

Monthly Update

November 2017

MLN NAV

\$0.98

SHARE PRICE

\$0.82

DISCOUNT

15.9%

as at 31 October 2017



A word from the Manager — Looking for Diversity

Marlin's net asset value was up by 4.8% during October. Performance was supported by a weak New Zealand dollar, which fell 5.2% against the US dollar during the month following the Labour / NZ First election victory. Financial year-to-date gross performance is a very healthy 12.5%.

Global markets were strong during October, supported by strong economic data, a good start to US earnings season and an increased focus on potential corporate tax cuts in the US. US markets hit fresh all-time highs, with the S&P 500 Index up 2.2% during the month. Europe also gained, with the Stoxx 600 Index up 1.8%.

Stock market news in the month was focused on corporate earnings, with a number of large cap tech stocks including Amazon, Alphabet, Microsoft and Netflix announcing better than expected results and each rising significantly more than the market.

While the majority of earnings results for companies in the Marlin portfolio were strong we did have two notable disappointments.

Expedia's third quarter results fell short of expectations partly impacted by the recent hurricanes in the US and Caribbean and from weaker than expected results in their Trivago subsidiary. However, what concerned the market more was guidance for 2018 being weaker than expected. This was for two reasons. First the company is hiring more sales staff to increase the number of hotels on its website. Expedia is also investing heavily in its recently acquired HomeAway business (the owner of Bookabach in New Zealand). While the 13% share price decline in October is disappointing, we believe these investments will ultimately create a more valuable business. More choice will ultimately attract more customers as travellers increasingly seek to book travel online.

Blackhawk Network distributes gift cards via supermarkets (think iTunes gift cards or movie vouchers). While revenue grew 19% year-on-year and earnings per share were up 14%, the company guided to lower than expected growth for the rest of the year which saw the share price fall. Of most concern, is the increasing competition from key competitor Incomm. While

these pressures are unfortunate, Blackhawk has faced them before, successfully beaten them off and we believe it will again. We are happy to retain our existing investment.

There were no new stock additions or exits during October. We trimmed our weighting in PayPal from 6% to 5% with the company's share price having increased over 80% so far this year. We also marginally increased our weighting in Signature Bank to 3.5% following its first set of results since we added the company to the portfolio in July.

Signature Bank is the first bank we have added to the Marlin portfolio. It is a small regional US bank with a strong track record of growth and credit control. We are aware of the strong performance of technology stocks over the last year and our exposure to them. Over the year we have spent a lot of time researching quality businesses in the financial and industrial sectors to add diversity to the Marlin portfolio. While we have done a lot of work in these sectors, not many businesses meet our quality threshold and those that do have often, at current share prices, offered weak prospective returns. That said, Signature Bank, Hexcel, a leading supplier of carbon fibre composites to the aerospace industry, and Core Laboratories are somewhat recent additions which met our criteria and add such diversity.

We continue to look for new opportunities. While market valuations in the US are elevated and attractive opportunities are becoming harder to find, we are still finding enough ideas to research in certain sectors and geographies. We have recently been looking at a number of market leading businesses in Europe and selected emerging markets. The retail and consumer sectors are also presenting interesting opportunities, partly driven by the panic caused by Amazon.

Ashley Gardyne
Senior Portfolio Manager, Marlin



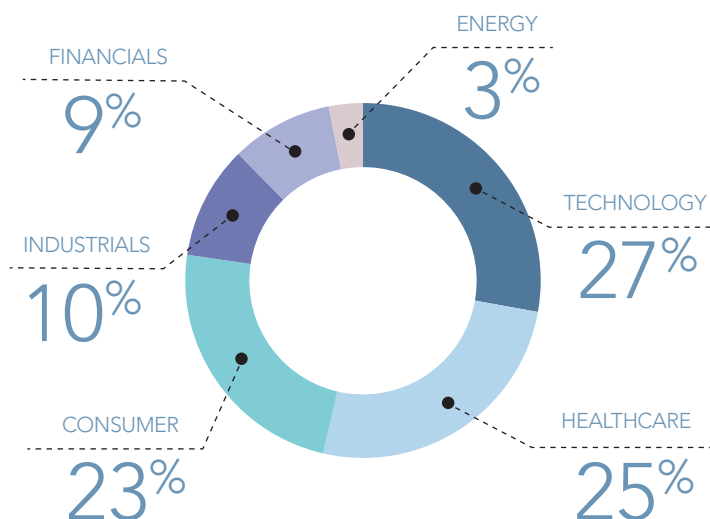
Key Details

as at 31 October 2017

FUND TYPE	Listed Investment Company
INVESTS IN	Growing international companies
LISTING DATE	1 November 2007
FINANCIAL YEAR END	30 June
TYPICAL PORTFOLIO SIZE	25-35 stocks
INVESTMENT CRITERIA	Long-term growth
PERFORMANCE OBJECTIVE	Long-term growth of capital and dividends
TAX STATUS	Portfolio Investment Entity (PIE)
MANAGER	Fisher Funds Management Limited
MANAGEMENT FEE RATE	1.25% of gross asset value (reduced by 0.10% for every 1% of underperformance relative to the change in the NZ 90 Day Bank Bill Index with a floor of 0.75%)
PERFORMANCE FEE HURDLE	Changes in the NZ 90 Day Bank Bill Index + 5%
PERFORMANCE FEE	15% of returns in excess of benchmark and high water mark
HIGH WATER MARK	\$0.87
SHARES ON ISSUE	118m
MARKET CAPITALISATION	\$97m
GEARING	None (maximum permitted 20% of gross asset value)

Sector Split

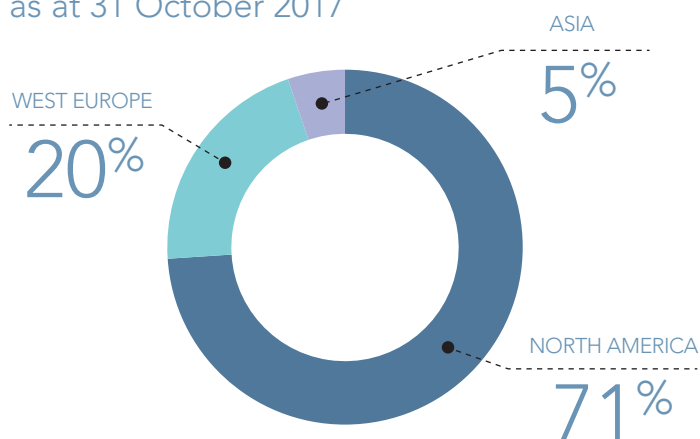
as at 31 October 2017



The Marlin portfolio also holds cash.

Geographical Split

as at 31 October 2017



Performance

to 31 October 2017

	1 Month	3 Months	1 Year	3 Years (annualised)	Since Inception (annualised)
Corporate Performance					
Total Shareholder Return	+5.1%	+5.0%	+13.6%	+9.0%	+5.2%
Adjusted NAV Return	+4.7%	+10.0%	+25.2%	+10.9%	+6.4%
Manager Performance					
Gross Performance	+5.1%	+10.7%	+31.2%	+15.3%	+10.1%
Benchmark Index [^]	+5.0%	+10.4%	+27.5%	+16.3%	+7.9%

[^]Benchmark index: World Small Cap Gross Index until 30 September 2015 & S&P Large Mid Cap/S&P Small Cap Index (50% hedged to NZD) from 1 October 2015

Non-GAAP Financial Information

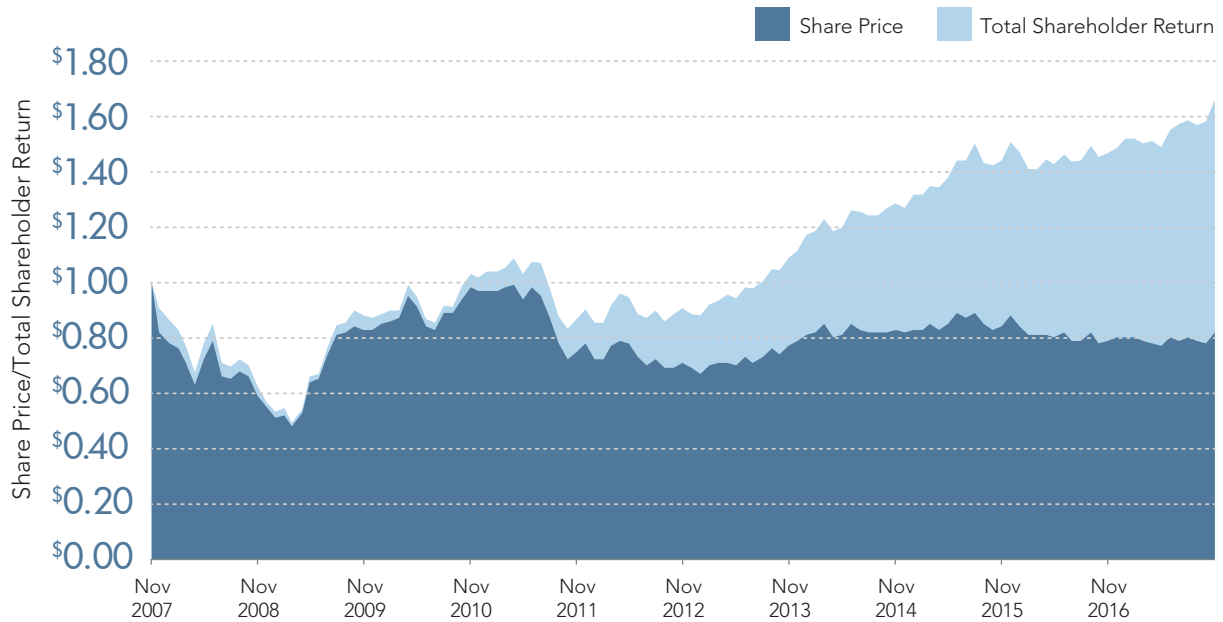
Marlin uses non-GAAP measures, including adjusted net asset value, gross performance return and total shareholder return. The rationale for using such non-GAAP measures is as follows:

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

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

Total Shareholder Return

to 31 October 2017



October's Biggest Movers in local currency terms

Typically the Marlin portfolio will be invested 90% or more in equities.

AMAZON

+15%

PAYPAL

+13%

EXPEDIA

-13%

SARINE
TECHNOLOGIES

-17%

BLACKHAWK
NETWORK

-22%

5 Largest Portfolio Positions

as at 31 October 2017

ALPHABET

7%

MASTERCARD

6%

PAYPAL

5%

LKQ CORPORATION

5%

COGNIZANT
TECHNOLOGY
SOLUTIONS

5%

The remaining portfolio is made up of another 22 stocks and cash.

About Marlin Global

Marlin is an investment company listed on the New Zealand Stock Exchange. The company gives shareholders an opportunity to invest in a diversified portfolio of between 25 and 35 quality growing international companies (excluding New Zealand and Australia) through a single, professionally managed investment. The aim of Marlin is to offer investors competitive returns through capital growth and dividends.

Management

Marlin's portfolio is managed by Fisher Funds Management Limited. Ashley Gardyne (Senior Portfolio Manager) and Chris Waters (Senior Investment Analyst) have prime responsibility for managing the Marlin portfolio. They have significant combined experience and are very capable of researching and investing in the quality global companies that Marlin targets. Fisher Funds is based in Takapuna, Auckland.

Board

The Manager has authority delegated to it from the Board to invest according to the Management Agreement and other written policies. The Board of Marlin comprises independent directors Alistair Ryan (Chair), Carol Campbell and Andy Coupe; and non-independent director Carmel Fisher.

Capital Management Strategies

Regular Dividends

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

Share Buyback Programme

- » Marlin has a buyback programme in place allowing it (if it elects to do so) to acquire up to 5.9m of its shares on market in the year to 31 October 2018
- » Shares bought back by the company are held as treasury stock
- » Shares held as treasury stock are available to be re-issued for the dividend reinvestment plan

Warrants

- » Warrants put Marlin in a better position to grow further, improve liquidity, operate efficiently and pursue other capital structure initiatives as appropriate
- » A warrant is the right, not the obligation, to purchase an ordinary share in Marlin at a fixed price on a fixed date
- » There are currently no warrants on issue

Disclaimer: The information in this update has been prepared as at the date noted on the front page. The information has been prepared as a general summary of the matters covered only, and it is by necessity brief. The information and opinions are based upon sources which are believed to be reliable, but Marlin Global Limited and its officers and directors make no representation as to its accuracy or completeness. The update is not intended to constitute professional or investment advice and should not be relied upon in making any investment decisions. Professional financial advice from an authorised financial adviser should be taken before making an investment. To the extent that the update contains data relating to the historical performance of Marlin Global Limited or its portfolio companies, please note that fund performance can and will vary and that future results may have no correlation with results historically achieved.