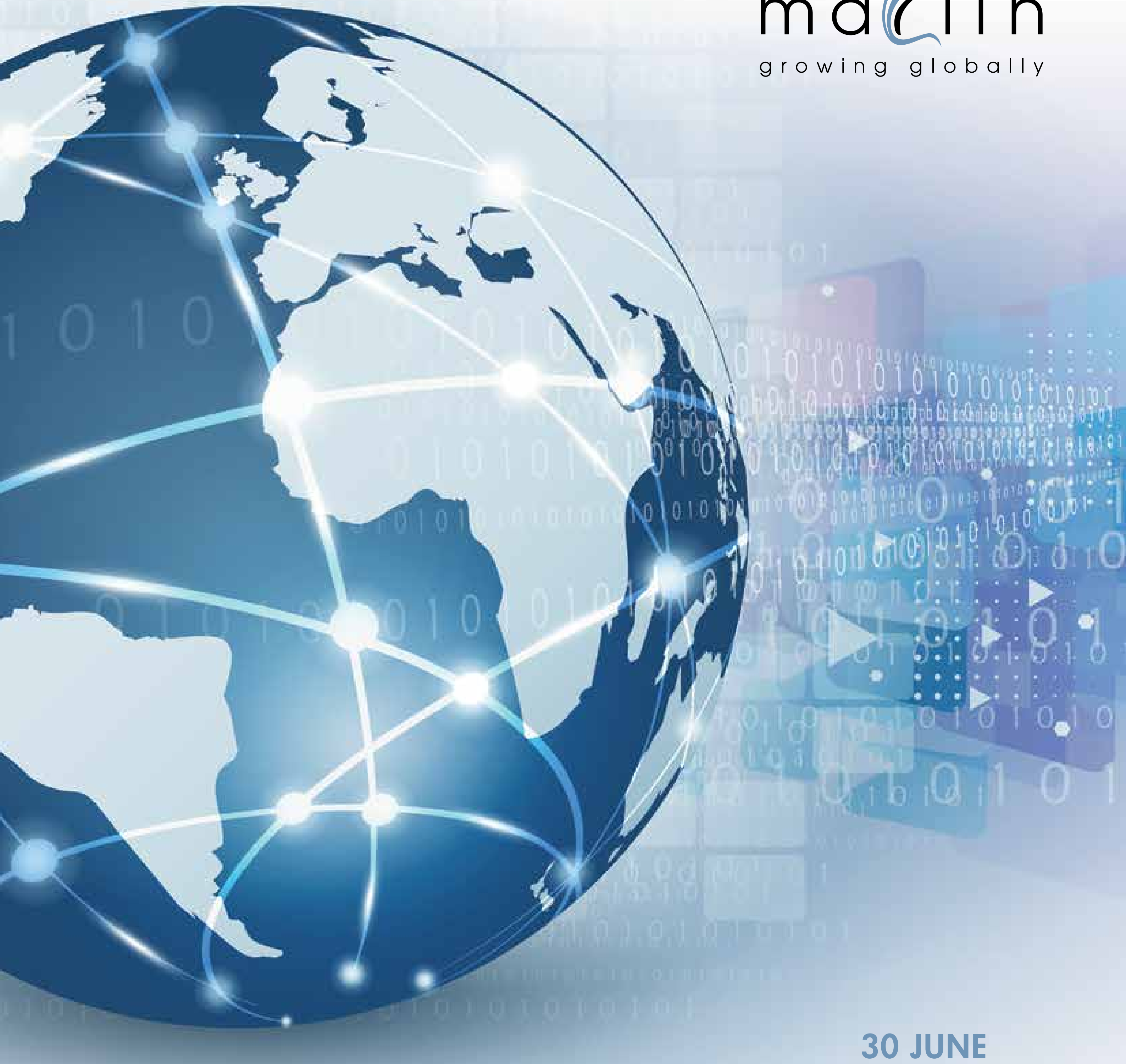
marlin
growing globally



30 JUNE
2016
annual report

marlin
growing globally

CONTENTS

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AT A GLANCE

at 30 June 2016

NAV per Share $0.83

Share Price $0.79

Discount# 4.9%

#*includes warrant price on a pro-rata basis*

for year to 30 June 2016

Dividend Return 8.6%

2016/2017 CALENDAR

Next Dividend Payable	30 September 2016
Annual Shareholders' Meeting	4 November 2016, 10:30am Ellerslie Event Centre, Auckland
September Quarter Update Newsletter	November 2016
Interim Period End	31 December 2016
Interim Report to 31 December 2016	March 2017
March Quarter Update Newsletter	May 2017

ABOUT THE COMPANY

Marlin Global Limited ("Marlin" or "the company") is a listed investment company that invests in 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 growth company shares. 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:

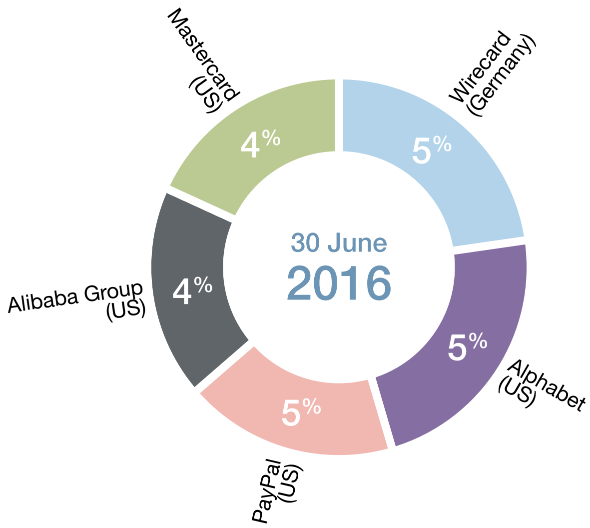
- Achieve a high real rate of return, comprising both income and capital growth, within risk parameters acceptable to the directors; and
- Provide access to a diversified portfolio of international growth stocks through a single tax-efficient investment vehicle.

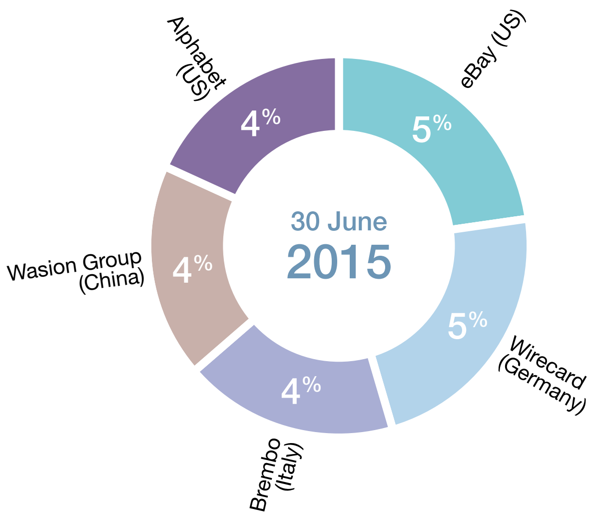
INVESTMENT APPROACH

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 our 'STEEPP' investment criteria (see pages 14 and 15).

TOP FIVE INVESTMENTS





DIRECTORS' OVERVIEW

After three years of strong returns, Marlin reported a net loss for the year ended 30 June 2016 of $6.9m (2015, profit of $14.7m). We have seen a period of economic uncertainty in global equity markets, particularly in the final month of the financial year with the surprise Brexit vote. For the same period, the benchmark index^ was down 3.0% in New Zealand dollar terms.

The Marlin portfolio wasn't immune with the adjusted NAV down 6.7% (adjusted for dividends and other capital management initiatives) over the 12 month period. Excluding fees, tax and capital management adjustments, Marlin's gross return was down 3.8%, more in line with the benchmark index^.

Returns were impacted by a strengthening New Zealand dollar with the portfolio losing $4.1m due to foreign exchange. Currency hedging, put in place to help protect the portfolio against fluctuations in exchange rates, partially offset the loss (reduced it by $2.1m).

Previously, Marlin's regional positioning has hindered its performance relative to the benchmark index^, with the portfolio underweight in North American stocks. Over the past 12 months the management team have focused their efforts to reduce the underweight as they find companies that meet their strict investment criteria. As at 30 June 2016, 61% of the portfolio was invested in North America (46% as at 30 June 2015). This increase in regional positioning helped the portfolio, with North American stocks generating the highest return over the period.

Marlin recorded a low total shareholder return (TSR)* of -0.3% over the year. TSR* takes into consideration the change in share price, dividends paid to shareholders and the impact of warrants when on issue. This year, TSR* was negatively impacted by Marlin's combined share and warrant price falling 9.2% from $0.87 (as at 30 June 2015) to $0.79 (as at 30 June 2016). During the year, shareholders received regular dividends (7.47 cents per share) and had the option to participate in the warrant issue at $0.81 per warrant (discussed in more detail overleaf).

Revenues and Expenses

The components of the full-year result were dividend and interest income of $1.0m, losses on investments of $4.6m, foreign exchange losses on cash of $0.2m less operating expenses and tax of $3.1m. Tax expense is higher than last year predominantly as a result of the foreign exchange gains from currency hedging.

Expenses were $1.9m lower than last year due to the Manager not achieving a performance fee for the year to 30 June 2016. Furthermore, the management fee of 1.25% of the gross return was reduced to 0.75% per the management agreement as Marlin underperformed the NZ 90 Day Bank Bill Index plus 5%. This 'fulcrum' fee structure (where the fee is reduced if the Manager underperforms) aligns the Manager's interests with shareholders'.

Five-Year Summary

Figure 1 (on page 7) summarises the five-year performance history for the years ended 30 June 2012-2016.

Alistair Ryan, Chairman.

DIRECTORS' OVERVIEW CONTINUED

Since Inception

Since inception in November 2007, Marlin's adjusted NAV* is up 42.6%, behind the benchmark index^ for the same period of 62.5%.

A total of 47.06 cents per share has been paid out to Marlin shareholders in dividends during the nine-year period, contributing to a positive TSR* (the combination of share price performance, dividends and warrants) of 43.6%.

Figure 2 (on page 7) tracks the Marlin share price relative to TSR*, over the period since inception.

Dividends

In accordance with Marlin's distribution policy (2.0% of average NAV paid four times per annum), the company's dividend return was 8.6% during the year. The next dividend payment will be 1.72 cents per share, payable on 30 September 2016 with a record date of 15 September 2016.

Warrants

On 5 August 2016, Marlin warrant holders had the option to convert all or some of their warrants into ordinary Marlin shares at an exercise price of $0.81. On the same day, Marlin shares were trading on market at $0.79. As a result, only 1.4m warrants (5%) were exercised on the exercise date, providing an additional $1.1m to invest in the Marlin portfolio. The additional funds have been invested in Marlin's current investment portfolio of stocks, in similar proportions to the existing portfolio.

This was a disappointing warrant issue for both Marlin and its warrant holders with the share price not exceeding the warrant exercise price. Warrant holders who chose to exercise did gain access to shares with a net asset value ($0.87 as at 3 August) in excess of the exercise price ($0.81). Since the exercise date, the share price and NAV have strengthened to $0.83 (as at 7 September) and $0.87 per share (as at 6 September) respectively.

Annual Shareholders' Meeting

The Annual Shareholders' Meeting will be held on Friday 4 November 2016 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.

Conclusion

It is disappointing to report a negative result after three years of strong returns. We have seen a period of economic uncertainly in global equity markets, but the Board remains confident that the Marlin portfolio can produce long-term growth and sustainable dividends for investors.

Further details of the Marlin portfolio and changes to it are discussed within the Manager's Report.

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

On behalf of the Board,

Alistair Ryan

Alistair Ryan / Chairman
Marlin Global Limited
12 September 2016

Definitions of Non-GAAP measures:

Adjusted Net Asset Value (Adjusted NAV)

The adjusted NAV per share represents the total assets of Marlin Global (investments and cash) minus any liabilities (expenses and tax), divided by the number of shares on issue. It adds back dividends paid to shareholders and adjusts for:

- *the impact of shares issued under the dividend reinvestment plan at the discounted reinvestment price;*
- *shares bought on-market (share buybacks) at a price different to the NAV, and;*
- *warrants exercised at a price different to the NAV at the time exercised.*

Adjusted NAV assumes all dividends are reinvested in the company's dividend reinvestment plan and excludes imputation credits.

The directors believe this metric to be useful as it reflects the underlying performance of the investment portfolio adjusted for dividends, share buybacks and warrants, which are a capital allocation decision and not a reflection of the portfolio's performance.

Total Shareholder Return (TSR)

The TSR combines the share price performance, the warrant price performance (when warrants are on issue), the net value of converting warrants into shares and dividends paid to shareholders.

TSR assumes:

- *all dividends paid are reinvested in the company's dividend reinvestment plan at the discounted reinvestment price and exclude imputation credits, and;*
- *all shareholders that have received warrants (for free), have subsequently exercised their warrants at the warrant expiry date and bought shares (if they were in the money).*

The directors believe this metric to be useful as it reflects the return of an investor who reinvests their dividends and, if in the money, exercises their warrants at warrant maturity date for additional shares. No metric has been included for investors who choose other investment options.

FIGURE 1: FIVE-YEAR PERFORMANCE SUMMARY

Corporate Performance

For the year ended 30 June	2016	2015	2014	2013	2012
Total Shareholder Return*	(0.3%)	14.6%	28.5%	12.2%	(18.4%)
Dividend Return	8.6%	8.9%	10.4%	9.7%	7.8%
Share Price	5.4%	(1.3%)	10.5%	(0.5%)	(8.5%)
Basic Earnings per Share	(6.22cps)	13.56cps	10.46cps	8.96cps	(11.57cps)
Adjusted NAV Return*	(6.7%)	15.4%	11.9%	10.9%	(10.9%)

As at 30 June	2016	2015	2014	2013	2012
Audited NAV	$0.83	$0.97	$0.91	$0.88	$0.86
Adjusted NAV*	$1.39	$1.49	$1.29	$1.15	$1.04
Share price	$0.79	$0.87	$0.83	$0.71	$0.70
Warrant Price	$0.004	n/a	n/a	n/a	n/a
Share Price Discount to NAV#	4.9%	10.4%	9.1%	19.6%	19.1%

**For Adjusted NAV and Total Shareholder Return definitions please see page 6.*

#Includes warrant price on a pro-rata basis.

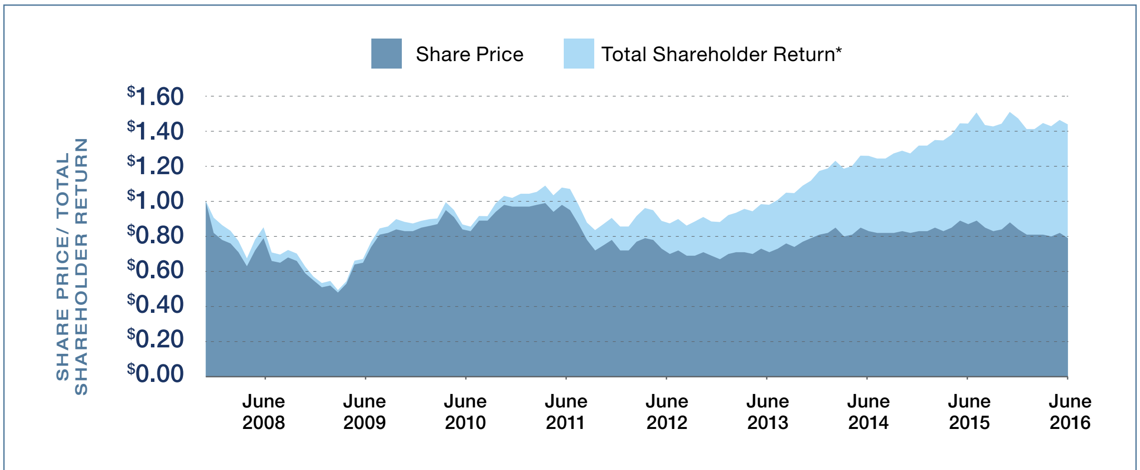
Manager Performance

For the year ended 30 June	2016	2015	2014	2013	2012
Gross Return	(3.8%)	19.9%	16.0%	14.3%	(8.4%)
Benchmark Index^ (Gross in NZ dollar terms)	(3.0%)	31.6%	12.5%	26.4%	(5.3%)
Performance fee hurdle / Benchmark Rate (Bank Bill Index +5%)	7.9%	8.7%	7.8%	7.7%	7.8%

^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.

All returns have been reviewed by an independent actuary.

FIGURE 2: TOTAL SHAREHOLDER RETURN



MANAGER'S REPORT

The extended recovery in global share markets hit a few snags in the 2016 financial year. Concerns over Chinese growth and their exchange rate policy or US Federal Reserve interest rate policy caused significant global share market corrections in August 2015 and February 2016. Each time the share markets gradually clawed back the losses but not sufficiently to prevent global indices from ending the year in negative territory.

Both the S&P Global Large Cap and Small Cap indices were down a similar amount, 3.3% and 4.6% in US dollar terms respectively, with our chosen benchmark the equally weighted S&P Large/Mid and Small Cap index down 3.0% in New Zealand dollar terms. Marlin's NAV (adjusted for dividends and other capital management initiatives) declined by 6.7% with the difference explained by a strengthening New Zealand dollar which negatively impacted on NAV by 3.6%. Offsetting this was stock selection, which pleasingly added 2.3% relative to the benchmark, in a year where the majority of international managers struggled to beat their stock benchmarks.

We have often reiterated that our focus is not to beat our index in any one year. Rather, we aim to have a portfolio of high quality companies that will deliver sound and sustainable earnings growth, and that we believe will enhance returns in a three to five-year time frame. We intend to do this with a mix of larger companies that provide some stability to the portfolio and smaller companies that have higher growth prospects but can have more variable returns.

There remain a number of themes running through the portfolio and while this is not a driver of portfolio construction, we are stock pickers, and these themes can point us in a certain direction when looking for new ideas.

The most widely represented theme at present is a cradle to grave exposure to e-commerce. Marlin owns companies that span the whole e-commerce value chain from payment networks (Mastercard) to payment providers (PayPal) to payment processors (Wirecard), from online advertising companies (Alphabet) to online retailers (Amazon.com), right through to companies that provide software to improve supply chain efficiency and enable omnichannel retail (Descartes), to logistics companies (UPS). The way we shop and interact with brands and retailers is dramatically changing. This is a powerful story with a long growth runway. Another theme that we believe has multi-decade potential to generate attractive returns is ageing demographics around the world and the growth in services required to meet the needs of this ageing population. Our healthcare exposure in companies like Coloplast and Icon play to this theme. Strong global brands (Nike, Adidas, Brembo) are well represented in the portfolio. Finally, we like companies whose products and services present a strong value proposition to their primarily business client base either by helping lower costs or improving efficiencies. In a low growth world, companies have a laser like focus on becoming better operators and companies like Ecolab are real beneficiaries of this trend.

Market Review

Global share markets have faced a number of economic, geo-political and earnings challenges over the last year but have ultimately proved resilient to these challenges. China's decision in August 2015 to allow its currency to depreciate as it clumsily shifted towards a more market determined exchange rate sparked fears that the Chinese economy was in a far worse state than many had thought and that it needed to devalue its currency to boost exports. Improved communication by the Chinese Central Bank eventually allayed fears and the global share market eventually recovered the losses, although we remain somewhat cautious about the state of the Chinese economy. In February 2016, general concerns over the health of the overall global economy together with the threat of US interest rate rises similarly spooked investors with riskier assets selling off sharply – especially in the more volatile areas like technology stocks.

Equity markets have proved surprisingly immune to geo-political threats – including ongoing wars in the Middle East and migration issues in Europe, both of which represent horrific humanitarian challenges. The increase of terrorism in both Europe and US, while shocking events, has had little or no lasting impact on financial markets. Furthermore, the continued earnings challenges that most companies are facing (negative earnings growth in both the first and second quarters) have not phased equity prices much. Probably the most telling sign that equity markets are sanguine about global economic and financial conditions was price action following the Brexit vote. Despite the unexpected nature of the vote and the negative potential implications it could have for Europe and the UK, the market sold off heavily for just two days, recovered the losses over the next two days then continued to grind higher.

Portfolio Activity

Portfolio activity during the year was centred around refreshing the portfolio with stronger ideas. We also looked to replace companies where the original investment thesis had either played out or where industry or stock specific risks were increasing, and we felt uncomfortable with the balance of risk for Marlin investors. At the same time, we also had a couple of other secondary considerations. Firstly, the US economy continuing to outperform the rest of the world was an area of focus for us over 2016. We have found some superbly managed US firms with healthy growth outlooks to add to the portfolio. Secondly, we continue to increase our focus on companies with defensive earnings streams that we expect to grow regardless of the economic environment. This has tended to favour increasing the portfolio's exposure to larger companies with leadership positions in their industry. We believe Marlin has a good balance in terms of regional exposure but also between larger cap companies that provide a good degree of stability to the portfolio, as well as smaller cap stocks which are at an earlier stage in their development and have higher potential growth paths but with slightly higher volatility.

The portfolio companies with the highest weightings and by implication are our highest conviction investments include **Alphabet** (renamed from Google), PayPal, Wirecard and Mastercard. Alphabet has been a high conviction stock since first being introduced into the portfolio in mid-2013. The story here remains compelling with strong revenue and profit growth underpinned by a continued shift to online advertising, with YouTube revenues benefitting from strong growth in online video advertising. Furthermore, Alphabet has worked to improve its advertising formats on mobile phones and this is contributing to strong growth in mobile search revenues. Finally, another positive development is the improved cost discipline and disclosure introduced by Alphabet's new CFO which is contributing to both improved profitability and a more informed view on the viability of Alphabet's more conceptual projects.

PayPal was spun-off from eBay in July 2015. PayPal is a leading online payments platform that allows consumers and merchants to transact securely online. PayPal is a major beneficiary of growth in e-commerce but has grown faster than the industry as more and more merchants adopt their service due to the ease of use, customer demand and improved conversion rates (customers that view and then buy online as opposed to just viewing). We believe PayPal has a long growth runway although we do remain wary of the threat from mobile payments such as Android Pay and ApplePay.

"Global share markets have faced a number of economic, geo-political and earnings challenges over the last year but have ultimately proved resilient to these challenges."

Roger Garrett, Senior Portfolio Manager.

MANAGER'S REPORT CONTINUED

Wirecard is a one stop payment service provider to e-commerce merchants, providing a suite of products that offer a strong value proposition to their clients. Wirecard was the subject of a short sellers report (an unknown research house with no identifiable authors and no track record) early in 2016 which sent the shares into a tail spin. The report referenced old issues, long since disproved but the sensationalist language and dramatic claims prompted much hedge fund shorting. The research house is currently the subject of regulator investigation on market manipulation and we remain positive on Wirecard's long-term prospects.

Mastercard is the second largest payments network behind Visa and benefits from the long-term shift to electronic payments and away from cash. It is a wide moat business with strong growth drivers, repeatable revenues and strong cash flow generation with minimal reinvestment needs, meaning that the company is well-positioned to return capital back to shareholders through share buybacks and dividends. We believe Mastercard is a company that should deliver stable mid-teens growth over time.

During the year we added eight new companies to the portfolio which replaced companies where the investment story had either played out or where our level of confidence in the company's future had diminished.

Carmel Fisher, Managing Director.

Stocks added to the portfolio during the year included Amazon.com, Cerner, Cognizant, Descartes, Ecolab, Mead Johnson, Stericycle and Zoetis.

Amazon.com requires little introduction but is at the intersection of two powerful megatrends – e-commerce and public cloud IT architecture. Amazon has first mover advantage in each of these spheres and this has allowed them to build considerable scale moats. In its retail business Amazon Prime is a highly innovative approach to lock in customers while the expanding number of products offered and fast fulfilment makes their retail proposition very compelling.

Cerner is the world's largest Healthcare IT provider with financial software that helps hospitals, physicians, out-patient surgeries and pharmacies to better manage electronic medical records, billing systems, general practices and healthcare information exchange. The software Cerner provides is critical to the customers' healthcare facilities meaning customer retention is high. The increasing IT requirements of the healthcare sector underpin a sound long-term growth outlook. Furthermore, Cerner continues to outspend its competitors in terms of new product development and this has allowed them to gain market share.

Cognizant is a leading IT services and consulting company that works with many of the leading global companies, helping them manage their technology infrastructure. Cognizant provides a range of IT services, from designing and building one-off software solutions, to effectively running part or all of a company's IT and other business functions. This enables their clients to both operate more effectively and reduce costs, and helps them navigate the ever changing technology world.

Descartes is a smaller Canadian company that provides logistics software that allows their customers to monitor in real time the movements of goods from production to stores. As a consequence, users of this software are

> **Over the next year we do expect periods of volatility and a greater tendency for broad market moves as investors increase and decrease risk in their portfolio.**

able to make more informed decisions about who to trade with, how to comply with customs requirements and other trade regulations and how to efficiently transport goods in the most cost effective manner. The Descartes ecosystem extends to final mile deliveries, helping retailers like Sears and Home Depot optimise home deliveries, improving customer experience by enabling retailers to make accurate promises around delivery times and helping them optimise the usage of delivery trucks.

Ecolab is the leading provider of cleaning and sanitising solutions for the food, hospitality and healthcare industries. Their innovative products offer significant benefits to their customers through substantial savings in energy, water and labour and importantly reducing customer down- time (closed restaurant) that could result from inferior food and health & safety standards. Ecolab have unrivalled scale in a very fragmented industry, and their strong focus on developing new and more innovative products brings significant benefits to their customers and ensures high brand loyalty. Their growth opportunities are wide-scale and their earnings are highly repeatable.

Mead Johnson is a market leader in the growing global market for infant formula and nutritional drinks for children. The infant formula industry has high barriers to entry and is dominated by a four players with Mead being the only global leader completely focused on the infant formula market. The industry itself has good growth drivers and Mead is the leader in terms of innovation and new product development and this gives them a degree of pricing power.

Stericycle is the largest provider of regulated medical waste management to the healthcare industry in the US. They have significant growth opportunities not only from the growth in medical waste that comes with an ageing population and a trend towards disposable medical waste, but also from selling ancillary services, such as hazardous waste collection, compliance training and communication services to their existing client base. Their business is highly regulated which affords good barriers to entry, revenues are not very sensitive to economic conditions and their revenue streams are repeatable.

Zoetis is a global leader in the development of animal health medicines and vaccines with a focus on both livestock and companion animals (pets). Zoetis has powerful growth tailwinds arising from increased global demand for animal protein as a food source and also increased pet ownership and the amount pet owners spend on their animals. Zoetis has proved to be resilient to economic downturns and has strong brand and patent moats for their products. Zoetis is a dominant player in an industry where competition is fairly rational and this affords a degree of pricing power which is fairly rare in the current economic environment.

During the year we sold out of eight companies that failed to meet our high quality or sustainable growth criteria or had developed issues that we felt uncomfortable with. **Wasion** is a leading supplier of advanced energy metering products like smart meters and therefore plays an important role in helping improve energy efficiency in China. Wasion has in the past been a strong contributor to Marlin's performance. The stock had been buffeted with the weakness in the Chinese share market. However, after a particularly weak period of performance in January 2016 the company issued conflicting reports about the health of their business. Furthermore, in the period leading up to announcements, trading in the stock was extremely heavy suggesting uneven distribution of information. We felt very uncomfortable with the disclosure and governance standards of the company. History has not been kind to Chinese companies with poor corporate governance, so we felt it prudent to exit the stock as quick as possible.

We also sold our holding in **Horiba**, a Japanese industrial company that manufactures measuring and analytical instruments to the auto, semiconductor and healthcare industries. The company had performed well, especially the semiconductor segment to the point where this segment generated well over 60% of the operating profit (in normal times this unit generates around 25% of operating profit). Given the cyclical nature of this business and limited growth opportunities from these elevated levels, and taking account of the good share price performance, we felt we had stronger ideas elsewhere.

After much deliberation we also sold our holding in **Harley Davidson** (HOG). We had been closely monitoring our holding in HOG for a while as heavy motorcycle registrations have only been growing slowly, and the large ticket price for new HOG bikes in a moderately growing economy meant that their very loyal client base were not looking to upgrade their

MANAGER'S REPORT CONTINUED

Harleys or looked more closely at second bikes as an alternative. Furthermore, HOG's core client is ageing, further dampening demand. Additionally, HOG has a more serious competitor in Polaris (Indian bikes) and their new models are winning market share from HOG. The weak economy, increasing competition and adverse currency movements have all conspired to reduce the growth potential of HOG and while we still believe HOG is a quality company we no longer believe it will deliver the level of earnings growth over the medium term to be a great investment for Marlin shareholders.

We similarly exited our holding in **Zodiac**, an aeronautical equipment supplier of mainly interior components such as aircraft seating, galleys and cargo equipment. Zodiac is the market leader and has grown particularly fast, largely through acquisition. Unfortunately, this rapid growth led to operational issues associated with poor integration of their acquisitions. Zodiac appeared to make good initial progress at addressing the production challenges. However, following a further profit warning and public criticism by the CEO of Airbus we felt the credibility of management was ruined to the extent that we no longer believed they could resolve these issues in an acceptable timeframe, so we sold the stock.

Our decision to exit **Gameloft** was due to our increasing concern that mobile game monetisation could change from a pay per game model to an advertising one. Monetisation had been a key challenge for Gameloft, however another change in the industry monetisation model would potentially prove highly disruptive for the company. We felt it prudent to exit the stock and monitor from the sidelines.

Digital dentistry equipment supplier **Sirona** announced a merger with DENTSPLY, a dental consumables business in September 2015. In our opinion the dental consumables business (whiteners, dental implants) is more competitive with lower barriers to entry. Furthermore, Sirona only made up 40% of the merged entity. As a consequence, we deemed the joint company as not meeting our quality and growth investment criteria and sold our position in Sirona. We also exited **Volkswagen** following the well-publicised emissions scandal. The deceptive and fraudulent business practices and the long-term threat to their brand left us with little option but to completely exit this stock. Finally, we sold the position in **Genomma Lab** after a period of strong performance.

Adidas was the strongest contributor to Marlin's performance over the year. Adidas is a high quality company with a strong brand, global footprint, highly innovative culture and sound growth prospects. Adidas was going through a difficult period when we first bought into the company. Its emerging market exposure impacted negatively on growth, the golf business was underperforming and the strong Euro at the time provided another headwind to earnings. Although we didn't have strong insight into the speed of any turnaround we did believe that the strong brand and innovation strengths of Adidas would eventually prevail.

Park24 was also a strong contributor to performance. Park24 is a Japanese car park and mobility (car sharing) operator. The company has a good balance between a steadily growing and highly cash generative car parking operation and a developing car sharing business which is growing strongly and where they are the leading operator with significant scale advantages over their competition. The traction in their emerging mobility business was a key factor in its strong performance. Finally **Alphabet** was also a strong contributor to performance and remains one of our highest conviction companies in the portfolio.

In terms of stocks that underperformed, Wasion and Zodiac (both discussed earlier in the report) were the two key detractors from performance and we have exited both stocks. **Biotest**, a German company that develops medicinal drugs from blood plasma protein, also performed poorly. Biotest issued a profit warning due to production issues in their US operations (issues related to vials rather than their product) and weak clinical results from two of their potential products. We still believe that the plasma industry offers good growth prospects and Biotest in particular has a compelling story as they look to extract more revenue per litre of blood through new drug development.

Outlook

Despite a relatively weak macro environment and ongoing geopolitical concerns we don't believe the conditions are ripe for a sustained equity market correction. We do believe though that the weak overall earnings environment does present a headwind to sustained equity performance. However, while negative earnings growth in a non-recessionary environment is not a common occurrence, there are sectors which are exhibiting positive momentum in sales and earnings and we are focused on maintaining exposure to these positive trends. In this respect our current focus remains on finding high quality companies with solid, highly predictable and sustainable earnings streams. At the same time we are working hard on generating a strong 'bench' of ideas that for certain reasons we don't think are quite right for the portfolio just now but that do exhibit many of the attributes we are looking for and could be right for the portfolio in the future.

Over the next year we do expect periods of volatility and a greater tendency for broad market moves as investors increase and decrease risk in their portfolio. This volatility will provide opportunities to invest in quality companies with unique earnings capabilities that will perform over the medium term.

Roger Garrett
Senior Portfolio Manager
Fisher Funds Management Limited
12 September 2016

Carmel Fisher
Managing Director
Fisher Funds Management Limited
12 September 2016

Portfolio Holdings Summary as at 30 June 2016

Location	Company	% Holding
Canada	Descartes Systems Group	2.0%
Denmark	Coloplast	3.3%
Germany	Adidas	3.4%
	Biotest	2.9%
	Stratec Biomedical	2.8%
	United Internet	1.8%
	Wirecard	4.9%
Ireland	Icon	2.6%
Israel	Sarine Technologies	3.0%
Italy	Brembo	3.1%
Japan	Park 24	3.0%
Mexico	Cognizant Technology Solutions	2.9%
United Kingdom	IMI	2.0%
United States	Alibaba Group	3.9%
	Alphabet	4.9%
	Amazon.com	1.0%
	Blackhawk	2.7%
	Cerner	3.1%
	eBay	3.3%
	Ecolab	2.6%
	Expedia	2.9%
	LKQ	2.9%
	Mastercard	3.8%
	Mead Johnson	2.8%
	Nike	3.0%
	PayPal	4.8%
	Plantronics	3.4%
	Stericycle	2.5%
	United Parcel Service	3.6%
	Varian Medical Systems	3.0%
	Zoetis	2.5%
	Equity Total	**94.4%**
	New Zealand dollar cash	2.9%
	Total foreign cash	2.4%
	Cash Total	**5.3%**
	Forward foreign exchange contracts	0.3%
	TOTAL	**100.0%**

THE STEEPP PROCESS

Fisher Funds employs a process that it calls STEEPP to analyse existing and new 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 determine how significant their starting weighting within the portfolio will be (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

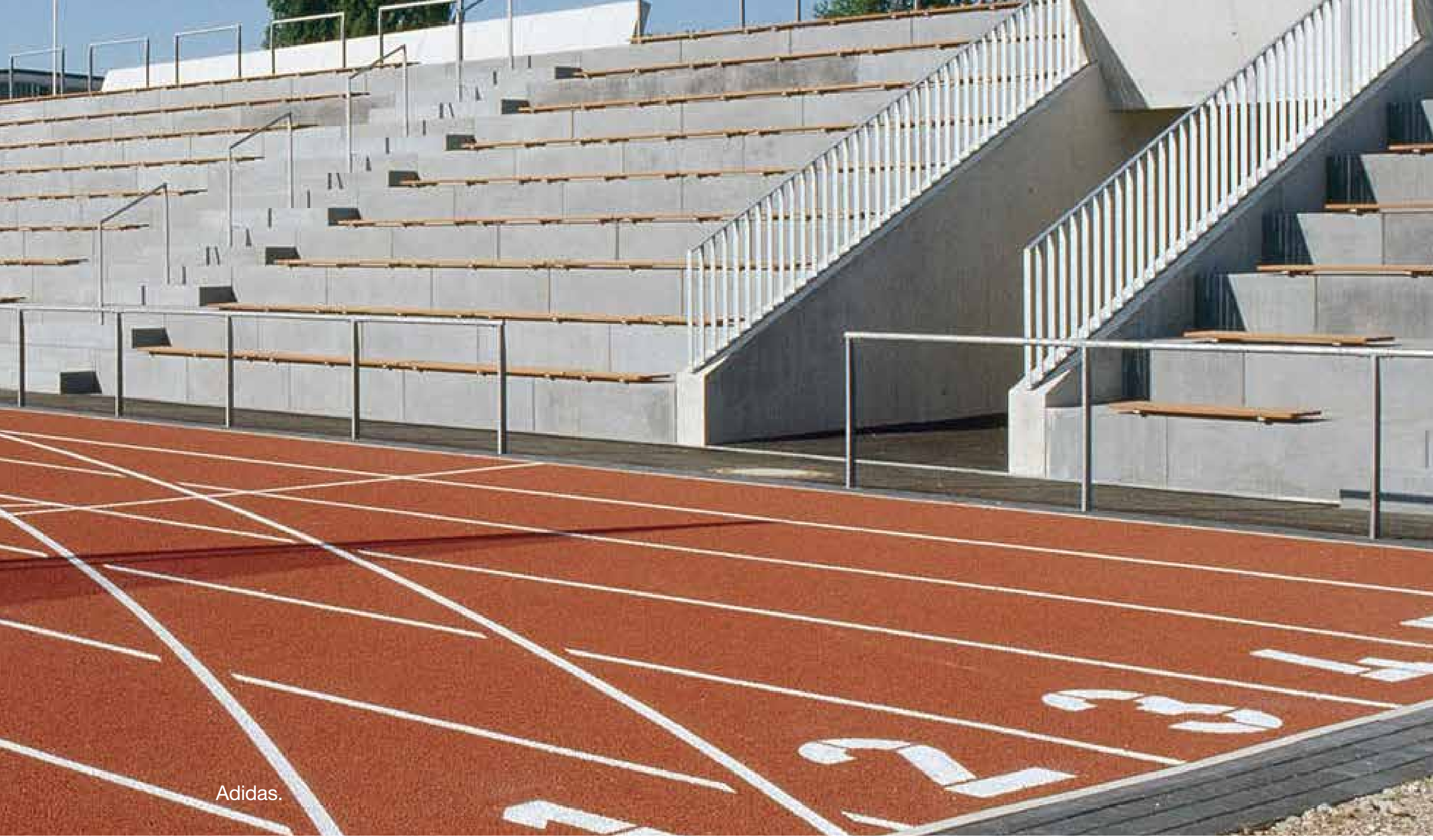
TRACK RECORD

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? We prefer 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? We prefer to buy companies that exhibit secular growth characteristics where they have proven the ability to provide a high or improving return on invested capital.


Adidas.

E

EARNINGS GROWTH FORECAST

What is the company's earnings growth forecast over the next one to three years? What is the probability of achieving the forecast? What do we expect the company's earnings potential to be? We notice that too many analysts focus on short-term earnings. As long-term growth investors, we think about where the company's earnings could be in three to five years.

P

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 us, the quality of the company management and its corporate governance is of paramount importance.

P

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 our 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.

Using this STEEPP analysis, we constructed and maintained a portfolio which comprised 31 securities at the end of June 2016.

MARLIN GLOBAL PORTFOLIO STOCKS

The following is a brief introduction to each of your portfolio companies, with a description of why we believe they deserve a position in the Marlin portfolio. Total shareholder return is for the year to 30 June 2016 and is based on the closing price of each company plus any dividends received. For companies that are new to the portfolio in the year, total shareholder return is from the first purchase date to 30 June 2016.

Nike.

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.

DENMARK

What does it do?
Coloplast is a medical device company that develops, manufactures and markets ostomy, continence care, urology, wound and skin products.

Why do we own it?
Coloplast offers a strong long-term value proposition, operating in oligopolistic niche markets selling high-quality, low-price, consumable products to long-term users with low switching tendencies. Ageing populations and increasing cancer incidence provide strong structural growth drivers. Coloplast has a strong track record of adding value for shareholders and a shareholder-friendly capital deployment policy.

GERMANY

What does it do?
Adidas is the largest European and second largest global sportswear manufacturer with brands such as Adidas, Reebok and TaylorMade Golf.

Why do we own it?
Adidas is a well-known and managed company with a strong track record of growth and shareholder return. The company is currently going through a difficult period due to factors that are largely outside of management's control. Weak sales in Russia because of sanctions and a weak ruble together with an overstocked golfing equipment market have hurt sales in 20% of their business. Adidas has a strong underlying business, and while it still faces challenges, the recent share price weakness provided an opportunity to buy a strong company at a reasonable price.

Total Shareholder Return

-2%

Total Shareholder Return

16%

Total Shareholder Return

90%

MARLIN PORTFOLIO STOCKS CONTINUED

GERMANY

What does it do?
Biotest is a pharmaceutical and diagnostic company based in Germany that specialises in processing blood and extracting plasma for use in the treatment of diseases.

Why do we own it?
Biotest is a market leader in the niche market of hyper immunoglobulin production used in the treatment of cancer and hepatitis B. They are dominant in Europe in this niche and have strong growth prospects in the US and China. The plasma protein market is oligopolistic and is growing at between 8-10% per annum, while barriers to entry are very high. Biotest also has long-term growth prospects through their biotherapeutics division which is developing antibodies for the treatment of conditions such as blood cancer.

Total Shareholder Return

-39%

GERMANY

What does it do?
Stratec Biomedical designs, develops and produces fully automated systems for partners in clinical diagnostics and biotechnology.

Why do we own it?
The company's competitive advantage lies in its technology which enables manual laboratory techniques to be transformed into automated processes. The company accelerates time to market for its clients and allows them to devote resources to their core business of developing tests.

Total Shareholder Return

7%

GERMANY

What does it do?
United Internet is a German based hybrid telecommunications and internet applications company.

Why do we own it?
United Internet has a strong franchise, with a proven track record of adding value. They have a healthy balance sheet, generates strong cash flows and has a very solid growth outlook, especially in their online and mobile businesses.

Total Shareholder Return

-5%

GERMANY

What does it do?
Wirecard is one of the main payment processors for internet transactions in Europe.

Why do we own it?
The company charges a transaction fee every time someone buys or sells something on the internet from a Wirecard customer and therefore has strong structural growth drivers as e-commerce transactions increase. The business model is very scalable and Wirecard continues to execute strongly in markets where they already have a presence and also in newer markets.

IRELAND

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

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

ISRAEL

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

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

Total Shareholder Return

15%

Total Shareholder Return

4%

Total Shareholder Return

-23%

MARLIN PORTFOLIO STOCKS CONTINUED

ITALY

What does it do?

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

Why do we own it?

As the global leader in their industry, with a strong technology advantage arising from their sole involvement in braking systems for Formula 1, they are well positioned to continue increasing global market share.

JAPAN

What does it do?

Park 24 is a leading Japanese car park business which has also entered the car sharing business, catering to increasing numbers of people looking to reduce the cost of car ownership.

Why do we own it?

The company has done an exceptional job growing profits in 13 of the last 15 years, and over that time profits have increased nine-fold. The car sharing business adds another leg of growth to an already strong outlook for the company.

MEXICO

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

32%

Total Shareholder Return

71%

Total Shareholder Return

-8%

IMI

UNITED KINGDOM

What does it do?
IMI is a global engineering company providing specialised solutions mainly in the area of the control and movement of fluids in safety critical applications.

Why do we own it?
IMI is focused on providing specialised and customised engineering solutions that enables them to achieve dominant market positions in niche markets, a high degree of product differentiation and a strong exposure to powerful global trends of urbanisation, climate change and an ageing population.

Total Shareholder Return

-11%

Alibaba Group

UNITED STATES

What does it do?
Alibaba is the largest e-commerce player in China with an overall online shopping market share of 80%.

Why do we own it?
Alibaba is the online marketplace leader in China and is 15x 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 5 years.

Total Shareholder Return

-3%

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 high moats arising from its dominant position in online search, significant intellectual property and a strong brand. Alphabet is well-positioned to benefit from the rapid rise in online advertising spend.

Total Shareholder Return

30%

MARLIN PORTFOLIO STOCKS CONTINUED

Amazon

UNITED STATES

What does it do?
Amazon is the world's largest internet based retailer. Amazon also operates a cloud computing business, Amazon Web Services, which offers data storage and analytical services.

Why do we own it?
Amazon sits at the crossroads of two very powerful megatrends – growth in e-commerce and the increasing adoption of public cloud architecture for data storage and analytics. Amazon is the market leader in both these areas with significant scale and network advantages. E-commerce and public cloud have long growth runways and Amazon is in a prime position monetise these opportunities.

Total Shareholder Return

1%

Blackhawk Network

UNITED STATES

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

Why do we own it?
Blackhawk have a strong competitive advantage through their extensive distribution network supported by a strong value proposition for all participants in the value chain. They have a strong growth outlook over the medium term through increasing penetration in the US and expansion into international markets. Blackhawk have a strong track record of delivering revenue and earnings growth and earns very high returns on capital invested.

Total Shareholder Return

-19%

Cerner

UNITED STATES

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

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

Total Shareholder Return

-3%

UNITED STATES

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

Why do we own it?
eBay has an enviable track record of value creation, generates strong cashflow and through new initiatives in data analysis and improving features on their website, is expected to grow at 5% for the next three to five years.

Total Shareholder Return

-9%

UNITED STATES

What does it do?
Ecolab is the global market leader that provides cleaning and sanitising solutions for the foodservice, hospitality and healthcare industries. They also provide 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 predictable growth and strong growth prospects.

Total Shareholder Return

8%

UNITED STATES

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

Why do we own it?
Expedia has very strong network and scale moats. The company also has a strong long-term growth outlook coming from a combination of travel industry growth and an increasing tendency to book travel online. Additionally, the online travel agency industry has consolidated to two main players who now have considerable size and hotel network advantages, which act as a highly effective barrier to new entrants. We expect Expedia to grow earnings at mid-teen rates for the next five years. The company is highly profitable, generates returns on capital in excess of 20% and has a strong track record of delivering value to shareholders.

Total Shareholder Return

-2%

MARLIN PORTFOLIO STOCKS CONTINUED

UNITED STATES

What does it do?

LKQ is the largest distributor of replacement parts and components needed 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

5%

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

-5%

UNITED STATES

What does it do?

Mead Johnson is a US listed market leader in the growing global market for infant formula and nutritional drinks for children.

Why do we own it?

The infant formula market has high barriers to entry and is dominated by just a few players. Infant formula is a consumer staple product and generally isn't economically sensitive. This combined with strong industry growth, especially in emerging markets where consumption levels are low, provides Mead Johnson with a growing yet defensive revenue stream.

Total Shareholder Return

23%

UNITED STATES

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

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

Total Shareholder Return

3%

UNITED STATES

What does it do?
PayPal is the 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 self-sustaining global network advantages which together give it a considerable advantage over its competitors. Furthermore, PayPal benefits from continued growth in e-commerce and customer demand for high security when transacting online.

Total Shareholder Return

-7%

UNITED STATES

What does it do?
Plantronics is the world's leading manufacturer of hi-tech headsets. Unified communications (integrating disparate voice, data and multimedia into a single unified communications technology) is forecast to grow strongly over the next decade and key to its successful implementation is the use of hi-tech headsets.

Why do we own it?
Plantronics has developed significant technology and scale advantages, has a solid long-term track record, is a clear leader in its field and offers quality exposure to this high-growth market.

Total Shareholder Return

-21%

MARLIN PORTFOLIO STOCKS CONTINUED

Stericycle

UNITED STATES

What does it do?
Stericycle is a global market leader in medical and hazardous waste collection and processing from hospitals, doctors surgeries and other organisations that generate medical or hazardous waste such as tattoo parlours and pharmaceutical companies. Stericycle also has numerous ancillary products such as training, consulting, communications and compliance services that it looks to up-sell to its client base.

Why do we own it?
Stericycle is a high quality business, best in class in a niche market, with a proven business model, a high amount of recurring revenue from a stable client base and a sound growth outlook.

Total Shareholder Return

-12%

UPS

UNITED STATES

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

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

Total Shareholder Return

15%

Varian medical systems

UNITED STATES

What does it do?
Varian Medical Systems is the world's leading oncology systems provider and creates technology for treating cancer with radiotherapy, radiosurgery and proton therapy. They also manufacture x-ray tubes for diagnostic radiology applications. Varian is exposed to strong long-term trends of ageing populations and an increasing incidence of cancer.

Why do we own it?
Varian has significant growth opportunities in emerging markets as healthcare spending increases and will benefit from an upgrade cycle in their more traditional markets as new technologies provide improved patient outcomes. Varian operates in a consolidated industry with rational pricing tendencies and has a strong track record of value creation.

Total Shareholder Return

-2%

zoetis

UNITED STATES

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

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

Total Shareholder Return

2%

BOARD OF DIRECTORS

ALISTAIR RYAN *MComm (Hons), CA*

Chairman of the Board
Chair of Remuneration & 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, Christchurch Casinos, Metlifecare, Lewis Road Creamery and Evolve Education Group as well as a member of the New Zealand Racing Board. Alistair had a 16-year career with SKYCITY Entertainment Group Limited (from pre-opening and pre-listing in 1996 through 2012). Alistair was a member of the senior executive team, holding the positions of General Manager Corporate, Company Secretary and Chief Financial Officer and served as a director of various SKYCITY subsidiary and associated companies. Prior to SKYCITY, Alistair was a Corporate Services Partner with international accounting firm Ernst & Young, based in Auckland. He is a member of Chartered Accountants Australia and New Zealand and the New Zealand Institute of Company Secretaries. Alistair's principal place of residence is Auckland.

CARMEL FISHER *BCA*

Director

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

CAROL CAMPBELL *BCom, CA, CMInstD*

Chair of Audit & Risk Committee
Independent Director

Carol Campbell is a chartered accountant and a member of Chartered Accountants Australia and New Zealand. Carol is a director of The Business Advisory Group, a chartered accountancy practice, where she advises privately owned businesses. Prior to that, Carol was a partner at Ernst & Young for over 25 years. 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, NZME, NZ Post, Kiwibank and NPT. Carol is Chair of Ronald McDonald House Charities New Zealand and is also a director of Kingfish and Barramundi. Carol's principal place of residence is Auckland.

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, Coupe Consulting and Gentrack Group. He is also Chairman of Solid Energy, Farmright and Deputy Chairman of the New Zealand Takeovers Panel. Andy's principal place of residence is Hamilton.

For membership of sub-committees please refer to page 31.

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

CORPORATE GOVERNANCE STATEMENT

The Board of Directors ("the Board") of Marlin Global Limited ("Marlin" or "the company") is committed to strong corporate governance practices and has adopted a comprehensive corporate governance code. The Board believes that the corporate governance structures and practices must 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.

This code meets the required corporate governance principles under the NZX Corporate Governance ("NZXCG") Best Practice Code and the Corporate Governance Principles and Guidelines issued by the Financial Markets Authority ("FMA").

Compliance

Marlin seeks to follow the best practice recommendations for listed companies to the extent that it is appropriate to the nature of its operations. The company considers that its governance practices complied with NZXCG Best Practice Code and the FMA Corporate Governance Principles and Guidelines in its entirety during the year ended 30 June 2016.

The company's constitution, the Board and committee charters, codes and policies referred to in this section are available to view at www.marlin.co.nz

The following reports against these principles and guidelines:

Principle 1 – Ethical Standards

Directors observe and foster high ethical standards.

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

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

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

The **Insider Trading Policy** details the procedure whereby persons nominated by Marlin (its directors and persons associated with the Manager) may trade in Marlin shares and take up shares purchased under the Marlin dividend reinvestment plan.

Nominated persons may not trade in Marlin shares when they have price sensitive information that is not publicly available. In addition, except where the nominated person has the permission of the Board, the nominated person may trade in the company's 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.

No breaches of ethics principles were identified during the year.

Copies of the complete Code of Ethics, Conflicts of Interest Policy and the Insider Trading Policy are available to view at www.marlin.co.nz

Principle 2 – Board Composition and Performance

There is a balance of independence, skills, knowledge, experience and perspective among directors that allows the Board to work effectively.

Board Size and Composition

NZX Listing Rules require a minimum of three directors with at least two of the directors being ordinarily resident in New Zealand. The composition of the Board must include a minimum number of two independent directors. The Board currently comprises three independent directors, including the Chairman, and one director who is not deemed to be independent.

The Board elects a Chairman whose primary responsibility is the efficient functioning of the Board.

Profiles of the individual directors can be found on page 27.

Director Independence

Marlin retains a separate Board of Directors from the Manager. The Board ensures that shareholders' interests are held paramount.

As at 30 June 2016, the Board considered Alistair Ryan (Chairman), Carol Campbell and Andy Coupe to be independent directors in terms of the NZX definition. Carmel Fisher was not considered independent due to also being a director of Fisher Funds.

On appointment, each director is required to provide information to the Board to assess and confirm their independence as part of their consent to act as a director. Directors have undertaken to inform the Board as soon as practicable if they think their status as an independent director has or may have changed.

Board Role and Responsibility
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.

Marlin offers shareholders a highly experienced Board with financial markets experience and strengths in funds management and corporate governance.

The Board's responsibilities include:

- Manager's performance – regularly reviewing both performance and compliance with the contractual arrangements of the Manager;
- determining appropriate capital management strategies to enhance long-term shareholder returns including setting the Distribution Policy, Share Buyback Policy and any capital raising programmes (such as warrants);
- Board performance and composition – evaluating the performance of independent directors, determining the size and composition of the Board as well as making recommendations for the appointment and removal of directors;
- succession planning – planning Board succession;
- financial performance – approving the annual budget and monitoring financial performance;
- approving and regularly reviewing the company's key policies and procedures;
- financial reporting – considering and approving the annual and half-year financial reports, ensuring they are consistent with all legal and regulatory requirements;
- audit – selecting and recommending to shareholders the appointment of the external auditor. Maintaining a direct and ongoing dialogue with the external auditor;
- risk management – identifying the principal risks faced by the company and ensuring that appropriate control and monitoring systems are in place to manage the impact of these risks;
- overseeing communication and reporting to shareholders;
- relationship with regulators, NZX and adherence to its obligations regarding continuous disclosure – maintaining ongoing dialogue with the NZX;
- custodian – appointing a custodian to safeguard the company's assets. Trustees Executors Limited is the custodian of Marlin's assets; and
- other service providers – appointing other service providers and evaluating their performance.

The Board met eight times during the year and received papers, including regular reports from the Corporate Manager and the Manager to read and consider before each meeting. At all times, the Board is provided with accurate timely information on all aspects of Marlin's operations. The Board is kept informed of key risks to Marlin on a continuing basis. In addition, the Board meets whenever necessary to deal with specific matters needing attention between the scheduled meetings and the independent directors meet as required.

Board Members	Meetings Attended/	(Scheduled)
Alistair Ryan (Chairman)	8	(8)
Carmel Fisher	7	(8)
Carol Campbell	8	(8)
Andy Coupe	8	(8)
Meetings Held	**8**	**(8)**

The Manager's responsibilities as stated in the Management Agreement include:

- the provision of management services to the company such as investment and portfolio management services and administrative services;
- dealing with the custodian; and
- attendance at Marlin Board meetings.

The Manager is to, at all times, invest the portfolio on a prudent and commercial basis consistent with the company's investment criteria and performance objectives.

While the Board's key role is to monitor the performance of the Manager, it is not involved in the selection or management of investments within the Marlin portfolio.

Retirement and Re-election of Directors
In accordance with the company's constitution, one third, or the number nearest to one third, of the directors (excluding any director appointed since the previous Annual Shareholders' Meeting ["ASM"]) retire by rotation at the ASM.

Appropriate notice of director nominations has been provided in accordance with the requirements of NZX, the Marlin constitution and the Companies Act 1993.

Diversity Policy
The Board views diversity as including, but not being limited to, skills, qualifications, experience, gender, race, age, ethnicity and cultural background.

In 2013, the Board established a Diversity Policy under the oversight of the Remuneration and Nominations Committee which is available on the company's website. The Marlin Diversity Policy is limited to the Board and the Corporate Manager.

The Board recognises that having a diverse Board will assist it in effectively carrying out its role as described in Principle 2.

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

The gender composition was as follows:

	as at 30 June 2016	as at 30 June 2015
Directors	two females, two males	two females, two males
Corporate Manager	male	male

The Board believes that the company has achieved the objectives set out in its Diversity Policy for the year ended 30 June 2016.

Board Performance Review
The Board conducts a formal review of its performance annually.

The Remuneration and Nominations Committee assesses the performance of individual directors whilst directors also assess the collective performance of the Board and the performance of the Chairman.

Principle 3 – Board Committees

The Board uses committees where this enhances effectiveness in key areas while retaining Board responsibility.

Audit and Risk Committee
The Marlin Audit and Risk Committee focuses on audit and risk management and specifically addresses responsibilities relative to financial reporting and regulatory conformance. The Committee operates within the terms of reference established by the Marlin Board, which the Committee reviews annually.

The Audit and Risk Committee is accountable for ensuring the performance and independence of the external auditor – PricewaterhouseCoopers ("PwC"). A statement regarding PwC's independence is included in their Auditor's and Accountants' Reports.

The Audit and Risk Committee also recommends to the Board which services, other than the statutory audit, may be provided by PwC as auditor.

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

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

As at 30 June 2016, the Audit and Risk Committee comprised independent directors Carol Campbell (Chair), Alistair Ryan and Andy Coupe, all of whom have appropriate financial experience and an understanding of the industry in which Marlin operates. Meetings are held not less than twice a year having regard to Marlin's reporting and audit cycle.

Audit and Risk Committee Members	Meetings Attended/	(Scheduled)
Carol Campbell (Chair)	2	(2)
Alistair Ryan	2	(2)
Andy Coupe	2	(2)
Meetings Held	**2**	**(2)**

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

A copy of the Audit and Risk Committee Charter is available to view at www.marlin.co.nz

Investment Committee

The Investment Committee comprises all Board members and meets at least twice per year. The Committee has a formal charter which can be found on the company's website.

The objective of the Committee 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 the company.

Investment Committee Members	Meetings Attended/	(Scheduled)
Andy Coupe (Chair)	1	(1)
Alistair Ryan	1	(1)
Carmel Fisher	1	(1)
Carol Campbell	1	(1)
Meetings Held	**1**	**(1)**

Remuneration and Nominations Committee

The Remuneration and Nominations Committee comprises all Board members and meets at least once per year.

The Board's Remuneration and Nominations Committee has a formal charter which can be found on the company's website. Each Committee member, other than Carmel Fisher, is independent.

Independent directors receive fees determined by the Board on the recommendation of the Committee. Each year the Committee reviews the level of directors' remuneration. The 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.

Remuneration & Nominations Committee Members	Meetings Attended	(Scheduled)
Alistair Ryan (Chair)	1	(1)
Carmel Fisher	1	(1)
Carol Campbell	1	(1)
Andy Coupe	1	(1)
Meetings Held	**1**	**(1)**

Principle 4 – Reporting and Disclosure

The Board demands integrity both in financial reporting and in the timeliness and balance of disclosures on entity affairs.

Timely and Balanced Disclosure

The company is committed to promoting investor confidence by providing complete and equal access to information in accordance with the NZX Listing Rules. The company has a Continuous Disclosure Policy designed to ensure this occurs. This policy can be found on the company's website.

The company's market disclosure officer is responsible for ensuring compliance with its disclosure obligations. The Board is accountable for making the final decision as to whether or not information requires disclosure.

The company's market disclosure officer is responsible for releasing any relevant information to the market once it has been approved. Financial information released is approved by the Board on the recommendation of the Audit and Risk Committee, while information released on other matters is approved by the Board.

Directors formally consider at each Board meeting whether there is relevant material information which should be disclosed to the market.

Financial Reporting
The Audit and Risk Committee oversees the quality and integrity of external financial reporting including the accuracy, completeness and timeliness of financial statements.

It 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.

The Corporate Manager is responsible for ensuring compliance with the NZX continuous disclosure requirements and overseeing and co-ordinating disclosure to the exchange.

Management Agreement Renewal
When the Board is considering the renewal of the management agreement (every five years), it is the intention of the Board that a market announcement will be made before the date that the Board would need to instigate a non-renewal process. The announcement would state either that the management agreement is being renewed or that the non-renewal process is being instigated.

Principle 5 – Remuneration

The remuneration of directors and executives is transparent, fair and reasonable.

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

Details of remuneration paid to directors are disclosed in note 1 to the financial statements and are further disclosed in the Statutory Information section of this report.

Share Purchase Plan
A Share Purchase Plan was introduced by the Board in 2012 and states that all independent directors will receive company shares in lieu of 10% of their annual pretax directors' fees. Once an individual shareholding reaches 50,000 shares, the independent director can elect whether to continue with the plan. The intention of the Share Purchase Plan is to further align the interests of directors with those of shareholders.

A copy of the Director Remuneration Policy is available to view at www.marlin.co.nz

Principle 6 – Risk Management and Internal Control

The Board regularly verifies that the entity has appropriate processes that identify and manage potential and relevant risks.

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 to implement procedures to manage those risks effectively. Key risk management tools used by Marlin include the Audit and Risk Committee function, outsourcing of certain functions to service providers, internal controls, financial and compliance reporting procedures and processes, business continuity planning and insurance.

A copy of the complete Risk Management Policy is available to view at www.marlin.co.nz

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

Principle 7 – Auditors

The Board ensures the quality and independence of the external audit process.

Approach to Audit Governance
The independence of the external auditor is of particular importance to shareholders and the Board. The Audit and Risk Committee is responsible for overseeing the external audit of the company. Accordingly, it monitors developments in the areas

of audit, and threats to audit independence, to ensure its policies and practices are consistent with emerging best practice in these areas.

As part of its responsibilities, the Audit and Risk Committee reviews the independence of external auditors and the appropriateness of any non-audit services they undertake for the company.

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

Attendance at the Annual Meeting
PwC, as external auditor of the 2016 financial statements, is invited to attend this year's annual meeting and will be available to answer questions about the conduct of the audit, preparation and content of the auditor's report, accounting policies adopted by Marlin and the independence of the auditor in relation to the conduct of the audit.

Principle 8 – Shareholder Relations

The Board fosters constructive relationships with shareholders that encourage them to engage with the company.

The Board recognises the importance of providing to shareholders comprehensive, timely and equal access to information about its activities. The Board aims to ensure that shareholders have available to them all information necessary to assess the company's performance. It has a system in place for canvassing shareholder views and for communicating the Board's views to shareholders.

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

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

The release of the annual report is followed by the annual meeting which the Board recognises as an important forum at which shareholders can meet and hear from the Board and the Manager. The notice of meeting is circulated at least 10 days prior to the meeting and is also posted on the company's website. Shareholders are provided with notes on any resolutions proposed through the notice of meeting each year. This year's meeting will be held on 4 November 2016, 10:30am at the Ellerslie Event Centre in Auckland. Full participation of shareholders is encouraged at the ASM to ensure a high level of accountability and identification with the company's strategies and goals. Shareholders are encouraged to submit questions in writing prior to the meeting.

Principle 9 – Stakeholder Interests

The Board respects the interests of stakeholders within the context of the company's ownership type and its fundamental purpose.

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

DIRECTORS' STATEMENT OF RESPONSIBILITY

For the year ended 30 June 2016

We present the financial statements for Marlin Global Limited for the year ended 30 June 2016.

We have ensured that the financial statements for Marlin Global Limited give a true and fair view of the financial position of the company as at 30 June 2016 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 Reporting Act 2013.

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

The Marlin Global Board authorised these financial statements for issue on 22 August 2016.

Alistair Ryan | **Carmel Fisher**

Carol Campbell | **Andy Coupe**

MARLIN GLOBAL LIMITED
FOR THE YEAR ENDED 30 JUNE 2016

FINANCIAL STATEMENTS CONTENTS

pwc

Independent Auditor's Report
to the shareholders of Marlin Global Limited

Report on the Financial Statements
We have audited the financial statements of Marlin Global Limited (the "Company") on pages 37 to 54 which comprise the statement of financial position as at 30 June 2016, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and the notes to the financial statements that include a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Financial Statements
The Directors are responsible on behalf of the Company for the preparation and fair presentation of these financial statements in accordance with New Zealand Equivalents to International Financial Reporting Standards and for such internal controls as the Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). These standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal controls relevant to the Company's preparation and fair presentation of financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the overall presentation of the financial statements.

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

We are independent of the Company. Our firm carries out other audit related services for the Company including assurance and non-assurance services. The provision of these other services has not impaired our independence.

Opinion
In our opinion, the financial statements on pages 37 to 54 present fairly, in all material respects, the financial position of the Company as at 30 June 2016, and its financial performance and cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards.

Restriction on Use of our Report
This report is made solely to the Company's shareholders, as a body, in accordance with the Companies Act 1993. 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.

PricewaterhouseCoopers

Chartered Accountants — Auckland
22 August 2016

PricewaterhouseCoopers, 188 Quay Street, Private Bag 92162, Auckland 1142, New Zealand
T: +64 (9) 355 8000, F: +64 (9) 355 8001, www.pwc.com/nz

MARLIN GLOBAL LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2016

	Notes	2016	2015
		$000	$000
Interest income		36	54
Dividend income		930	1,045
Other (losses)/income	1(i)	(157)	1,165
Net changes in fair value of financial assets and liabilities	1(ii)	(4,590)	16,232
Total net (loss)/income		**(3,781)**	**18,496**
Operating expenses	1(iii)	(1,653)	(3,627)
Operating (loss)/profit before tax		**(5,434)**	**14,869**
Total tax expense	3(i)	(1,467)	(194)
Net operating (loss)/profit after tax attributable to shareholders		**(6,901)**	**14,675**
Other comprehensive income		0	0
Total comprehensive (loss)/income after tax attributable to shareholders		**(6,901)**	**14,675**
Earnings per share			
Basic and diluted earnings per share			
(Loss)/profit attributable to owners of the company ($000)		(6,901)	14,675
Weighted average number of ordinary shares on issue net of treasury stock ('000)		111,007	108,253
Basic and diluted earnings per share		**(6.22)c**	**13.56c**

The Statement of Accounting Policies set out on pages 41 to 44 and the Notes to the Financial Statements set out on pages 45 to 54 should be read in conjunction with this Statement of Comprehensive Income.

MARLIN GLOBAL LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2016

	Notes	Share Capital	(Accumulated Deficits)/ Retained Earnings	Total Equity
		Attributable to shareholders of the company		
		$000	$000	$000
Balance at 1 July 2014		**103,385**	**(5,433)**	**97,952**
Comprehensive income				
Profit for the year		0	14,675	14,675
Other comprehensive income		0	0	0
Total comprehensive income for the year ended 30 June 2015		**0**	**14,675**	**14,675**
Transactions with owners				
Share buybacks	2	(1,089)	0	(1,089)
Dividends paid		0	(7,947)	(7,947)
Dividends reinvested	2	3,329	0	3,329
Total transactions with owners for the year ended 30 June 2015		**2,240**	**(7,947)**	**(5,707)**
Balance at 30 June 2015		**105,625**	**1,295**	**106,920**
Comprehensive income				
Loss for the year		0	(6,901)	(6,901)
Other comprehensive income		0	0	0
Total comprehensive loss for the year ended 30 June 2016		**0**	**(6,901)**	**(6,901)**
Transactions with owners				
Share buybacks	2	(943)	0	(943)
Warrant issue costs	2	(14)	0	(14)
Dividends paid		0	(8,277)	(8,277)
Dividends reinvested	2	3,470	0	3,470
Total transactions with owners for the year ended 30 June 2016		**2,513**	**(8,277)**	**(5,764)**
Balance at 30 June 2016		**108,138**	**(13,883)**	**94,255**

The Statement of Accounting Policies set out on pages 41 to 44 and the Notes to the Financial Statements set out on pages 45 to 54 should be read in conjunction with this Statement of Changes in Equity.

MARLIN GLOBAL LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2016

	Notes	2016	2015
		$000	$000
ASSETS			
Current Assets			
Cash and cash equivalents		6,321	7,681
Trade and other receivables	4	738	33
Financial assets at fair value through profit or loss	6	89,696	102,624
Current tax receivable	3(ii)	0	606
Total Current Assets		**96,755**	**110,944**
Non-current Assets			
Deferred tax asset	3(iii)	0	4
Total Non-current Assets		**0**	**4**
TOTAL ASSETS		**96,755**	**110,948**
LIABILITIES			
Current Liabilities			
Financial liabilities at fair value through profit or loss	6	16	2,369
Current tax payable	3(ii)	729	0
Trade and other payables	5	1,755	1,659
Total Current Liabilities		**2,500**	**4,028**
TOTAL LIABILITIES		**2,500**	**4,028**
EQUITY			
Share capital	2	108,138	105,625
(Accumulated deficits)/retained earnings		(13,883)	1,295
TOTAL EQUITY		**94,255**	**106,920**
TOTAL EQUITY AND LIABILITIES		**96,755**	**110,948**

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

A B Ryan
Chairman
22 August 2016

C A Campbell
Chair of the Audit and Risk Committee
22 August 2016

The Statement of Accounting Policies set out on pages 41 to 44 and the Notes to the Financial Statements set out on pages 45 to 54 should be read in conjunction with this Statement of Financial Position.

MARLIN GLOBAL LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2016

	Notes	2016	2015
		$000	**$000**
Operating Activities			
Cash was provided from:			
- Sale of investments		36,563	29,688
- Interest received		28	54
- Dividends received		923	1,053
- Other income		590	364
Cash was applied to:			
- Purchase of investments		(29,052)	(24,682)
- Operating expenses		(3,645)	(3,088)
- Taxes paid		(128)	(707)
Net cash inflows from operating activities	**7**	**5,279**	**2,682**
Financing Activities			
Cash was applied to:			
- Warrant issue costs		(14)	0
- Share buybacks		(1,055)	(1,001)
- Dividends paid (net of dividends reinvested)		(4,807)	(4,618)
Net cash outflows from financing activities		**(5,876)**	**(5,619)**
Net decrease in cash and cash equivalents held		**(597)**	**(2,937)**
Cash and cash equivalents at beginning of the year		7,681	9,819
Effects of foreign currency translation on cash balance		(763)	799
Cash and cash equivalents at end of the year		**6,321**	**7,681**

All cash balances comprise short-term cash deposits.

The Statement of Accounting Policies set out on pages 41 to 44 and the Notes to the Financial Statements set out on pages 45 to 54 should be read in conjunction with this Statement of Cash Flows.

MARLIN GLOBAL LIMITED

STATEMENT OF ACCOUNTING POLICIES

FOR THE YEAR ENDED 30 JUNE 2016

General Information

Entity Reporting

These financial statements for Marlin Global Limited ("Marlin" or "the company").

Legal Form and Domicile

Marlin is incorporated and domiciled in New Zealand.

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

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

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

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

Authorisation of Financial Statements

The Marlin Board of Directors authorised these financial statements for issue on 22 August 2016.

No party may change these financial statements after their issue.

Accounting Policies

Period Covered by Financial Statements

These financial statements cover the audited results from operations for the year ended 30 June 2016.

Statement of Compliance

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"), the Financial Reporting Act 2013 and part 7 of the Financial Markets Conduct Act 2013. They comply with the New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS") and other applicable Financial Reporting Standards, as appropriate. These financial statements comply with International Financial Reporting Standards ("IFRS") as published by the International Accounting Standards Board.

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

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

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

Summary of Significant Accounting Policies

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

Measurement Base

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

Critical Judgements, Estimates and Assumptions

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

Cash and Cash Equivalents

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

Statement of Cash Flows

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

STATEMENT OF ACCOUNTING POLICIES CONTINUED

FOR THE YEAR ENDED 30 JUNE 2016

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

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

Functional and Presentation Currency

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

Foreign Currency Transactions and Translations

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

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

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

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

Interest Income and Dividend Income

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

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

Manager's Performance Fee

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

Income Tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted at balance date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred tax (if any) is accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

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

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

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

Goods and Services Tax ("GST")

The company is not registered for GST as its activities relate to financial services. The financial statements include GST where it is charged by other parties as it cannot be reclaimed.

Investments at Fair Value Through Profit or Loss

Classification

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

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

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

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

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

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

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

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

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

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

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

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

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

The fair value hierarchy has the following levels:

– Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

– Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

– Level 3 inputs are unobservable inputs for the asset or liability.

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

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

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

STATEMENT OF ACCOUNTING POLICIES CONTINUED

FOR THE YEAR ENDED 30 JUNE 2016

Loans and Receivables

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

Trade and Other Receivables

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

Trade Payables

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

Financial Instruments

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

Dividends Payable

Dividend distributions to the company's shareholders are recognised as a liability in the financial statements in the period in which the dividends are declared by the Marlin Board.

Segmental Reporting

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

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

Earnings Per Share

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

Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares and warrants are shown in equity as a deduction, net of tax. Share capital bought back by the company reduces share capital and may be held as treasury stock at the value of the consideration paid. Treasury stock may later be re-issued which increases share capital by the fair value of the shares on issue date.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1 - STATEMENT OF COMPREHENSIVE INCOME

	2016	2015
	$000	**$000**
(i) Other (losses)/income		
Foreign exchange (losses)/gains on cash and cash equivalents	(157)	1,165
Total other (losses)/income	**(157)**	**1,165**
(ii) Net changes in fair value of financial assets and liabilities		
Investments designated at fair value through profit or loss		
International equity investments	(2,571)	6,457
Foreign exchange (losses)/gains on equity investments	(4,079)	11,535
Total (losses)/gains on designated financial assets	**(6,650)**	**17,992**
Investments at fair value through profit or loss - held for trading		
Gains/(losses) on forward foreign exchange contracts	2,060	(1,760)
Total gains/(losses) on financial assets and liabilities held for trading	**2,060**	**(1,760)**
Net changes in fair value of financial assets and liabilities	**(4,590)**	**16,232**
(iii) Operating expenses		
Management fee (note 8)	880	1,445
Administration services (note 8)	159	175
Directors' fees (note 8)	144	145
Performance fee (note 8 and note 11)	0	1,356
Custody, brokerage and transaction fees	227	246
Investor relations and communications	107	108
NZX fees	43	61
Auditor's fees:		
- Statutory audit and review of financial statements	29	36
- Other assurance services	4	2
- Non assurance services	2	4
Professional fees	26	28
Other operating expenses	32	21
Total operating expenses	**1,653**	**3,627**

Other assurance services relate to a share register audit and a warrant register audit and non-assurance services relate to annual meeting procedures and agreed upon procedure reporting in relation to the performance fee calculation. No other fees were paid to the auditor during the period (2015: nil).

NOTE 2 - SHARE CAPITAL

Ordinary shares

As at 30 June 2016 there were 113,369,629 (30 June 2015: 110,086,299) fully paid Marlin shares on issue, including treasury stock of nil shares (30 June 2015: 126,593). All ordinary shares are classified as equity, rank equally and have no par value. All shares (with the exception of treasury stock) carry an entitlement to dividends and one vote attached to each fully paid ordinary share.

	2016	2015
	$000	$000
Opening balance	105,625	103,385
Shares issued from treasury stock under dividend reinvestment plan	992	982
New shares issued under dividend reinvestment plan	2,478	2,347
Warrant issue costs	(14)	0
	109,081	106,714
Share buybacks held as treasury stock	(943)	(1,089)
Closing balance	**108,138**	**105,625**

Warrants

On 14 July 2015, 27,546,716 new Marlin warrants were allotted and listed on the NZX Main Board. One new warrant was issued to all eligible shareholders for every four shares held on record date (13 July 2015). The warrants are exercisable at $0.88, adjusted down for dividends declared during the period up to the exercise date of 5 August 2016 (refer to Note 15). Warrant holders can elect to exercise some or all of their warrants on the exercise date subject to a minimum exercise of 500 warrants.

Treasury stock

On 2 November 2015, Marlin announced the continuation of its share buyback programme of its ordinary shares in accordance with Section 65 of the Companies Act 1993. All the shares acquired under the buyback scheme are initially held as treasury stock but are available to be re-issued. The net cost of treasury stock is deducted from share capital.

			Number of shares	
	2016	2015	2016	2015
	$000	$000	'000	'000
Opening balance	183	76	127	35
Share buybacks	943	1,089	1,087	1,303
Shares re-issued under dividend reinvestment plan	(992)	(982)	(1,214)	(1,211)
Closing balance	**134**	**183**	**0**	**127**

NOTE 3 - TAXATION

	2016	2015
	$000	**$000**
(i) Total tax expense		
Operating (loss)/profit before tax	**(5,434)**	**14,869**
Non-taxable realised (gain)/loss on financial assets and liabilities	(9,684)	13
Non-taxable unrealised loss/(gain) on financial assets and liabilities	16,334	(18,005)
Exempt dividends subject to Fair Dividend Rate	(924)	(1,032)
Fair Dividend Rate income	4,846	4,434
Other	160	413
Prior period adjustment	(58)	0
Taxable income	**5,240**	**692**
Tax at 28%	**1,467**	**194**
Taxation expense comprises:		
Current tax	1,466	117
Foreign tax credits forfeited	17	77
Prior period adjustment	(16)	0
Total tax expense	**1,467**	**194**
(ii) Current tax balance		
Opening balance	606	97
Current tax movements	(1,466)	(117)
Tax paid	131	626
Current tax (payable)/receivable	**(729)**	**606**
(iii) Deferred tax balance		
Opening balance	4	0
Other	(4)	4
Deferred tax asset	**0**	**4**

(iv) Imputation credits

Imputation credits available for subsequent reporting periods total $729,050 (2015: $2,132). 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 2016.

NOTE 4 - TRADE AND OTHER RECEIVABLES

	2016	2015
	$000	$000
Related party receivable (note 8)	586	0
Interest receivable	8	0
Dividends receivable	51	28
Unsettled investment sales	54	0
Other receivables and prepayments	39	5
Total trade and other receivables	**738**	**33**

Trade receivables are classified as loans and receivables under *NZ IAS 39*. Total loans and receivables are $7,059,904 (30 June 2015: $7,712,832) being cash plus trade and other receivables.

NOTE 5 - TRADE AND OTHER PAYABLES

	2016	2015
	$000	$000
Related party payable (note 8)	112	1,483
Unsettled investment purchases	1,578	0
Other payables and accruals	65	64
Share buyback payable	0	112
Total trade and other payables	**1,755**	**1,659**

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

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

	2016	2015
	$000	$000
Financial Assets:		
Investments designated at fair value through profit or loss		
International listed equity investments	89,334	102,624
Financial assets at fair value through profit or loss - held for trading		
Forward foreign exchange contracts	362	0
Total financial assets at fair value through profit or loss	**89,696**	**102,624**
Financial Liabilities:		
Financial liabilities at fair value through profit or loss - held for trading		
Forward foreign exchange contracts	16	2,369
Total financial liabilities at fair value through profit or loss	**16**	**2,369**

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

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

All investments at fair value through profit or loss are valued using last sale prices from an active market, except nine stocks where the last sale price was outside the bid-ask spread and therefore bid price was used (June 2015: all investments valued using last sale prices except eight stocks where the last sale price was outside the bid-ask spread and therefore bid price was used).

All investments are classified as Level 1 in the fair value hierarchy (2015: all investments).

Forward foreign exchange contracts are valued using observable market prices (as they are not quoted), and they are classified as Level 2 in the fair value hierarchy. The notional value of forward foreign exchange contracts held at 30 June 2016 was $31,692,770 (30 June 2015: $26,264,775).

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

	2016	2015
	$000	**$000**
Net operating (loss)/profit after tax	**(6,901)**	**14,675**
Items not involving cash flows:		
Unrealised losses/(gains) on cash and cash equivalents	763	(799)
Unrealised losses/(gains) on revaluation of investments	13,616	(15,283)
	14,379	**(16,082)**
Impact of changes in working capital items		
Increase in fees and other payables	96	613
(Increase)/decrease in interest, dividends and other receivables	(705)	20
Change in current and deferred tax	1,339	(513)
	730	**120**
Items relating to investments		
Net amount received from investments	7,511	5,006
Realised gains on investments	(9,028)	(949)
Increase in unsettled purchases of investments	(1,578)	0
Increase in unsettled sales of investments	54	0
Decrease/(increase) in share buybacks payable	112	(88)
	(2,929)	**3,969**
Net cash inflows from operating activities	**5,279**	**2,682**

NOTE 8 - RELATED PARTY INFORMATION

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

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

The Management Agreement with Fisher Funds provides for the provisional payment of a management fee equal to 1.25% (plus GST) per annum of the gross asset value, calculated weekly and payable monthly in arrears. This management fee is reduced by 0.10% for each 1.0% per annum by which the Gross Return achieved on the portfolio during each financial year is less than the change in the NZ 90 Day Bank Bill Index over the same period but subject to a minimum management fee of 0.75% (plus GST) per annum of the average gross asset value for that period. The annual management fee is finalised at 30 June and any adjustment (where the management fee is less than 1.25%) is offset against future management fee payments due to Fisher Funds. For the year ended 30 June 2016, the management fee adjustment of $586,394 (30 June 2015: no adjustment) is recognised as a prepayment in the Statement of Financial Position.

Management fees for the year ended 30 June 2016 totalled $879,592 (30 June 2015: $1,444,726). In addition, a performance fee may be earned by the Manager if portfolio returns exceed the performance fee hurdle of the change in the NZ 90 Day Bank Bill Index plus 5% per annum, to the extent the high water mark is also exceeded. Performance fees are calculated weekly and payable annually at the end of each financial year. No performance fee has been earned by the Manager for the year ended 30 June 2016, see note 11 (30 June 2015 earned and payable: $1,356,375). Marlin is a party to an Administration Services Agreement with Fisher Funds for the provision of administration services and a regular monthly fee is charged. The net amount payable to Fisher Funds at 30 June 2016 was $112,269 (30 June 2015: $126,158).

Included within investor relations and communications are marketing costs incurred by Fisher Funds on behalf of Marlin which amounted to $15,516 for the year ended 30 June 2016 and were recharged in full to Marlin (30 June 2015: $13,741).

The directors of Marlin are the only key management personnel as defined by *NZ IAS 24 Related Party Disclosures* and they earn a fee for their services which is disclosed in note 1(iii) under directors' fees (only independent directors earn a director's fee). The directors also held shares in the company at 30 June 2016 which are disclosed in the Statutory Information section of the annual report and total 1.14% of total shares on issue (30 June 2015: 0.61%) and 0.61% of total warrants on issue (30 June 2015: nil). The directors did not receive any other benefits which may have necessitated disclosure under *NZ IAS 24* (paragraph 16).

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 (arm's length). During the year ended 30 June 2016, off-market transactions between Marlin and other funds managed by Fisher Funds totalled $1,675,292 for purchases and nil for sales (year ended 30 June 2015: nil for purchases and nil for sales).

NOTE 9 - FINANCIAL RISK MANAGEMENT POLICIES

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

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

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

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

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

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

NOTE 9 - FINANCIAL RISK MANAGEMENT POLICIES CONTINUED

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 monthly 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 countries in which Marlin's exposure is 10% or greater of the portfolio are Germany 16% and United States 57% (2015: Germany 17% and United States 47%).

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

Price Risk

The company is exposed to the risk of fluctuations in the underlying value of its listed portfolio companies. No companies individually comprise more than 10% of Marlin's total assets at 30 June 2016 (30 June 2015: none).

Interest Rate Risk

Surplus cash is held in foreign currency accounts overseas as well as in interest bearing New Zealand bank accounts.

Amounts held are subject to varying rates of interest and therefore the company is exposed to the risk of movements in these interest rates. There is no hedge against the movement in interest rates.

The company may use short-term fixed rate borrowings to fund investment opportunities. There were no borrowings at 30 June 2016 (30 June 2015: none).

Currency Risk

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

The company mitigates this risk by entering into forward foreign exchange contracts as and when the Manager deems it appropriate. At any time during the year the portfolio may be hedged by an amount deemed appropriate by the Manager.

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

	30 June 2016	30 June 2015
	NZ$000	NZ$000
Canadian Dollars	1,944	0
Danish Kroner	3,141	2,936
Euros	18,581	29,226
Hong Kong Dollars	0	4,606
Japanese Yen	2,844	7,592
Mexican Pesos	790	1,735
Pounds Sterling	1,951	2,431
Singapore Dollars	2,919	4,033
Swiss Francs	14	16
US Dollars	59,619	54,692

Credit Risk

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

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

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

NOTE 9 - FINANCIAL RISK MANAGEMENT POLICIES CONTINUED

Credit Risk continued

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

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

Liquidity Risk

The company endeavours to invest the proceeds from the issue of shares in appropriate investments while maintaining sufficient liquidity, through daily cash monitoring, to meet working capital and investment requirements. Such liquidity can be augmented by short-term borrowings from a registered bank to a maximum value of 20% of the gross asset value of the company. No such borrowings have arisen to date.

NOTE 10 - SENSITIVITY ANALYSIS

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

2016 : Company ($000)					
EQUITY PRICES					
	Carrying Amount	**-10%**		**+10%**	
		Profit	**Equity**	**Profit**	**Equity**
Investments at fair value through profit or loss – designated	89,334	(8,933)	(8,933)	8,933	8,933
INTEREST RATE					
	Carrying Amount	**-1%**		**+1%**	
		Profit	**Equity**	**Profit**	**Equity**
Cash and cash equivalents	6,321	(63)	(63)	63	63
FOREIGN EXCHANGE RATE					
	Carrying Amount	**-10%**		**+10%**	
		Profit	**Equity**	**Profit**	**Equity**
Cash and cash equivalents					
- US dollar	2,008	223	223	(183)	(183)
- Euro	540	60	60	(49)	(49)
- Other currencies	1,048	110	110	(90)	(90)
Net trade payables/receivables:					
- US dollar	(1,264)	(141)	(141)	115	115
- Other currencies	(209)	(23)	(23)	19	19
Investments at fair value through profit or loss – designated					
- US dollar	58,703	6,523	6,523	(5,337)	(5,337)
- Euro	17,851	1,983	1,983	(1,623)	(1,623)
- Other currencies	12,780	1,420	1,420	(1,162)	(1,162)
Investments at fair value through profit or loss – held for trading					
- US dollar	172	(2,442)	(2,442)	1,998	1,998
- Euro	190	(899)	(899)	735	735
- Other currencies	(16)	(181)	(181)	148	148

2015 : Company ($000)					
EQUITY PRICES					
	Carrying Amount	-10%		+10%	
		Profit	Equity	Profit	Equity
Investments at fair value through profit or loss – designated	102,624	(10,262)	(10,262)	10,262	10,262
INTEREST RATE					
	Carrying Amount	-1%		+1%	
		Profit	Equity	Profit	Equity
Cash and cash equivalents	7,681	(77)	(77)	77	77
FOREIGN EXCHANGE RATE					
	Carrying Amount	-10%		+10%	
		Profit	Equity	Profit	Equity
Cash and cash equivalents					
- US dollar	1,698	189	189	(154)	(154)
- Euro	2,117	235	235	(192)	(192)
- Other currencies	3,169	352	352	(288)	(288)
Net trade payables/receivables:					
- US dollar	9	1	1	(1)	(1)
- Other currencies	19	2	2	(2)	(2)
Investments at fair value through profit or loss – designated					
- US dollar	54,012	6,001	6,001	(4,910)	(4,910)
- Euro	28,125	3,125	3,125	(2,557)	(2,557)
- Other currencies	20,487	2,276	2,276	(1,862)	(1,862)
Investments at fair value through profit or loss – held for trading					
- US dollar	(1,028)	(1,434)	(1,434)	1,173	1,173
- Euro	(1,016)	(1,156)	(1,156)	946	946
- Other currencies	(325)	(592)	(592)	485	485

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

Interest Rate Risk
A variable of 1% was selected as this is reasonably expected movement based on past overnight cash rate movements. The percentage movement for the interest rate sensitivity relates to an absolute change in the interest rate rather than a percentage change in interest rate. The table above summarises the impact on profit and equity if interest rates were 1% higher/lower with all other variables held constant.

Currency Risk
A variable of 10% was selected as this is reasonably expected movement based on historic trends in exchange rate movements. The table above summarises the impact on profit and equity if exchange rates were 10% higher/lower with all other variables held constant. A sensitivity analysis has been provided to show the impact of -/+10% movement in the largest exposures, US dollars and Euros. Hong Kong denominated assets have also been included as the Hong Kong dollar is pegged to the US dollar.

At 30 June 2016, the US$/NZ$ rate was 0.7122 (2015: 0.6763), the HK$/NZ$ rate was 5.5252 (2015: 5.2430), the Euro/NZ$ rate was 0.6411 (2015: 0.6070) and the JPY/NZ$ rate was 73.0646 (2015: 82.7554).

NOTE 11 - PERFORMANCE FEE

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

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

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

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

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

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

At 30 June 2016 the net asset value per share, before the deduction of a performance fee, of $0.83 (30 June 2015: $0.97) was below the high water mark net asset value per share of $0.89 (being the highest net asset value per share at the end of the last calculation period of 30 June 2015 adjusted for any capital changes and distributions).

Accordingly, the company has not expensed a performance fee in its Statement of Comprehensive Income for the year ended 30 June 2016 (30 June 2015: $1,356,375).

NOTE 12 - NET ASSET VALUE

The audited net asset value of Marlin as at 30 June 2016 was $0.83 per share (30 June 2015: $0.97 per share) calculated as the net assets of $94,255,329 divided by the number of shares on issue of 113,369,629.

NOTE 13 - CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACTUAL COMMITMENTS

There were no material contingent liabilities or unrecognised contractual commitments as at 30 June 2016 (30 June 2015: nil).

NOTE 14 - SEGMENTAL REPORTING

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

NOTE 15 - SUBSEQUENT EVENTS

At 16 August 2016, the unaudited net asset value of the company was $0.88 per share and the share price was $0.81.

On 5 August 2016, 1,419,270 warrants were exercised at $0.81 per warrant and the remaining 26,127,446 warrants lapsed.

On 22 August 2016, the Board declared a dividend of 1.72 cents per share. The record date for this dividend is 15 September 2016 with a payment date of 30 September 2016.

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

SHAREHOLDER INFORMATION

Size of Shareholding as at 17 August 2016

Holding Range	# of Shareholders	# of Shares	% of Total
1 to 999	75	30,579	0.03
1,000 to 4,999	285	732,564	0.64
5,000 to 9,999	924	6,227,411	5.43
10,000 to 49,999	1,804	37,168,447	32.38
50,000 to 99,999	263	17,636,967	15.35
100,000 to 499,999	188	33,721,685	29.38
500,000 +	14	19,271,246	16.79
TOTAL	**3,553**	**114,788,899**	**100.00%**

20 Largest Shareholders as at 17 August 2016

Holder Name	# of Shares	% of Total
Forsyth Barr Custodians Limited <1-Custody>	7,201,689	6.27
FNZ Custodians Limited	2,489,432	2.17
Anthony John Simmonds + Maureen Simmonds + Heron Hill Trustee Company Limited	1,519,534	1.32
Hettinger Nominees Limited	1,206,805	1.05
ASB Nominees Limited <339992 A/C>	821,791	0.72
Zonda Trustees Limited	797,500	0.69
Anthony John Simmonds + Maureen Simmonds	787,693	0.69
Thomas Vincent Brien + Jillian Maureen Brien	760,000	0.66
John Licco Sarfati	750,000	0.65
Custodial Services Limited <A/C 4>	695,292	0.61
Vani Kapoor	634,631	0.56
Paul Jan Kriha	558,368	0.49
Gerardus Van Den Bemd	526,939	0.46
Russell Ian Moller	521,572	0.45
Peter John Moller + Victor Ross Alexander Bedford + Jean Elspeth Moller	497,041	0.43
Edward Allan Hudson	446,500	0.39
Custodial Services Limited <A/C 3>	432,812	0.38
Timothy Ian Brown + Gael Caroline Webster + Richard Jon Broad	430,048	0.37
Lloyd James Christie	410,000	0.36
David William Frederick Haworth	410,000	0.36
TOTAL	**21,897,647**	**19.08%**

STATUTORY INFORMATION

Directors' Relevant Interests in Equity Securities at 30 June 2016

Interests Register

The company 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 2016 are as follows:

	Ordinary Shares Held Directly	Ordinary Shares Held by Associated Persons
A B Ryan(1)	38,664	-
C M Fisher(2)	-	1,221,191
C A Campbell(3)	28,998	-
R A Coupe(4)	17,413	-

(1) A B Ryan purchased 5,928 shares in the year ended 30 June 2016, issued under the share purchase plan (issue price $0.84). A B Ryan received 2,739 shares in the year ended 30 June 2016, issued under the dividend reinvestment plan (average issue price $0.80). A B Ryan acquired 6,000 shares in the year ended 30 June 2016, on the exercise of 6,000 warrants (exercise price $0.81).

(2) Associated Persons of C M Fisher received 347,000 shares in the year ended 30 June 2016, issued in satisfaction of 25% of the net performance fee due to Fisher Funds Management Limited for the year ended 30 June 2015, under the Marlin management agreement (average purchase price: $0.85). Associated persons of C M Fisher acquired 250,000 shares on market in the year ended 30 June 2016 (average purchase price $0.85).

(3) C A Campbell purchased 4,446 shares in the year ended 30 June 2016, issued under the share purchase plan (issue price $0.84). C A Campbell received 2,055 shares in the year ended 30 June 2016, issued under the dividend reinvestment plan (average issue price $0.80). C A Campbell acquired 4,500 shares in the year ended 30 June 2016, on the exercise of 4,500 warrants (exercise price $0.81).

(4) R A Coupe purchased 4,446 shares in the year ended 30 June 2016, issued under the share purchase plan (issue price $0.84). R A Coupe received 1,224 shares in the year ended 30 June 2016, issued under the dividend reinvestment plan (average issue price $0.80). R A Coupe acquired 2,349 shares in the year ended 30 June 2016, on the exercise of 2,349 warrants (exercise price $0.81).

Directors Holding Office

The company's directors as at 30 June 2016 were:

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

In accordance with the Marlin constitution, at the 2015 Annual Shareholders' Meeting, Carmel Fisher retired by rotation and being eligible was re-elected. Alistair Ryan retires by rotation at the 2016 Annual Shareholders' Meeting and being eligible, offers himself for re-election.

Directors' Remuneration

The following table sets out the total remuneration received by each director from Marlin for the year ended 30 June 2016. The directors' fees disclosed in the financial statements include a portion of non-recoverable GST expensed by Marlin.

Directors' remuneration* for the 12 months ended 30 June 2016	
A B Ryan (Chairman)	$50,000(1)
C A Campbell	$37,500(2)
R A Coupe	$37,500(3)

*excludes GST

(1) $5,000 of this amount was applied to the purchase of 5,928 shares under the Marlin share purchase plan.

(2) $3,750 of this amount was applied to the purchase of 4,446 shares under the Marlin share purchase plan. C A Campbell received $5,000 as Chair of Audit and Risk Committee.

(3) $3,750 of this amount was applied to the purchase of 4,446 shares under the Marlin share purchase plan. R A Coupe received $5,000 as Chair of Investment Committee

Carmel Fisher does not earn a director's fee.

Employee Remuneration

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

Disclosure of Interests as at 30 June 2016

General Interest Pursuant to Section 140 of the Companies Act 1993 as at 30 June 2016:

A B Ryan	Kingfish Limited	Director
	Barramundi Limited	Director
	Metlifecare Limited	Director
	Evolve Education Group Limited	Director
	The New Zealand Racing Board	Board Member
	Lewis Road Creamery Limited	Director
	Christchurch Casinos Limited	Director
	Auditor Regulation Advisory Group	Member
C M Fisher	Kingfish Limited	Director
	Barramundi Limited	Director
	Fisher Funds Management Limited	Director
C A Campbell	Kingfish Limited	Director
	Barramundi Limited	Director
	T&G Global Limited	Director
	Hick Bros Civil Construction Limited & associated companies	Director
	Woodford Properties Limited	Director
	Brave Star Media Limited	Director
	alphaXRT Limited	Director
	New Zealand Post Limited	Director
	Key Assets NZ Limited	Director
	The Business Advisory Group Limited	Director
	Kiwibank Limited	Director
	NPT Limited	Director
	NZME Limited	Director*
	Key Assets Foundation	Trustee
	Ronald McDonald House Charities NZ	Chair
R A Coupe	Kingfish Limited	Director
	Barramundi Limited	Director
	Farmright Limited	Chairman
	Solid Energy New Zealand Limited	Chairman
	New Zealand Takeovers Panel	Deputy Chairman
	Coupe Consulting Limited	Director
	Gentrack Group Limited	Director

(1) Notices given by directors during the year ended 30 June 2016 are marked with an asterisk.

(2) The following details included in the Interests Register as at 30 June 2015, or entered during the year ended 30 June 2016, have been removed during the year ended 30 June 2016:

- *R A Coupe is no longer a member of Institute of Finance Professionals New Zealand.*

STATUTORY INFORMATION CONTINUED

Directors' Indemnity and Insurance

Marlin has insured all of its directors against liabilities and costs referred to in Section 162(3), 162(4) and 162(5) of the Companies Act 1993. The insurance does not cover liabilities arising from criminal actions.

The company has granted an indemnity in favour of all current and future directors of the company in accordance with the company's constitution.

Auditor's Remuneration

During the 30 June 2016 year the following amounts were paid/payable to the auditor – PricewaterhouseCoopers.

	$000
Statutory audit and review of financial statements	29
Other assurance services	4
Non assurance services	2

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

Donations

The company did not make any donations during the year ended 30 June 2016.

DIRECTORY

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

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

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

Director
Carmel Fisher

Corporate Manager
Glenn Ashwell

Registrar
Shareholders with enquiries about transactions and changes of address should contact Marlin's share registrar:

Computershare Investor Services Limited
Level 2
159 Hurstmere Road
Takapuna
Auckland 0622
Telephone: +64 9 488 8777
Email: enquiry@computershare.co.nz

Alternatively, to change your address, update your payment instructions, and to view your investment portfolio including transactions online, please visit: www.computershare.co.nz/investorcentre

Auditor
PricewaterhouseCoopers New Zealand
188 Quay Street
Auckland 1142

Solicitor
Bell Gully
Level 21
48 Shortland Street
Auckland 1010

Banker
ANZ Banking Group Limited
Level 9
215 – 229 Lambton Quay
Wellington 6011

Investor Enquiries
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
growing globally

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