

Monthly Update

August 2019

MLN NAV	SHARE PRICE	DISCOUNT ¹
\$0.99	\$0.95	4.4%

as at 31 July 2019

A word from the Manager

Global equity markets continued to grind higher in July, supported by accommodative central banks and a better than expected start to the corporate earnings season in the US. The US Federal Reserve lowered interest rates for the first time in 11 years in July, while the European Central Bank also gave strong hints that an easing package is on the way. Against this backdrop the US S&P 500 reached new all-time highs and closed up 1.3% for the month (and 19% year to date).

Earnings reporting season in the US is now well underway and is a key focus for us. Reporting season allows us to check in with our portfolio companies and see how their businesses are tracking. We have witnessed very strong results from a handful of our portfolio companies, which contributed significantly to the performance of the fund in July.

Marlin Global had gross performance of 3.7% in July, while our global benchmark rose 1.4%. The adjusted NAV return for the month was 3.7%.

Portfolio Company Developments

Alphabet, Google's parent company, was one of the top performers in the portfolio after announcing results that showed rapid growth in its digital advertising business. The company delivered 22% revenue growth in the second quarter, which was driven by rapid growth in mobile advertising and YouTube. Alphabet's share price gained over 13% during the month.

Edwards Lifesciences reported 18% growth in sales of its trans-catheter aortic heart valves, leading to a 15% jump in its share price in July. Edwards manufactures heart valves that are implanted via minimally invasive surgery, reducing the need for open-heart surgery and lengthy hospital stays. Recent clinical studies showing the superiority of this technology to traditional heart valves has improved awareness and confidence in the technology.

UPS, the parcel delivery giant, also delivered stronger than expected results and saw its share price gain 16% in July. UPS is benefiting from growth in demand for 'next day air' delivery, driven by ecommerce volumes and faster delivery

expectations. Next day delivery allows UPS to charge premium prices, which combined with strong volume growth allowed UPS to confirm it is on track to grow profits by +10% for the full year.

Tyler Technologies reported 39% growth in software subscription revenue in the second quarter, having recently booked the two largest subscription orders in the company's history. Tyler provides software to local authorities in the US and its applications help local governments manage a range of functions including finance, property appraisal and taxes, HR, payroll, court and prison management, and emergency response. This is a significantly underserved end-market, with the majority of small local authorities well behind the curve on technology adoption. Tyler's shares gained 8% during the month.

EssilorLuxottica, the owner of Ray-Bans sunglasses and OPSM, also reported solid results. The company continues to see an acceleration in growth in its core lenses business, and management spoke with increased confidence on the integration of the Essilor and Luxottica businesses and the associated cost and revenue synergies. EssilorLuxottica also announced the acquisition of a GrandVision, a leading European eyewear retailer, which further cements its position as the dominant player in global eyewear. EssilorLuxottica's share price gained 7% for the month.

The only two major detractors from performance for the month were Fresenius Medical Care and Electronic Arts.

Electronic Arts (EA) also reported better than expected results in July, supported by strength in its FIFA soccer video game franchise. EA also continues to show strong growth in digital game downloads, which are more profitable for EA than sales of physical DVD games in store. Despite the strong results, EA's share price slumped 9% in July due to separate data that showed its much-lauded battle royale title Apex Legends may not have as much traction as first thought. It is too early to tell how successful Apex Legends will ultimately be, but we are encouraged by the progress EA is making in its core franchises including FIFA.

Kidney dialysis clinic operator, **Fresenius Medical Care**, underperformed on mixed earnings results. The core business was strong, with treatment growth in its core North American dialysis business continuing to accelerate. However, outside the core business, the company unexpectedly guided to lower profits from a government trial for a new dialysis patient care model that Fresenius is participating in. Fresenius's share price ended the month 9% lower.

While recent results from our portfolio companies have generally been strong, we try not to get overly fixated on the quarterly results of our portfolio companies. These results allow us to check how each business is tracking against our investment thesis, and can highlight if any issues are

brewing that require more detailed research. Overall we are comfortable with how the businesses in the portfolio are performing. They continue to grow steadily, despite the trade-war driven volatility we are currently witnessing in equity markets in August.



Ashley Gardyne
Senior Portfolio Manager
Fisher Funds Management Limited



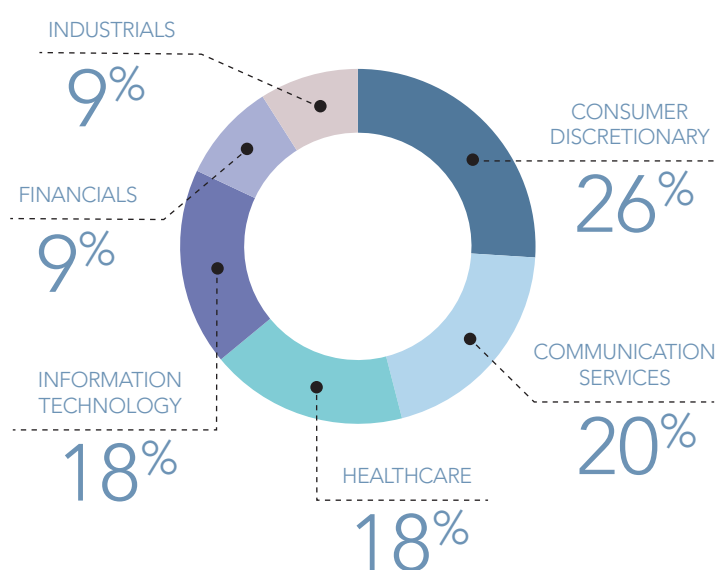
Key Details

as at 31 July 2019

FUND TYPE	Listed Investment Company
INVESTS IN	Growing international companies
LISTING DATE	1 October 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	10% of returns in excess of benchmark and high water mark
HIGH WATER MARK	\$0.96
PERFORMANCE FEE CAP	1.25%
SHARES ON ISSUE	147m
MARKET CAPITALISATION	\$139m
GEARING	None (maximum permitted 20% of gross asset value)

Sector Split

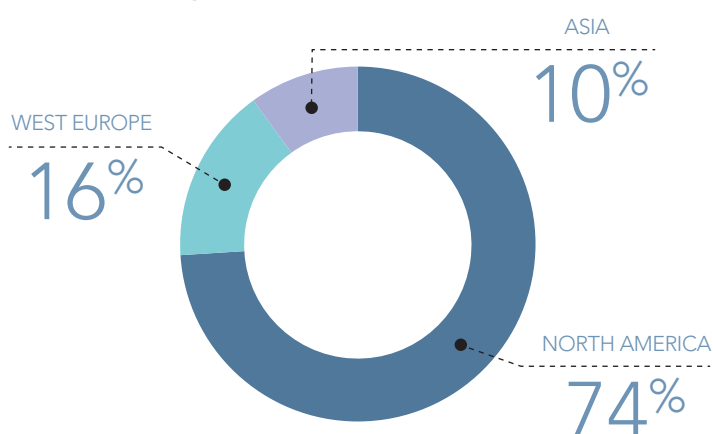
as at 31 July 2019



The Marlin portfolio also holds cash.

Geographical Split

as at 31 July 2019



July's Biggest Movers in local currency terms

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

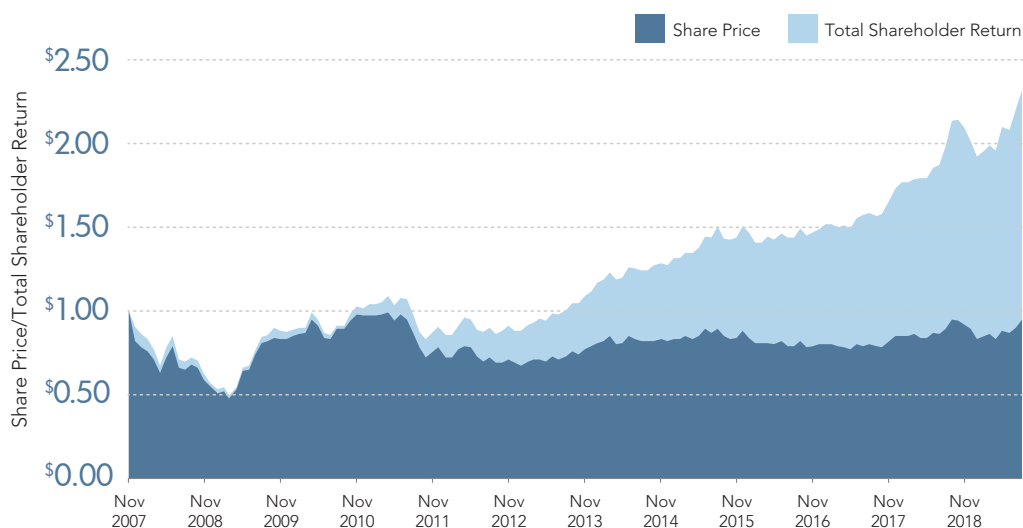
UNITED PARCEL SERVICE +16%	EDWARDS LIFESCIENCES +15%	ALPHABET INC. +13%	ELECTRONIC ARTS -9%	FRESENIUS MEDICAL -9%
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5 Largest Portfolio Positions as at 31 July 2019

ALPHABET 10%	FACEBOOK 6%	ALIBABA GROUP 6%	MASTERCARD 5%	PAYPAL 5%
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The remaining portfolio is made up of another 20 stocks and cash.

Total Shareholder Return to 31 July 2019



Performance to 31 July 2019

	1 Month	3 Months	1 Year	3 Years (annualised)	5 Years (annualised)
Company Performance					
Total Shareholder Return	+5.6%	+10.5%	+17.3%	+17.3%	+13.3%
Adjusted NAV Return	+3.7%	+3.0%	+9.9%	+15.0%	+11.6%
Portfolio Performance					
Gross Performance Return	+3.7%	+3.5%	+12.9%	+18.9%	+15.4%
Benchmark Index [^]	+1.4%	+0.4%	+1.6%	+11.5%	+13.1%

[^]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, adjusted NAV return, gross performance return and total shareholder return. The rationale for using such non-GAAP measures is as follows:

- » adjusted net asset value – the underlying value of the investment portfolio adjusted for capital allocation decisions after fees and tax,
- » adjusted NAV return – the net return to an investor after fees and tax,
- » gross performance return – the Manager's portfolio performance in terms of stock selection and currency hedging before fees and tax, 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, adjusted NAV return, gross performance return and total shareholder return in this monthly update are to such non-GAAP measures. The calculations applied to non-GAAP measures are described in the Marlin Non-GAAP Financial Information Policy. A copy of the policy is available at <http://marlin.co.nz/about-marlin/marlin-policies/>

About Marlin Global

Marlin is an investment company listed on the New Zealand Stock Exchange. The company gives shareholders an opportunity to invest in a diversified portfolio of between 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), Chris Waters and Harry Smith (Senior Investment Analysts) have prime responsibility for managing the Marlin portfolio. Together they have significant combined experience and are very capable of researching and investing in the quality global companies that Marlin targets. Fisher Funds is based in Takapuna, Auckland.

Board

The 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 2019
- » 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, 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.