MONTHLY UPDATE

May 2025

SHARE PRICE	WARRANT PRICE	MLN NAV	PREMIUM[1]
$0.90	$0.00	$0.89	0.7%

as at 30 April 2025

A WORD FROM THE MANAGER

Marlin's gross performance return for April was -2.7%, while the adjusted NAV return was -2.9%. This compared with our global benchmark, S&P Large Mid Cap/S&P Small Cap Index (50% hedged to NZD), which was down -1.6%.

Market Environment

April was a volatile month for global equity markets. Weeks of speculation around tariffs came to a head on Liberation Day on 2nd April. President Trump announced tariffs that were harsher than expected. Global equities fell 11% in the days following the announcement and market volatility (fear) spiked to the highest level since the Covid-19 pandemic. Trump's tariffs raised concerns of stagflation (a combination of slowing economic growth and stubbornly high inflation), a tough environment for equities.

Stocks recovered much of their losses after President Trump progressively softened the harsh tariff approach over the month. He announced a 90-day pause in the implementation of reciprocal tariffs for countries that had not yet adopted retaliatory measures, and global equities ended the month up 1%.

Another key factor contributing to the stock rally in the latter half of the month was the strong earnings results delivered by US companies, set against the backdrop of a decline in investor enthusiasm for the US as an investment destination. In our portfolio, Meta, Microsoft, Alphabet, Netflix, Danaher, Boston Scientific and Edwards all delivered results better than expectations.

Earlier in the month, we took advantage of the extreme fear in markets and deployed capital in three ways: 1. buying companies partially impacted by tariffs that had been over-sold (Intuitive Surgical, Meta, and Gartner); 2. upgrading the quality of the portfolio by buying companies that are exceptional quality and had been caught up in the indiscriminate selling (Costco, Hermes) and funding that via selling lower quality companies (Icon, Greggs); 3. taking profits in our defensives that had outperformed (United Healthcare, Boston Scientific) and redeploying that into high quality companies that are directly impacted by the tariffs (Amazon, KKR, Nvidia).

Portfolio

Netflix (+21%) and **Microsoft** (+5%) emerged as relative tariff winners due to their service-based products, which are not impacted by the newly announced tariffs. Both companies also had good quarterly earnings during the month, further supporting share price strength.

Netflix reported revenue and margins ahead of expectations. New subscriber growth continues as they released desirable new content (such as Adolescence and Back in Action) and are rolling-out new subscription tiers to appeal to a wider range of customers, which has increased its growth runway.

Microsoft's earnings result was led by Azure, its cloud computing platform, growing ahead of expectations at 35%. Both AI and non-AI cloud revenue growth on Azure was strong, and Azure continues to take market share in cloud computing. Microsoft will continue to be a beneficiary as more AI-related software and workloads are adopted by enterprises on top of its core software.

Our medical device names (**Intuitive Surgical** +4%, **Dexcom** +5%, **Edwards Lifesciences** +4% and **Boston Scientific** +2%) also benefited from the shift to more defensive and tariff winners, which was proven out in earnings reports during the month.

Amazon (-3%) and **Floor & Décor** (-11%) detracted from fund performance given their exposure to tariffs and the flow on effect of a potentially weaker consumer. Both companies have diverse global supply chains, flexibility to absorb proposed tariff impacts and are in a better position to navigate tariffs than competitors.

Floor and Décor has reduced its China-sourced products from 50% in 2018 to 15% currently, and the company expects this to decrease to below 5% by the end of 2025. Floor and Décor sources products from 240 different suppliers across 26 countries, with the largest being the US at 27%. The company also has experience successfully managing previous tariffs through pricing and supplier negotiations. Floor & Décor has already seen competitors increase prices by up to 50%, which could potentially widen Floor & Décor's price gap and enhance its value proposition.

Amazon's eCommerce business includes over 2 million sellers and hundreds of millions of different products. Amazon's very wide range of products coupled with low-cost and fast delivery means it is well placed to weather challenging conditions better than others and offer market leading service to customers.

UnitedHealth (-21%) was a defensive haven during the tariff sell-off, outperforming the S&P by 20% at one point. However, a rare earnings miss caused a 30% decline, shaking investors' confidence in this historically stable business. US health insurers have faced challenges as reimbursement pressure in government programs and rising healthcare costs squeezed profit margins. UnitedHealth had navigated this environment better than peers, maintaining margins while taking market share.

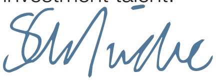
[1] Share Price Premium to NAV (including warrant price on a pro-rated basis and using the net asset value per share, after expenses, fees and tax, to four decimal places).

Icon (-13%) and its clinical research peers have faced challenges in recent quarters as the large pharma and biotech customers cut research and development spending post Covid-19 and amidst increasing interest rates. This backdrop was expected to improve this year, but the combination of high interest rates, macroeconomic and tariff uncertainty; and questions over the Trump administration's pharma regulation policies has seen ongoing hesitancy in clinical trial investment.

New portfolio additions

Costco is a leading global warehouse club, offering high-quality products in bulk at low prices. The company is the third largest retailer in the world by revenue and operates more than 900 warehouses. Costco serves 137 million members by providing a wide range of goods—from groceries and electronics to household items. Costco's ability to leverage its scale to consistently deliver the lowest prices creates a strong moat. This, combined with its customer-centric culture has led to sales per square foot double that of its nearest competitor. Costco's has substantial opportunity to expand its warehouse footprint both in the U.S. and internationally.

KKR is a leading alternative asset franchise benefiting from the structural growth in alternative assets as pension funds, sovereign wealth funds and high-net-worth individuals increase their allocations to private equity and alternatives. While asset management is a competitive industry, KKR has a wide moat given its strong track record of returns and the stickiness of assets under management. KKR's brand and track record helps with fundraising and attracting investment talent.



Sam Dickie
Senior Portfolio Manager
Fisher Funds Management Limited

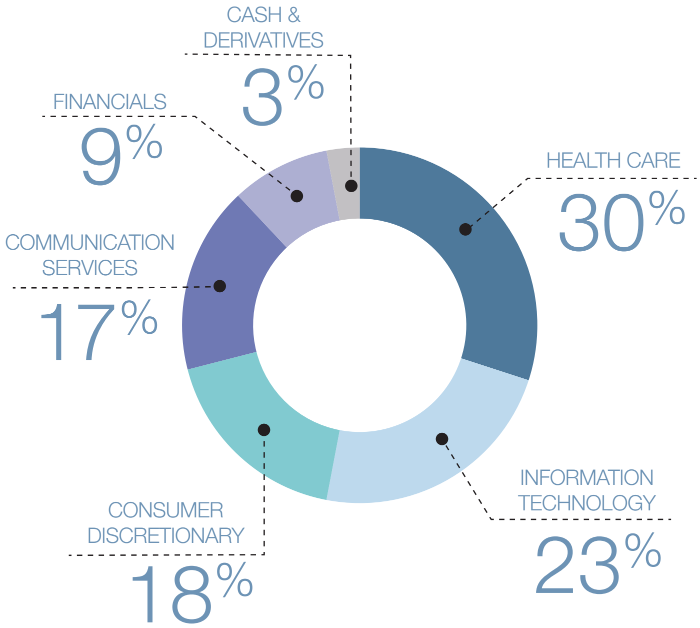
KEY DETAILS

as at 30 April 2025

FUND TYPE	Listed Investment Company
INVESTS IN	Growing international companies
LISTING DATE	1 October 2007
FINANCIAL YEAR END	30 June
TYPICAL PORTFOLIO SIZE	20-35 stocks
INVESTMENT CRITERIA	Long-term growth
PERFORMANCE OBJECTIVE	Long-term growth of capital and dividends
TAX STATUS	Portfolio Investment Entity (PIE)
MANAGER	Fisher Funds Management Limited
MANAGEMENT FEE RATE	1.25% of gross asset value (reduced by 0.10% for every 1% of underperformance relative to the change in the NZ 90 Day Bank Bill Index with a floor of 0.75%)
PERFORMANCE FEE HURDLE	Changes in the NZ 90 Day Bank Bill Index + 5%
PERFORMANCE FEE	10% of returns in excess of benchmark and high-water mark
HIGH WATER MARK	$0.96
PERFORMANCE FEE CAP	1.25%
SHARES ON ISSUE	221m
MARKET CAPITALISATION	$199m
GEARING	None (maximum permitted 20% of gross asset value)

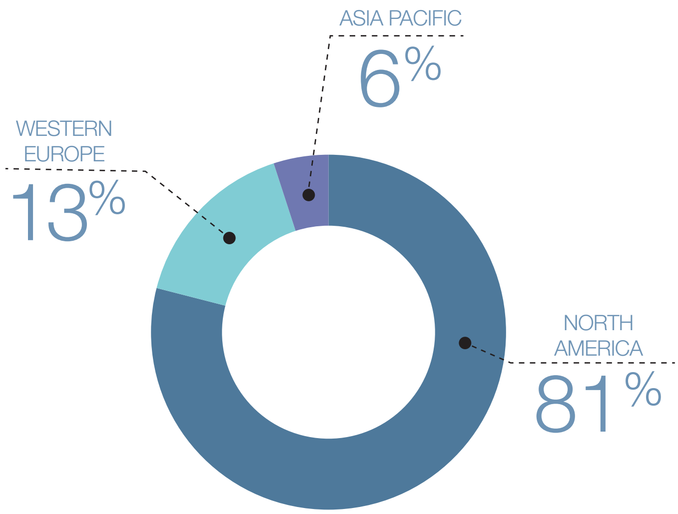
SECTOR SPLIT

as at 30 April 2025



GEOGRAPHICAL SPLIT

as at 30 April 2025



APRIL'S SIGNIFICANT RETURNS IMPACTING THE PORTFOLIO during the month in local currency

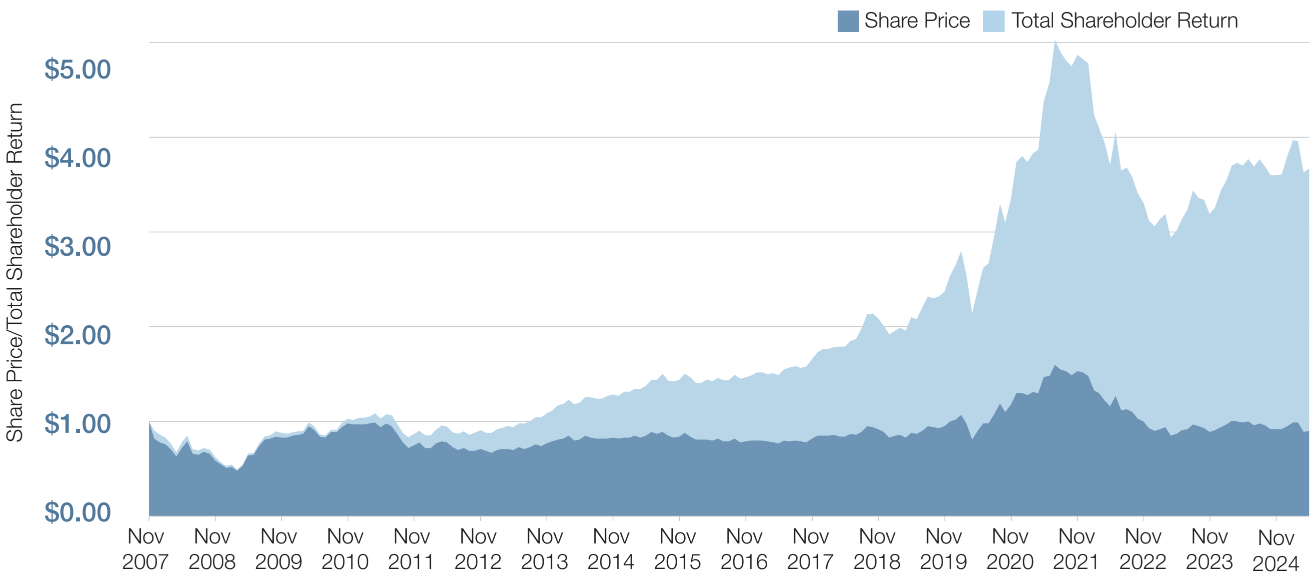
NETFLIX	KKR	FLOOR & DÉCOR	ICON	UNITED HEALTH
+21%	+21%	-11%	-13%	-21%

5 LARGEST PORTFOLIO POSITIONS as at 30 April 2025

AMAZON	MICROSOFT	MASTERCARD	ASML HOLDINGS	DANAHER
8%	7%	6%	5%	5%

The remaining portfolio is made up of another 20 stocks and cash.

TOTAL SHAREHOLDER RETURN to 30 April 2025



PERFORMANCE to 30 April 2025

	1 Month	3 Months	1 Year	3 Years (annualised)	5 Years (annualised)
Company Performance					
Total Shareholder Return	+1.1%	(7.4%)	(0.6%)	(0.3%)	+8.9%
Adjusted NAV Return	(2.9%)	(13.7%)	(4.3%)	+5.0%	+6.9%
Portfolio Performance					
Gross Performance Return	(2.7%)	(13.5%)	(1.7%)	+7.4%	+9.9%
Benchmark Index^	(1.6%)	(4.3%)	+11.7%	+10.3%	+13.0%

^Benchmark index: S&P Large Mid Cap/S&P Small Cap Index (50% hedged to NZD)

Non-GAAP Financial Information

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

- adjusted net asset value – the underlying value of the investment portfolio adjusted for dividends (and other capital management initiatives) and after expenses, fees, and tax,
- adjusted NAV return – the percentage change in the adjusted NAV,
- gross performance return – the Manager's portfolio performance in terms of stock selection and currency hedging before expenses, fees and tax, and
- total shareholder return – the return combines the share price performance, the warrant price performance, the net value of converting any warrants into shares, and the dividends paid to shareholders. It assumes all dividends are reinvested in the company's dividend reinvestment plan, and that shareholders exercise their warrants, (if they were in the money) at warrant expiry date.

All references to adjusted net asset value, adjusted NAV return, gross performance return and total shareholder return in this monthly update 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 marlin.co.nz/about-marlin/marlin-policies.

ABOUT MARLIN GLOBAL

Marlin is an investment company listed on the New Zealand Stock Exchange. The company gives shareholders an opportunity to invest in a diversified portfolio of between 20 and 35 quality growing international companies (excluding New Zealand and Australia) through a single, professionally managed investment. The aim of Marlin is to offer investors competitive returns through capital growth and dividends.

MANAGEMENT

The Manager has authority delegated to it from the Board to invest according to the Management Agreement and other written policies. Marlin's portfolio is managed by Fisher Funds Management Limited. Sam Dickie (Senior Portfolio Manager), Chris Waters (Senior Investment Analyst), and Daniel Moser and Charles Barty (Investment Analysts) have prime responsibility for managing the Marlin portfolio. Together they have significant combined experience and are very capable of researching and investing in the quality global companies that Marlin targets. Fisher Funds is based in Takapuna, Auckland.

BOARD

The Board of Marlin comprises independent directors Andy Coupe (Chair), Carol Campbell, David McClatchy and Fiona Oliver.

CAPITAL MANAGEMENT STRATEGIES

Regular Dividends

- Quarterly distribution policy introduced in August 2010
- Under this policy, 2% of average NAV is targeted to be paid to shareholders quarterly
- Dividends paid by Marlin may include dividends received, interest income, investment gains and/or return of capital
- Shareholders who prefer to have increased capital rather than a regular income stream have the opportunity to participate in the company's dividend reinvestment plan (DRP)
- Shares issued to DRP participants are at a 3% discount to market price
- Marlin became a portfolio investment entity on 1 October 2007. As a result, dividends paid to New Zealand tax resident shareholders have not been subject to further tax

Share Buyback Programme

- Marlin has a buyback programme in place allowing it (if it elects to do so) to acquire its shares on market
- Shares bought back by the company are held as treasury stock
- Shares held as treasury stock are available to be utilised for the dividend reinvestment plan

Warrants

- Warrants were allotted to all eligible Marlin shareholders on 16 May 2024
- The warrants (MLNWG) commence trading on the NZX Main Board from 17 May 2024
- The Exercise Price of each warrant is $0.96
- The Exercise Date for the Marlin warrants is 16 May **2025**

marlin growing globally

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