to an Administration Services Agreement. The Chair of the board is a different person to the Chief Executive of Fisher Funds.

Principle 3 – Board committees

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

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

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

Director meeting attendance

A total of six board meetings, two Audit and Risk Committee meetings, one Remuneration and Nominations Committee meeting and two Investment Committee meetings were held in the 2019 financial year. Director attendance at board meetings and committee member attendance at committee meetings is shown below.

Director	Board	Audit and Risk Committee	Remuneration and Nominations Committee	Investment Committee
Carol Campbell	6/6	2/2	1/1	2/2
Andy Coupe	6/6	2/2	1/1	2/2
Carmel Fisher*	6/6	2/2	1/1	2/2
Alistair Ryan	6/6	2/2	1/1	2/2

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

Audit and Risk Committee

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

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

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

The Audit and Risk Committee also reviews the appropriateness of any non-audit services and recommends to the board which services, other than the statutory audit, may be provided by PricewaterhouseCoopers as auditor.

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

The Audit and Risk Committee currently comprises independent, non-executive 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.

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

Remuneration and Nominations Committee

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

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

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

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

Investment Committee

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. The Investment Committee Charter is available on the Marlin website.

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

Takeover response protocols

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

Principle 4 – Reporting and disclosure
The board should demand integrity in financial and non-financial reporting, and in the timeliness and balance of corporate disclosures.

Continuous Disclosure

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 and a copy of the policy is available on the Marlin website. The Corporate Manager is responsible for ensuring compliance with the NZX continuous disclosure requirements and overseeing and co-ordinating disclosure to the exchange.

Charters and policies

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

Financial Reporting

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

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

As at 30 June 2019, Marlin does not have a formal environmental, social and governance (ESG) framework. Marlin considers that, given the nature of its operations (as an investment company), it is not appropriate to maintain an ESG framework due to the lack of available metrics relevant to its business against which it could report on such matters. Marlin will continue to assess the relevance of adopting an ESG framework.

Principle 5 – Remuneration
The remuneration of directors and executives should be transparent, fair and reasonable.

Directors' Remuneration

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

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

Each year, the Remuneration and Nominations Committee reviews the level of directors' fees. The Remuneration and Nominations Committee considers the skills, performance, experience and level of responsibility of directors when undertaking the review, and is authorised to obtain independent advice on market conditions.

The following table sets out the remuneration received by each director from Marlin for the year ended 30 June 2019.

Directors' remuneration* for the 12 months ended 30 June 2019

A B Ryan (Chair)	$50,000(1)
C A Campbell	$37,500(2)
R A Coupe	$37,500(3)
C M Fisher	$32,500

**excludes GST*

(1) $5,000 of this amount was applied to the purchase of 5,242 shares under the Marlin share purchase plan.

(2) Included in this total amount is $5,000 that Carol Campbell receives as Chair of the Audit and Risk Committee. $3,750 of this amount was applied to the purchase of 3,931 shares under the Marlin share purchase plan.

(3) Included in this total amount is $5,000 that Andy Coupe receives as Chair of the Investment Committee. $3,750 of this amount was applied to the purchase of 3,931 shares under the Marlin share purchase plan.

Details of remuneration paid to directors are also disclosed in note 11 to the financial statements for the financial year ended 30 June 2019. The directors' fees disclosed in the financial statements include a portion of non-recoverable GST expensed by Marlin.

Directors' Shareholding - Share Purchase Plan

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

Chief Executive Officer Remuneration

Marlin delegates its management personnel requirements to Fisher Funds pursuant to an Administration Services Agreement. For this reason, Marlin does not have a Chief Executive Officer and it does not consider it appropriate to make disclosures about remuneration for the Manager's personnel. The fees paid to Fisher Funds for administration services are set out in note 11 to Marlin's financial statements for the year ended 30 June 2019.

Principle 6 – Risk management
Directors should have a sound understanding of the material risks faced by the issuer and how to manage them. The board should regularly verify that the issuer has appropriate processes that identify and manage potential and material risks.

Risk management framework

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

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

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

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

Health and Safety

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

Principle 7 – Auditors
The board should ensure the quality and independence of the external audit process

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

(a) for sustaining communication with Marlin's external auditor;

(b) to ensure that the ability of the external auditor to carry out its statutory audit role is not impaired, or could reasonably be perceived to be impaired;

(c) to address what, if any, services (whether by type or level) other than their statutory audit roles may be provided by the auditor to Marlin; and

(d) to provide for the monitoring and approval by the Marlin Audit and Risk Committee of any service provided by the external auditor to the issuer other than in their statutory audit role.

The Audit and Risk Committee meets with the external auditor to approve their terms of engagement, audit partner rotation (at least every five years) and audit fee, and to review and provide feedback in respect of the annual audit plan. The Audit and Risk Committee holds private sessions with the external auditor.

Marlin's current external auditor, PricewaterhouseCoopers ("PwC"), was appointed by shareholders at the 2008 annual meeting in accordance with the provisions of the Companies Act 1993. PwC is automatically reappointed as auditor under Part 11, Section 207T of the Companies Act.

The Audit and Risk Committee has assessed PwC to be independent and confirmed that there were no non-audit services performed in the 2019 year and the non-audit services provided in relation to confirming the amounts used in the 2018 performance fee calculation has not compromised PwC's independence. Written confirmation of PwC's independence has been obtained by the board.

PwC, as external auditor of the 2019 financial statements, will attend this year's annual meeting and will be available to answer questions about the conduct of the audit, preparation and content of the auditor's report, accounting policies adopted by Marlin and their independence in relation to the conduct of the audit.

Marlin does not have an internal audit function, however the company fosters a culture of excellence in all areas of risk management and takes all operating and compliance risk obligations seriously. Marlin delegates day-to-day management responsibilities to Fisher Funds and the Corporate Manager is responsible for operational and compliance risks across Marlin's business.

Principle 8 – Shareholder rights and relations
The board should respect the rights of shareholders and foster constructive relationships with shareholders that encourage them to engage with the issuer.

Information for shareholders

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

Marlin's website, www.marlin.co.nz, provides information to shareholders and investors about the company. Marlin's 'Investor Centre' part of its website contains a range of information including periodic and continuous disclosures to the NZX, half year and annual reports and content related to the Annual Shareholders' Meeting. The website also contains information about Marlin's directors, copies of key corporate governance documents and general company information.

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.

Communicating with shareholders

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

Shareholder voting rights

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

Notice of annual meeting

The 2019 Marlin Notice of Annual Meeting will be sent to shareholders at least 20 working days prior to the meeting and will be published on the company's website.

This year's meeting will be held at 10.30am on 18 October 2019, at the Ellerslie Event Centre in Auckland. Full participation of shareholders is encouraged at the annual meeting and shareholders are encouraged to submit questions in writing prior to the meeting.

Management Agreement Renewal

The Management Agreement between Marlin and Fisher Funds is subject to renewal every five years. The Management Agreement is next subject to renewal in 2022.

NZX Waivers

Marlin outsources all investment management functions and administration services to 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 (pre 1 January 2019) NZX Listing Rule 9.2.1 so that it is not required to obtain shareholder approval for the entry into the Administration Services Agreement and specific amendments to the Management Agreement. The waiver is provided on the conditions specified in paragraph 2 of the waiver decision, which is available on Marlin's website: www.marlin.co.nz/investor-centre/market-announcements/.

Capital raisings

Marlin Warrant Issue (MLNWC)

On 12 April 2019, Marlin warrant holders had the option to convert their warrants into ordinary Marlin shares at an exercise price of $0.75 per warrant. On the same day, Marlin shares were trading on-market at $0.86, a 15% premium to the exercise price.

Warrant holders took advantage of this discount, with 23,452,115 warrants out of a possible 29,684,140 warrants (79%) being converted into Marlin ordinary shares.

The new shares were allotted to warrant holders on 16 April 2019. All new shares have the same rights as current Marlin shares, including participating in the company's quarterly dividend policy.

The remaining 6,232,025 warrants which were not exercised lapsed, and all rights in regards to them expired.

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

DIRECTORS' STATEMENT OF RESPONSIBILITY

For the year ended 30 June 2019

We present the financial statements for Marlin Global Limited for the year ended 30 June 2019.

We have ensured that the financial statements for Marlin Global Limited present fairly the financial position of the Company as at 30 June 2019 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 Board authorised these financial statements for issue on 19 August 2019.

Alistair Ryan

Carmel Fisher

Carol Campbell

Andy Coupe

FINANCIAL STATEMENTS CONTENTS

MARLIN GLOBAL LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2019

	Notes	2019	2018
		$000	$000
Interest income		42	40
Dividend income		964	767
Net changes in fair value of financial assets and liabilities	2	10,577	25,787
Other income	3	208	2,096
Total net income		**11,791**	**28,690**
Operating expenses	4	(2,367)	(4,954)
Operating profit before tax		**9,424**	**23,736**
Total tax (expense)/benefit	5	(1,054)	86
Net operating profit after tax attributable to shareholders		**8,370**	**23,822**
Total comprehensive income after tax attributable to shareholders		**8,370**	**23,822**
Basic earnings per share	7	6.68c	20.20c
Diluted earnings per share	7	6.49c	20.08c

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

MARLIN GLOBAL LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2019

		Attributable to shareholders of the company		
	Notes	Share Capital	(Accumulated Deficits)/ Retained Earnings	Total Equity
		$000	**$000**	**$000**
Balance at 1 July 2017		**112,036**	**(6,110)**	**105,926**
Comprehensive income				
Profit for the year		0	23,822	23,822
Other comprehensive income		0	0	0
Total comprehensive income for the year ended 30 June 2018		**0**	**23,822**	**23,822**
Transactions with owners				
Share buybacks	6	(3,122)	0	(3,122)
Warrant issue costs	6	(21)	0	(21)
Dividends paid	6	0	(8,928)	(8,928)
New shares issued under dividend reinvestment plan	6	542	0	542
Shares issued from treasury stock under dividend reinvestment plan	6	3,185	0	3,185
Total transactions with owners for the year ended 30 June 2018		**584**	**(8,928)**	**(8,344)**
Balance at 30 June 2018		**112,620**	**8,784**	**121,404**
Comprehensive income				
Profit for the year		0	8,370	8,370
Other comprehensive income		0	0	0
Total comprehensive income for the year ended 30 June 2019		**0**	**8,370**	**8,370**
Transactions with owners				
Share buybacks	6	(931)	0	(931)
Shares issued for warrants exercised	6	17,550	0	17,550
Dividends paid	6	0	(9,927)	(9,927)
New shares issued under dividend reinvestment plan	6	3,247	0	3,247
Shares issued from treasury stock under dividend reinvestment plan	6	896	0	896
Total transactions with owners for the year ended 30 June 2019		**20,762**	**(9,927)**	**10,835**
Balance at 30 June 2019		**133,382**	**7,227**	**140,609**

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

MARLIN GLOBAL LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2019

	Notes	2019	2018
		$000	$000
SHAREHOLDERS' EQUITY	6	**140,609**	**121,404**
Represented by:			
ASSETS			
Current Assets			
Cash and cash equivalents	10	2,941	4,287
Trade and other receivables	8	150	173
Financial assets at fair value through profit or loss	2	138,132	121,220
Current tax receivable	5	0	192
Total Current Assets		**141,223**	**125,872**
Non-current Assets			
Deferred tax asset	5	0	208
Total Non-current Assets		**0**	**208**
TOTAL ASSETS		**141,223**	**126,080**
LIABILITIES			
Current Liabilities			
Trade and other payables	9	240	2,961
Financial liabilities at fair value through profit or loss	2	47	1,715
Current tax payable	5	327	0
Total Current Liabilities		**614**	**4,676**
TOTAL LIABILITIES		**614**	**4,676**
NET ASSETS		**140,609**	**121,404**

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

A B Ryan
Chair
19 August 2019

C A Campbell
Chair of the Audit and Risk Committee
19 August 2019

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

MARLIN GLOBAL LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2019

	Notes	2019	2018
		$000	$000
Operating Activities			
Sale of listed equity investments		51,317	50,316
Interest received		41	40
Dividends received		958	782
Other income		290	2,038
Purchase of listed equity investments		(56,013)	(39,311)
Operating expenses		(5,064)	(3,912)
Taxes paid		(327)	(613)
Net settlement of forward foreign exchange contracts		(3,306)	(1,586)
Net cash (outflows)/inflows from operating activities	**10**	**(12,104)**	**7,754**
Financing Activities			
Proceeds from warrants exercised		17,550	0
Warrant issue costs		0	(21)
Share buybacks		(931)	(3,160)
Dividends paid (net of dividends reinvested)		(5,784)	(5,201)
Net cash inflows/(outflows) from operating activities		**10,835**	**(8,382)**
Net decrease in cash and cash equivalents held		**(1,269)**	**(628)**
Cash and cash equivalents at beginning of the year		4,287	4,865
Effects of foreign currency translation on cash balance		(77)	50
Cash and cash equivalents at end of the year	**10**	**2,941**	**4,287**

In the current year, cash flow from operating activities in relation to realisation and settlement of forward foreign exchange contracts are disclosed separately. Accordingly, comparatives have been reclassified to conform with current year presentation.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

NOTE 1 BASIS OF ACCOUNTING

Reporting Entity

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

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

Basis of Preparation

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

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

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

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

Foreign Currency Transactions and Translations

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

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

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

Accounting Policies

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

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

The Company adopted NZ IFRS 9 Financial Instruments (replacing NZ IAS 39 Financial Instruments: Recognition and Measurement) from 1 July 2018 and applied the standard retrospectively. From 1 July 2018, the Company classifies the financial assets and liabilities in the following measurement categories:

- those to be measured at fair value through profit or loss (previously measured as designated at fair value through profit or loss or held for trading and measured at fair value), and
- those to be measured at amortised cost (previously measured as loans and receivables).

The adoption of NZ IFRS 9 has had no material impact on the Company's financial statements and no material adjustments are noted on transition.

NOTE 1 BASIS OF ACCOUNTING CONTINUED

Under NZ IFRS 9, on initial recognition of a financial asset, the Company needs to assess on a forward looking basis, the expected credit loss associated with the financial assets carried at amortised cost. At each reporting date, the credit risk of a financial asset, apart from trade receivables, is assessed to determine whether there has been a significant increase in the credit risk. During the assessment the Company will consider both forward looking information and the financial history of counterparties to assess the probability of default or likelihood that full settlement is not received. Trade receivables will be assessed against the simplified approach of a lifetime expected loss allowance.

There are no other accounting standards that have been issued but are not yet effective that are expected to have a material impact on these financial statements.

Critical Judgements, Estimates and Assumptions

The preparation of financial statements requires the directors to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Judgements are designated by a j symbol in the notes to the financial statements. There were no material estimates or assumptions required in the preparation of these financial statements.

Authorisation of Financial Statements

The Marlin Board of Directors authorised these financial statements for issue on 19 August 2019.

No party may change these financial statements after their issue.

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

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

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

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

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

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

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

The fair value of listed equity investments traded in active markets are based on last sale prices at balance date, except where the last sale price falls outside the bid-ask spread for a particular investment, in which case the bid price will be used to value the investment.

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

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

The carrying amounts of the investments at the balance date are their fair values. Fair value measurements are categorised into a three level hierarchy that reflects the significance of the inputs used in making the measurements. Where unadjusted quoted prices are used, the investments are categorised as Level 1. When inputs derived from quoted prices are used, the investments are categorised as Level 2 and, if significant inputs are not based on observable market data they are categorised as Level 3.

All listed equity investments held by Marlin are categorised as Level 1 and all forward foreign exchange contracts are classified as Level 2 in the fair value hierarchy.

There were no financial instruments classified as Level 3 at 30 June 2019 (30 June 2018: none).

	2019	2018
	\$000	**\$000**
Financial assets and liabilities at fair value through profit or loss		
Financial Assets:		
International listed equity investments	136,890	121,194
Forward foreign exchange contracts	1,242	26
Total financial assets at fair value through profit or loss	**138,132**	**121,220**
Financial Liabilities:		
Forward foreign exchange contracts	47	1,715
Total financial liabilities at fair value through profit or loss	**47**	**1,715**
Net changes in fair value of financial assets and liabilities		
International listed equity investments	*10,809*	*21,992*
Foreign exchange gains on equity investments	189	7,162
(Losses) on forward foreign exchange contracts	(421)	(3,367)
Net changes in fair value of financial assets and liabilities	**10,577**	**25,787**

The fair value of sixteen stocks was determined using the bid price (2018: thirteen stocks).

The notional value of forward foreign exchange contracts held at 30 June 2019 was $61,370,217 (30 June 2018: $49,287,240).

NOTE 3 OTHER INCOME

	2019	2018
	$000	$000
GST refund (note 11)	0	1,860
Foreign exchange gains on cash and cash equivalents	208	236
Total other income	**208**	**2,096**

NOTE 4 OPERATING EXPENSES

	2019	2018
Management fee (note 11)	1,553	1,468
Performance fee (note 11)	0	2,713
Administration services (note 11)	159	159
Directors' fees (note 11)	176	132
Brokerage	165	138
Custody and accounting fees	57	92
Investor relations and communications	97	92
NZX fees	56	41
Professional fees	30	43
Auditor's fees:		
Statutory audit and review of financial statements	35	35
Non-assurance services [1]	0	5
Regulatory fees	9	9
Other operating expenses	30	27
Total operating expenses	**2,367**	**4,954**

[1] Non-assurance services in the prior year relate to agreed upon procedures performed in respect of the performance fee calculation. No other fees were paid to the auditor.

NOTE 5 TAXATION

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

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

	2019 $000	2018 $000
Taxation expense is determined as follows:		
Operating profit before tax	**9,424**	**23,736**
Non-taxable realised gain on financial assets and liabilities	(12,374)	(19,466)
Non-taxable unrealised loss/(gain) on financial assets and liabilities	1,236	(9,688)
Fair Dividend Rate income	6,268	5,305
Exempt dividends subject to Fair Dividend Rate	(963)	(764)
Non-deductible expenses and other	173	573
Prior period adjustment	0	(2)
Taxable income/(loss)	**3,764**	**(306)**
Tax at 28%	**1,054**	**(86)**
Taxation expense comprises:		
Current tax	846	121
Deferred tax	208	(206)
Prior period adjustment	0	(1)
Total tax expense/(benefit)	**1,054**	**(86)**
Current tax balance		
Opening balance	192	(300)
Current tax movements	(846)	(121)
Tax paid	185	613
Credits used	142	0
Current tax (payable)/receivable	**(327)**	**192**
Deferred tax balance		
Opening balance	208	0
Current year losses	(206)	206
Other	(2)	2
Deferred tax asset	**0**	**208**

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

Imputation credits

The imputation credits available for subsequent reporting periods total $326,609 (2018: $1,105). 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 2019.

NOTE 6 SHAREHOLDERS' EQUITY

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.

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

Marlin has 146,635,412 fully paid ordinary shares on issue (2018: 119,304,538). All ordinary shares rank equally and have no par value. All shares carry an entitlement to dividends and one vote is attached to each fully paid ordinary share.

Buybacks

Marlin maintains an ongoing share buyback programme. For the year ended 30 June 2019, Marlin had acquired 1,044,627 (2018: 3,781,447) shares under the programme which allows up to 5% of the ordinary shares on issue (as at the date 12 months prior to the acquisition) to be acquired. Shares acquired under the buyback programme are held as treasury stock and subsequently reissued to shareholders under the dividend reinvestment plan. There were 10,000 shares held as treasury stock at balance date (2018: nil).

Warrants

On 2 May 2018, 29,684,140 new Marlin warrants were allotted and quoted on the NZX Main Board on 3 May 2018. One new warrant was issued to all eligible shareholders for every four shares held on record date (1 May 2018). On 12 April 2019, 23,452,115 warrants were exercised at $0.75 per warrant and the remaining 6,232,025 warrants lapsed.

Dividends

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.

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

	2019 $000	Cents per share
28 Sep 2018	2,436	2.05
21 Dec 2018	2,480	2.07
28 Mar 2019	2,179	1.80
27 Jun 2019	2,832	1.95
	9,927	**7.87**

	2018 $000	Cents per share
29 Sep 2017	2,156	1.83
22 Dec 2017	2,190	1.87
29 Mar 2018	2,266	1.93
29 Jun 2018	2,316	1.96
	8,928	**7.59**

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 to the five-day volume weighted average share price from the date the shares trade ex-entitlement. During the year ended 30 June 2019, 4,923,386 ordinary shares (2018: 4,654,697 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 7 EARNINGS PER SHARE

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

	2019	2018
Basic earnings per share		
Profit attributable to owners of the Company ($'000)	8,370	23,822
Weighted average number of ordinary shares on issue net of treasury stock ('000)	125,307	117,959
Basic earnings per share	**6.68c**	**20.20c**
Diluted earnings per share		
Profit attributable to owners of the Company ($'000)	8,370	23,822
Weighted average number of ordinary shares on issue net of treasury stock ('000)	125,307	117,959
Diluted effect of warrants on issue ('000)	3,659	653
	128,966	118,612
Diluted earnings per share	**6.49c**	**20.08c**

NOTE 8 TRADE AND OTHER RECEIVABLES

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

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

	2019 $000	2018 $000
Interest receivable	1	0
Dividends receivable	15	9
Other receivables and prepayments	134	164
Total trade and other receivables	**150**	**173**

NOTE 9 TRADE AND OTHER PAYABLES

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

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

	2019 $000	2018 $000
Related party payable (note 11)	159	2,856
Other payables and accruals	81	105
Total trade and other payables	**240**	**2,961**

NOTE 10 CASH AND CASH FLOW RECONCILIATION

Cash and Cash Equivalents

Cash and cash equivalents are classified as financial assets at amortised cost and comprise cash on deposit at banks and short-term money market deposits.

	2019 $000	2018 $000
Cash - New Zealand dollars	1,287	1,487
Cash - International currency	1,654	2,800
Cash and Cash Equivalents	**2,941**	**4,287**
Reconciliation of Net Operating Profit after Tax to Net Cash (Outflows)/Inflows from Operating Activities		
Net operating profit after tax	**8,370**	**23,822**
Items not involving cash flows:		
Unrealised losses/(gains) on cash and cash equivalents	77	(50)
Unrealised losses/(gains) on revaluation of investments	1,236	(9,687)
Unrealised (gains)/losses on forward foreign exchange contracts	(2,885)	1,781
	(1,572)	**(7,956)**
Impact of changes in working capital items		
(Decrease)/increase in trade and other payables	(2,721)	1,033
Decrease/(increase) in trade and other receivables	23	(23)
Change in current and deferred tax	727	(700)
	(1,971)	**310**

	2019 $000	2018 $000
Items relating to investments		
Amount paid for purchases of investments	(56,013)	(39,311)
Amount received from sales of investments	51,317	50,316
Net amount received/(paid) on settlement of forward foreign exchange contracts	(3,306)	(1,586)
Realised gains on investments	(8,929)	(17,879)
	(16,931)	**(8,460)**
Other		
Increase in share buybacks payable	0	38
	0	**38**
Net cash (outflows)/inflows from operating activities	**(12,104)**	**7,754**

In the current year, cash flow in relation to unrealised gains and losses and investment related transactions of forward foreign exchange contracts are disclosed separately. Accordingly, comparatives have been reclassified to conform with current year presentation.

NOTE 11 RELATED PARTY INFORMATION

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

Transactions with related parties

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

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

(ii) Performance fee: Fisher Funds may earn an annual performance fee of 15% (plus GST) of excess returns over and above the performance fee hurdle return (being the change in the NZ 90 Day Bank Bill Index plus 5%) subject to achieving the High Water Mark ("HWM").

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

In accordance with the terms of the Management Agreement, when a performance fee is earned it is paid within 30 days of the balance date and, 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.

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

NOTE 11 RELATED PARTY INFORMATION CONTINUED

At 30 June 2019 the Company had achieved a return in excess of the performance fee hurdle return and the HWM. For the year ended 30 June 2019, excess returns of $59,973 (2018: $17,818,934) were generated and the net asset value per share before the deduction of a performance fee was $0.96 (2018: $1.02), which exceeded the HWM after adjustment for capital changes and distributions of $0.96 (2018: $0.83). The Manager waived its right to a performance fee of $9,131 (including GST) for the year ended 30 June 2019 (30 June 2018: $2,712,933 was expensed).

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

	2019	2018
	$000	**$000**
Fees earned by the Manager for the year ending 30 June		
Management fees	1,553	1,468
Performance fees	0	2,713
Administration services	159	159
Total fees earned by the Manager	**1,712**	**4,340**
Fees payable to the Manager at 30 June		
Management fees	146	130
Performance fees	0	2,713
Administration services	13	13
Total fees payable to the Manager	**159**	**2,856**

Investments by the Manager
The Manager held shares in, and received dividends from, the Company at 30 June 2019 which total 1.37% of the total shares on issue (2018: 1.08%) and 1.07% of the total warrants on issue (2018: 1.07%).

Investment transactions with related parties
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). Purchases for the year ended 30 June 2019 totalled $nil (2018: $nil) and sales totalled $4,011,035 (2018: $488,980).

GST Refund
Fisher Funds historically charged Marlin GST at the standard GST rate on the provision of investment services. In 2017 the Inland Revenue Department ("IRD") confirmed that the lower GST fund manager rate of 1.5% could be charged to Marlin (and this rate has been applied since 1 August 2017).

During April 2018, Marlin received from Fisher Funds $1,875,253, being a refund of overcharged GST of $1,747,301 plus use of money interest ("UOMI") of $127,952 on the provision of investment services to Marlin for the eight year period from 1 August 2009 to 31 July 2017.

In the 2018 Statement of Comprehensive Income, the portion of the GST refund relating to historical years of $1,731,576 and UOMI of $127,952, which totals $1,859,528, has been recognised as other income, with the balance of $15,726 relating to the 2018 year recognised as a reduction in management fee expense. The GST refund and UOMI was excluded from the 2018 performance fee calculation as it was not generated by investment activity.

Directors

The directors of Marlin are the only key management personnel and they earn a fee for their services. The directors' fee pool increased from $125,000 to $157,500 (plus GST if any) per annum from 1 July 2018 (30 June 2018: $125,000). The amount paid to directors is disclosed in note 4.

The directors also held shares in the Company at 30 June 2019 which total 0.73% of total shares on issue (30 June 2018: 0.71% of the total shares on issue). There were no warrants on issue at 30 June 2019 (30 June 2018: directors held 0.70% of warrants on issue). Dividends were also received by the directors as a result of their shareholding.

NOTE 12 FINANCIAL RISK MANAGEMENT

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

The Management Agreement between 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.

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 77% (2018: United States 73%).

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

Price Risk

Price risk is the risk of gains or losses from changes in the market price of investments. The Company is exposed to the risk of fluctuations in the underlying value of its listed portfolio companies. There were no companies individually comprising more than 10% of Marlin's total assets at 30 June 2019 (30 June 2018: none).

Interest Rate Risk

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

Currency Risk

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

NOTE 12 FINANCIAL RISK MANAGEMENT CONTINUED

Market Risk (continued)

Sensitivity Analysis

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

		2019 $000	2018 $000
Price risk[1]			
International listed equity investments	Carrying value	136,890	121,194
	Impact of a 10% change in market prices: +/-	13,689	12,119
Interest rate risk[2]			
Cash and cash equivalents	Carrying value	2,941	4,287
	Impact of a 1% change in interest rates: +/-	29	43
Currency risk[3]			
Cash and cash equivalents	Carrying value	1,654	2,800
	Impact of a +10% change in exchange rates	(150)	(255)
	Impact of a -10% change in exchange rates	184	311
International listed equity investments	Carrying value	136,890	121,194
	Impact of a +10% change in exchange rates	(12,445)	(11,018)
	Impact of a -10% change in exchange rates	15,210	13,466
Forward foreign exchange contracts	Carrying value	1,195	(1,689)
	Impact of a +10% change in exchange rates	5,579	4,481
	Impact of a -10% change in exchange rates	(6,819)	(5,476)
Net foreign currency payables/receivables	Carrying value	129	110
	Impact of a +10% change in exchange rates	(12)	(10)
	Impact of a -10% change in exchange rates	14	12

[1] A variable of 10% was selected for price risk as this is a reasonably expected movement based on historic trends in equity prices.

[2] A variable of 1% was selected as this is a reasonably expected movement based on historical volatility. 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.

[3] A variable of 10% was selected as this is a reasonably expected movement based on historic trends in exchange rate movements.

Credit Risk

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

The Company measures credit risk and expected credit losses using probability of default, exposure at default and loss given default. Management considers both historical analysis and forward looking information in determining any expected credit loss.

Listed securities are held by an independent custodian, Trustees Executors Limited. All transactions in listed securities are paid for on delivery according to standard settlement instructions and are normally settled within three business days. Dividends receivable are due from listed international companies and are normally settled within a month after the Ex-Dividend date. The Company has cash and forward foreign exchange contracts with banks registered in New Zealand, and internationally, which carry a minimum short-term credit rating of S&P A-1 or equivalent. All other receivables mainly relates to GST receivable from the IRD or international tax reclaims.

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

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.

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

Liquidity Risk

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

Liquidity to fund investment requirements can be augmented through the procurement of a debt facility from a registered bank to a maximum value of 20% of the gross asset value of the Company. There were no such debt facilities at 30 June 2019 (2018: nil).

Capital Risk Management

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

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

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

Since announcing a long-term distribution policy in August 2010, the Company continues to pay 2% of average net asset value each quarter.

NOTE 13 NET ASSET VALUE

The audited net asset value per share of Marlin as at 30 June 2019 was $0.96 (30 June 2018: $1.02), calculated as the net assets of $140,609,104 divided by the number of shares on issue of 146,635,412 (2018: net assets of $121,403,922 and shares on issue of 119,304,538).

NOTE 14 COMMITMENTS AND CONTINGENT LIABILITIES

There were no unrecognised contractual commitments or contingent liabilities as at 30 June 2019 (2018: nil).

NOTE 15 FINANCIAL REPORTING BY SEGMENTS

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

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

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

NOTE 16 SUBSEQUENT EVENTS

The Board declared a dividend of 1.93 cents per share on 19 August 2019. The record date for this dividend is 12 September 2019 with a payment date of 26 September 2019.

Subsequent to balance date, the Board negotiated and agreed with the Manager a change to the performance fee structure. The change results in a 33% reduction to the performance fee earn rate (above the performance hurdle) from 15% to 10% together with the introduction of a cap (1.25%) on the total performance fee amount. The payment of any performance fee remains unchanged at 100% in cash, however there is no longer an obligation on the Manager to apply 25% of any performance fee to the purchase of ordinary shares in the Company. The changes take effect from 1 July 2019.

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 2019;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies.

Our opinion

In our opinion, the financial statements of Marlin Global Limited (the Company), present fairly, in all material respects, the financial position of the Company as at 30 June 2019, 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.

Other than in our capacity as auditor we have no relationship with, or interests in, the Company.

Our audit approach

Overview

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

Overall materiality: $703,000, which represents approximately 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 $51,800 as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Because of the significance of the international listed equity investments to the financial statements, we have determined that there is one key audit matter: valuation and existence of the international listed equity investments.

Materiality

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

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall 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 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 matter

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

Key audit matter	How our audit addressed the key audit matter
Valuation and existence of international listed equity investments International listed equity investments (the Investments) are valued at $136.9 million and represent 97% of total assets. Further disclosures on the Investments are included in note 2 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 2019, 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 2019. 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. Our procedures also included assessing the Administrator's and Custodian's internal controls reports for custody and investment accounting services for the periods ended 30 September 2018 and 31 March 2019. The Administrator and Custodian have confirmed that there has been no material change to their control environment in the period from 1 April 2019 to 30 June 2019. *Existence* We obtained confirmation of the Investments holdings and that the Company was the recorded owner of all the Investments from the Custodian. *Valuation* We agreed the price for all Investments held at 30 June 2019 and the exchange rate at which they have been converted from the foreign currency to New Zealand dollars to independent third party pricing sources. From the procedures performed, we have no matters to report.

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/assurance-standards/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
19 August 2019

Auckland

SHAREHOLDER INFORMATION

Spread of Shareholders as at 08 August 2019

Holding Range	# of Shareholders	# of Shares	% of Total
1 to 999	109	43,272	0.03
1,000 to 4,999	362	897,288	0.61
5,000 to 9,999	630	4,028,249	2.75
10,000 to 49,999	1,810	38,830,042	26.48
50,000 to 99,999	379	25,505,384	17.39
100,000 to 499,999	283	50,084,718	34.15
500,000 +	23	27,256,459	18.59
TOTAL	**3,596**	**146,645,412**	**100.0**

20 Largest Shareholders as at 08 August 2019

Holder Name	# of Shares	% of Total
FORSYTH BARR CUSTODIANS LIMITED <1-CUSTODY>	5,631,819	3.84
FNZ CUSTODIANS LIMITED	3,621,793	2.47
ANTHONY JOHN SIMMONDS & MAUREEN SIMMONDS <AJ & M SIMMONDS PARTNERSHIP A/C>	3,241,093	2.21
ASB NOMINEES LIMITED <339992 A/C>	2,008,040	1.37
THOMAS VINCENT BRIEN & JILLIAN MAUREEN BRIEN	1,176,843	0.80
CUSTODIAL SERVICES LIMITED <A/C 4>	1,154,003	0.79
ASB NOMINEES LIMITED <ACCOUNT 340941 - ML>	874,250	0.60
BRYAN THOMAS SEDDON & DOROTHY EDITH ALLISON SEDDON	830,000	0.57
PHILIP MICHAEL EDWARDES	746,125	0.51
RUSSELL IAN MOLLER	685,186	0.47
PETER JOHN MOLLER & VICTOR ROSS ALEXANDER BEDFORD & JEAN ELSPETH MOLLER <JEM FAMILY A/C>	652,959	0.45
JANET MARGARET CURRIE & J D PATTERSON TRUSTEE LIMITED <BRIAN CURRIE NO 2 FAMILY A/C>	641,912	0.44
EDWARD ALLAN HUDSON	633,167	0.43
LEVERAGED EQUITIES FINANCE LIMITED	603,476	0.41
DONALYN KATHLEEN STANLEIGH GLOVER & KAY ADELA NIEPOLD & VERON ICA HOUSE LIMITED <GLOVER INVESTMENT A/C NO 1>	555,976	0.38
WILLIAM FRANCIS GLOVER & VERONICA HOUSE LIMITED & KAY ADELA NIEPOLD <GLOVER INVESTMENT A/C NO 2>	555,976	0.38
MARGARET MASSEY	532,823	0.36
BRIAN MAXWELL CURRIE & J D PATTERSON TRUSTEE LIMITED <JANET CURRIE FAMILY A/C>	528,801	0.36
FNZ CUSTODIANS LIMITED <DRP NZ A/C>	527,335	0.36
JOHN HASTIE & ERICA DAWNE HASTIE	525,000	0.36
TOTAL	**25,726,577**	**17.56**

STATUTORY INFORMATION

Directors' Relevant Interests in Equity Securities as at 30 June 2019

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 2019 are as follows:

	Ordinary Shares	
	Held Directly	Held by Associated Persons
A B Ryan[(1)]	14,767	70,465
C M Fisher[(2)]		874,250
C A Campbell[(3)]	65,335	
R A Coupe[(4)]	38,783	

(1) *A B Ryan purchased 5,242 shares on market in the year ended 30 June 2019 as per the Marlin share purchase plan (purchase price $0.95). A B Ryan and associated persons acquired shares in the year ended 30 June 2019, issued under the dividend reinvestment plan (average issue price $0.86). A B Ryan exercised 14,767 warrants in the year ended 30 June 2019.*

(2) *Associated persons of C M Fisher exercised 174,850 warrants in the year ended 30 June 2019.*

(3) *C A Campbell purchased 3,931 shares on market in the year ended 30 June 2019 as per the Marlin share purchase plan (purchase price $0.95). C A Campbell acquired 4,994 shares in the year ended 30 June 2019, issued under the dividend reinvestment plan (average issue price $0.85). C A Campbell exercised 11,075 warrants in the year ended 30 June 2019.*

(4) *R A Coupe purchased 3,931 shares on market in the year ended 30 June 2019 as per the Marlin share purchase plan (purchase price $0.95). R A Coupe acquired 3,401 shares in the year ended 30 June 2019, issued under the dividend reinvestment plan (average issue price $0.85).*

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.

Directors Holding Office

Marlin's directors as at 30 June 2019 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 2018 Annual Shareholders' Meeting, Carol Campbell retired by rotation and being eligible was re-elected. Alistair Ryan and Carmel Fisher retire by rotation at the 2019 Annual Shareholders' Meeting and being eligible, offer themselves for re-election.

Directors' Relevant Interests

The following are relevant interests of Marlin's Directors as at 30 June 2019:
(Including particulars of entries made in the interests register during the financial year).

A B Ryan	Kingfish Limited	Chair
	Barramundi Limited	Chair
	Metlifecare Limited	Director
	Kiwibank Limited	Director
	FMA Audit Oversight Committee	Member
	Christchurch Casinos Limited (Retired 31 March 2019)	Director
	Evolve Education Group Limited (Retired 15 June 2019)	Chair
C M Fisher	Kingfish Limited	Director
	Barramundi Limited	Director
	New Zealand Trade & Enterprise	Director
C A Campbell	Kingfish Limited	Director
	Barramundi Limited	Director
	T&G Global Limited	Director
	Hick Bros Holdings Limited & subsidiary companies	Director
	Woodford Properties Limited	Director
	alphaXRT Limited	Director
	New Zealand Post Limited	Director
	Key Assets Foundation	Trustee
	Key Assets NZ Limited	Director
	Kiwibank Limited	Director
	Asset Plus Limited	Director
	Nica Consulting Limited	Director
	NZME Limited	Director
	Nica Consulting Limited	Director
	Cord Bank Limited	Director
	T&G Insurance Limited	Director
	Bankside Chambers Ltd	Director
	Chubb Insurance New Zealand Limited	Director
R A Coupe	Kingfish Limited	Director
	Barramundi Limited	Director
	New Zealand Takeovers Panel	Chair
	Coupe Consulting Limited	Director
	Gentrack Group Limited	Director
	Briscoe Group Limited	Director
	Television New Zealand Limited	Director
	Farmright Limited (Retired December 2018)	Chair

STATUTORY INFORMATION CONTINUED

Auditor's Remuneration

During the 30 June 2019 year the following amounts were paid/payable to the auditor, PricewaterhouseCoopers New Zealand.

	$000
Statutory audit and review of financial statements	35
Non assurance services	0

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 2019.

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
Wayne Burns
Beverley Sutton

Nature of Business
The principal activity of Marlin 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.investorcentre.com/NZ

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 marlin

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