marlin

growing globally

ANNUAL REPORT 2013

marlin
growing globally

AT A GLANCE
at 30 June 2013

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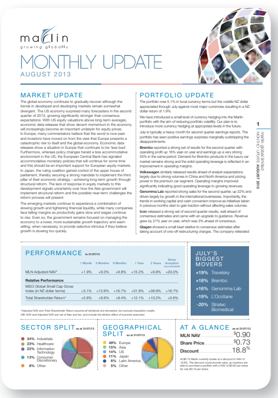
NAV per Share	$0.88
Share Price	$0.71
Discount	19.6%


marlin
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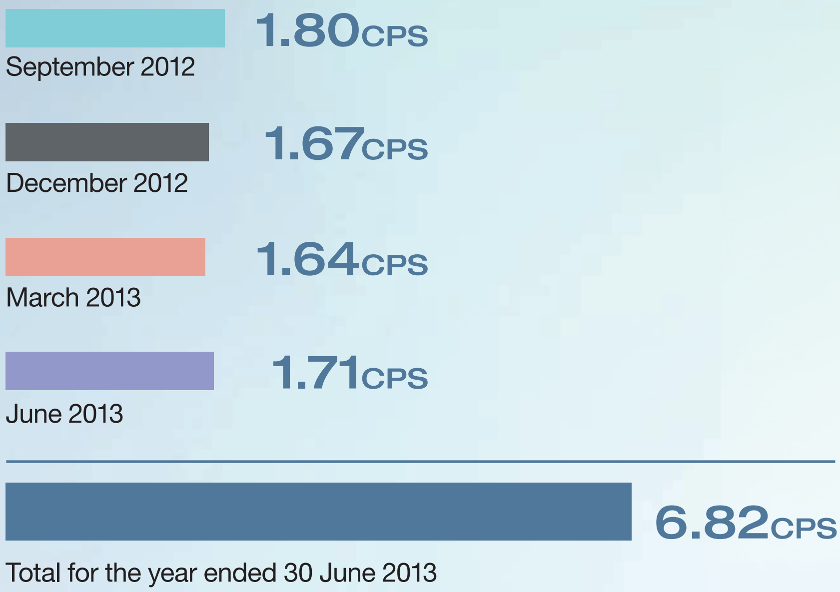
MONTHLY UPDATE

Each month we produce a summary of what has occurred over the month, including significant market news and developments to Marlin's portfolio. If you would like to subscribe to our monthly update please email update@marlin.co.nz

The information contained in this annual report is provided for information purposes only and does not constitute an offer, invitation, basis for a contract, financial advice, other advice or recommendation to conclude any transaction or for the purchase or sale of any security, loan or other instrument. In particular, the information contained in this annual report is not financial advice for the purposes of the Financial Advisers Act 2008 and should not be relied upon when making an investment decision. Professional financial advice from an authorised financial adviser should be taken before making an investment.

DIVIDENDS PAID

during the year ended 30 June 2013 (cents per share)



2013/2014 CALENDAR

Dividend Payable	27 September 2013
Annual Shareholders' Meeting	31 October 2013, 10:30am, Ellerslie Event Centre, Auckland
September Quarter Update Newsletter	October 2013
Interim Period End	31 December 2013
Interim Report to 31 December 2013	February 2014
March Quarter Update Newsletter	April 2014

ABOUT THE COMPANY

Marlin Global Limited ("Marlin" or "the company") is a listed investment company that invests in growing companies based outside of 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. The aim of Marlin is to offer investors competitive returns through capital growth and dividends, and access to a diversified portfolio of investments through a single tax-efficient investment vehicle. Marlin listed on the 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

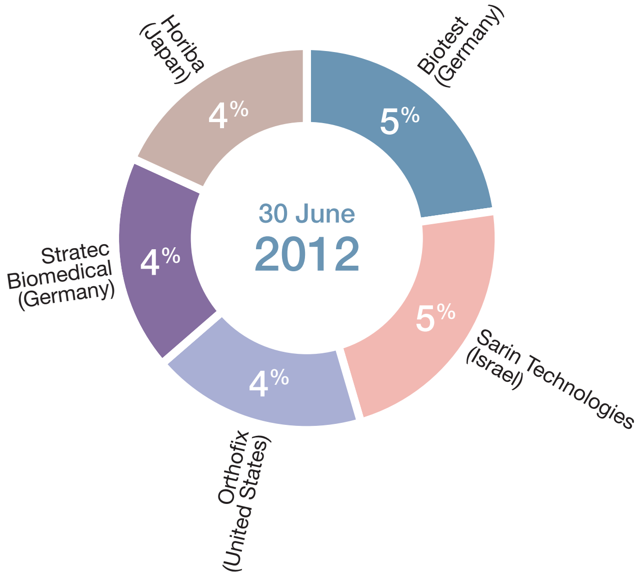
The key investment objectives of Marlin are to:

- 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.

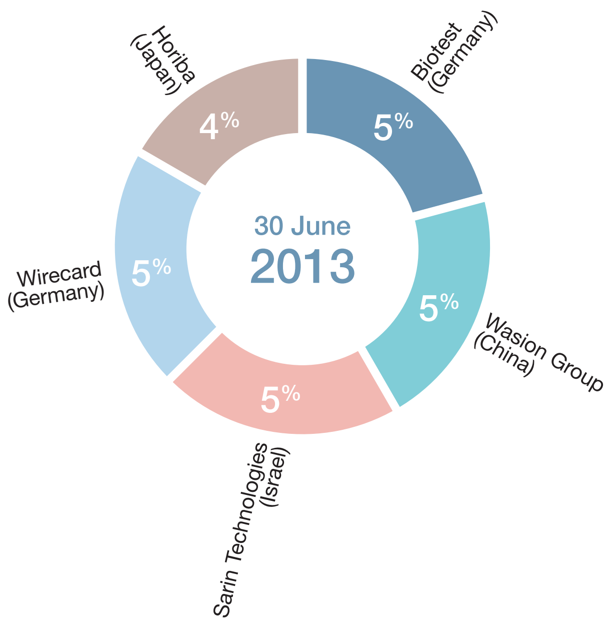
INVESTMENT APPROACH

The investment philosophy of Marlin is summarised by the following broad principles:

- Invest as a medium to long-term investor selling 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.
- Construct a diversified portfolio of investments, investing on a case-by-case basis, refraining from taking majority positions in any company, unless the opportunity is compelling.



TOP FIVE INVESTMENTS



DIRECTORS' OVERVIEW

It was a year of improved performance for Marlin as the economic environment started to overcome some of the challenges of previous years. Marlin achieved a portfolio increase of 10.6%, after adjusting for the 6.82 cents per share dividend distribution.

A number of changes were made to the portfolio during the year as the new investment team spent time reviewing the thesis supporting each investment, matching portfolio weightings with conviction levels and increasing portfolio diversification.

Full Year Result

For the year ended 30 June 2013, Marlin recorded a net profit of $9.5m, an encouraging turnaround from the previous year's loss of $12.0m. Marlin's key performance ratios show a total shareholder return (TSR)* of 12.2% and a growth in adjusted net asset value (NAV)* of 10.6%, compared with the MSCI Global Small Cap Gross Index for the same period which was up 26.4%.

Revenues and Expenses

The key components of the full year result were gains on financial assets of $10.5m, dividend and interest income of $1.6m, foreign exchange gains on cash of $0.1m and operating expenses and tax of $2.7m.

In the latter stages of the financial year, the company introduced currency hedging with the aim of reducing portfolio volatility. The plan is to introduce more currency hedging at appropriate levels in the future.

Increased legal expenses were incurred during the year as the company dealt with an annual meeting resolution initiated by Elevation Capital and a prolonged NZX enquiry that then followed. The Elevation Capital proposal was comprehensively defeated at last year's annual meeting and the NZX enquiry has now been discontinued.

**Adjusted NAV and TSR assume all dividends are reinvested, but exclude imputation credits.*

Adjusted Net Asset Value ('NAV')

The adjusted NAV is calculated using NAVs as released to the NZX (audited at the end of each financial year) and adds back dividends paid to shareholders as announced to the NZX.

The adjusted NAV metric is unaudited but has been reviewed by an independent actuary.

The directors believe this metric to be useful as it reflects the underlying performance of the investment portfolio adjusted for dividends.

Total Shareholder Return ('TSR')

TSR is calculated using the share price performance plus dividends paid to shareholders.

The TSR metric is unaudited but has been reviewed by an independent actuary.

The directors believe this metric to be useful as it mirrors the return of an investor who reinvests their dividends. No metric has been included for investors who take their dividend in cash as the return on those cash dividends will differ per shareholder.

Five Year Summary

Figure 2 (on page 7) summarises the five year performance history for the years ended 30 June 2009-2013.

Since Inception

We note that since inception in November 2007, Marlin's adjusted NAV* is up 17.8%, ahead of the MSCI Global Small Cap Gross Index for the same period which was up 13.1%.

A total of 24.88 cents per share has been paid out to Marlin shareholders in dividends but due to a decline in Marlin's share price, the overall result is a marginal decline in TSR* of 2.2% since inception.

Figure 1 (on page 7) tracks the Marlin share price, dividends paid and TSR* over the six year period.

Alistair Ryan, Chairman.

Share Price Discount

The share price discount to NAV has remained relatively unchanged during the year at around 19%. Whilst a discount of share price to NAV is reasonably common in listed investment companies, a discount at or below 10% is seen as more realistic.

Marlin's share buyback programme is a capital management initiative which is triggered when the share price discount exceeds 10%. During the 2012/13 financial year, a total of 3.0m shares were bought back at an average price of $0.70 cents per share.

Dividends

In accordance with Marlin's distribution policy (2.0% of average NAV paid four times per annum), the company paid 6.82 cents per share in dividends during the year.

The next quarterly dividend payment will be 1.77 cents per share, payable on 27 September 2013 with a record date of 13 September 2013.

Marlin's distribution policy provides a regular and reliable income stream to shareholders irrespective of underlying portfolio performance and/or volatility, and 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.

In December 2012, shareholders received a letter advising that online dividend statements are available from the March 2013 dividend payment onwards. The response has been positive with a large number of shareholders now electing to receive their dividend statements electronically.

Board Changes

In March 2013, the directors were pleased to announce that Andy Coupe had joined the Board as an independent director. Andy brings extensive knowledge of the capital markets industry having worked in a number of sectors within the industry over the last 30 years. He is also Deputy Chairman of the New Zealand Takeovers Panel and a director of Farmright Limited. We have been pleased to have someone with Andy's commercial and capital markets experience join the Board.

In accordance with the company's constitution Andy will be standing for election by shareholders at the annual meeting in October.

Governance

The Board constantly monitors the performance of the Manager both in terms of portfolio outcomes and compliance with the investment mandate and the Management Agreement.

The Board's Investment Committee engages with the Manager on a six-monthly basis to formally review and consider overall portfolio strategy and performance.

During the year the Board established a Diversity Policy. The Board recognises that having a diverse Board assists the directors in effectively carrying out their role, and that outcomes are best served by having a mix of individuals with extensive expertise, experience and perspective.

Annual Shareholders' Meeting

The 2013 Annual Shareholders' Meeting will be held on Thursday 31 October at 10:30am at the Ellerslie Event Centre. 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.

This year shareholders will be given the option to vote online. Shareholders who have elected to receive their annual report electronically will automatically be given the opportunity to cast their vote online.

Conclusion

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

We look forward to seeing many of you at our annual meeting where further information on the operations of the company and an update on performance will be presented.

On behalf of the Board,

Alistair Ryan

Alistair Ryan
Chairman
Marlin Global Limited
2 September 2013

FIGURE 1: TOTAL SHAREHOLDER RETURN

The total shareholder return graph below assumes all dividends are reinvested, but excludes imputation credits:

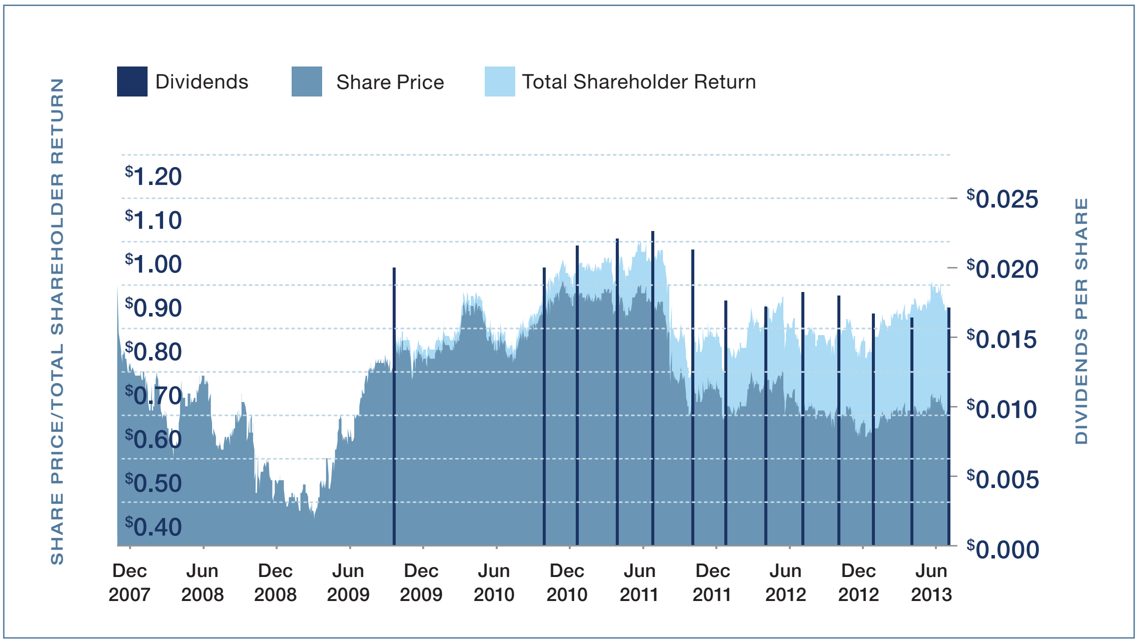


FIGURE 2: FIVE YEAR PERFORMANCE SUMMARY

As at 30 June	2013	2012	2011	2010	2009
Audited NAV	$0.88	$0.86	$1.06	$1.08	$0.99
Adjusted NAV*	$1.15	$1.04	$1.17	$1.10	$0.99
Share Price	$0.71	$0.70	$0.95	$0.83	$0.74
Share Price Discount to NAV*	19.6%	19.1%	10.6%	22.9%	25.0%

For the year ended 30 June	2013	2012	2011	2010	2009
Total Shareholder Return*	12.2%	(18.4%)	25.5%	15.0%	12.1%
Adjusted NAV Return*	10.6%	(11.5%)	6.7%	11.3%	7.2%
MSCI Global Small Cap Gross Index* *(in NZ dollar terms)*	26.4%	(5.3%)	14.3%	14.1%	(13.6%)
Bank Bill Index +5%*	7.7%	7.8%	8.1%	7.8%	11.2%
Dividends Paid in Year	6.82cps	7.43cps	8.63cps	2.00cps	0
Audited Earnings per Share	8.96cps	(11.57cps)	7.66cps	10.64cps	6.11cps

**Reviewed by an independent actuary.*

NB: NAV and Adjusted NAV are net of fees and tax, and include the dilution effect of warrants exercised.

MANAGER'S REPORT

Global developed equity markets staged a strong recovery over the last year supported by continued monetary stimulus, gradually improving economic conditions and greater certainty around the Euro zone's future.

It was also a year where there was a stark difference in performance between the developed and emerging share markets as investors withdrew large amounts of capital from the emerging markets in response to weakening growth prospects. The NZ dollar trended upwards for most of the year against the US dollar and Euro but corrected sharply in May 2013 on the announcement of an expected tapering in the US Federal Reserve asset buying programme. The NZ dollar ended the year down 3.4% against the US dollar and down 6.0% against the Euro. Marlin's adjusted NAV* rose 10.6% over the year.

Market Review and Outlook

The declining negative tail risks in Europe supported by the European Central Bank President Mario Draghi's promise to do 'whatever it takes' to support the Euro zone was probably the most important development for the psyche of financial markets over the last year. As investors became more comfortable that the economic developments in Europe were becoming 'less bad', and that the risk of a catastrophic event was receding, the desire to take on more risk became compelling. The combination of a system flush with financial liquidity, a central bank committed to supporting asset prices and an improving risk appetite, provided a good underpin for equity prices. The large cap Euro Stoxx 600 Index was up 15.3% in the year to June 2013. The general economic outlook for Europe remains very challenged. We expect the deleveraging process will be protracted and will remain a significant constraint to growth for some time. However, the somewhat counterintuitive combination of low growth economies and strong financial markets can persist, for as long as costs remain well below normal levels, financial liquidity is plentiful and the return prospects from other asset classes are low.

The European stock market indices have underperformed their US counterparts for over two years and offer better value both relative to their own history and to their growth prospects. The MSCI European Small Cap Index is currently trading close to 13.0x forward price/earnings, a 10% discount to its long-term average. Conversely, the Russell 2000 Index is trading around 17.1x forward price/earnings which is 15% above its long-term average.

The US equity market continued to perform well despite the economic challenges presented by significant fiscal contraction and market concerns around the expectation that the US Federal Reserve will start tapering its asset buying programme towards the end of 2013. The US economy has proved to be relatively resilient over the last year largely due to a steady consumer sector, buoyed by employment growth and a recovering housing market. Even so, the decline in the household savings rate coupled with rising mortgage rates could test the US consumers' resolve over the next few quarters. We expect US growth to continue below its long-term trend, monetary conditions to remain loose and interest rates low for the near-term.

Over the last year the small cap indices in both Europe and the US have outperformed their larger cap counterparts. The outperformance of small cap indices relative to large cap reflects strong inflows into this asset class and usually indicates a more positive investor view on the economic environment and outlook.

Early in 2013, the Bank of Japan belatedly joined the quantitative easing party, announcing an aggressive asset purchase programme in response to the new Abe government's 2% inflation objective. Unsurprisingly, the announcement led to a weakening in the Yen and a surge in equity prices. The Topix appreciated 47.2% over the last year in Yen terms, although more recently it has consolidated. Investors remain sceptical over the effects of the proposed reform programme and are keen to see the impact of the weaker Yen on corporate profitability before committing further capital to this market.

The emerging markets have been the weakest and most volatile asset class over the last year, with the MSCI Emerging Market Index rising just 0.3% in US dollar terms. Weakening demand, tightening financial liquidity and the prospects of fiscal tapering have resulted in large fund outflows from emerging markets. Further, corporate profitability is being hurt by rising wages and falling productivity. The Chinese Government continues to manage the economy to a lower and more sustainable growth trajectory, but seems willing, when necessary, to provide selective stimulus programmes if they believe growth is slowing

**Adjusted NAV assumes all dividends are reinvested, but excludes imputation credits.*

too quickly. The growth drivers in China continue to shift away from government sponsored investments in fixed assets to a rising level of consumption.

The NZ dollar continues to remain relatively well supported although it did correct sharply against most currencies in May and June 2013. We have selectively introduced currency hedging into the portfolio with a key goal of reducing portfolio risk and volatility. Our large weighting in Euro denominated assets warranted a small currency hedge of 15% of the European holdings. The most significant hedging activity has been against the Yen where ongoing quantitative easing by the Bank of Japan is expected to erode the value of their currency. We have now hedged 50% of the Japanese holdings.

Portfolio Update

Over the last year, the new portfolio management team has systematically analysed all the stocks in the portfolio in order to understand their investment thesis, growth drivers and risks. As part of this due diligence we visited portfolio companies and met with their management.

Gradually we have restructured the portfolio, exiting companies where the investment thesis was challenged and reweighting where we thought appropriate. Our aim continues to be to gradually de-risk the portfolio, by selecting less volatile stocks, enhancing diversification and improving portfolio liquidity.

“We remain keenly focused on buying strong companies with compelling growth prospects at attractive prices.”

Over the year we introduced a number of new portfolio companies. In Europe we bought **United Internet**, a leading European internet specialist. The company has a record of strong profitable growth, and an exceptional history of returning cash to shareholders. They have developed a superior European franchise in mobile data access and have correctly anticipated the growth in mobile devices. In addition, the company has existing relationships with a third of German small businesses and over 50% of all German email users, positioning it well for future growth.

Carmel Fisher, Managing Director.

We also added **Volkswagen** to the portfolio. Volkswagen offers quality exposure to the global car market at an attractive price. The company's scale and efficiency have made for superior profitability, and its broad range of brands, from popular affordable cars to high end Porsches, Lamborghinis and Bentleys, have allowed it to access the most lucrative areas of demand in the market. New product launches and a state of the art production facility will continue to underpin margin improvements and the company has a very strong balance sheet, an impressive track record, credible management and a great opportunity set.

Roger Garrett, Senior Portfolio Manager.

Also in Europe, we invested in **Acino**, a Swiss pharmaceuticals company. The company has strong revenue growth prospects emanating from an expanding product range together with a strong distribution capability spanning four continents and heavily exposed to fast growing emerging markets. Acino operates in the hard-to-manufacture drugs arena and have developed advanced technologies to deliver high levels of drug delivery efficacy. They have a strong development pipeline of drugs that will continue to support their growth prospects.

In the UK we have initiated positions in **IMI** and **De La Rue**. IMI is a holding company based in the UK that specialises in providing customised valves for varied applications. It has a leading position in most of its specialist niches with a high degree of customisation, very strong client retention and a focus on improving margins via cost initiatives and product mix. The long-term growth prospects are sound given they are exposed to attractive megatrends of clean energy, urbanisation, ageing populations and climate change.

De La Rue is the largest global integrated producer of banknotes. It also has units involved in identity schemes (passport and drivers licence production), security (authentication labels) and cash processing machines. The company has good growth prospects, operates in a highly consolidated industry and, coupled with a cost cutting and restructuring programme, De La Rue is well positioned to lift margins and generate strong earnings growth.

"Gradually we have restructured the portfolio, exiting companies where the investment thesis was challenged and reweighting where we thought appropriate."

We also initiated a position in **Genomma Lab**, a successful Mexican consumer goods company. They have a leading position in over the counter medicines in Mexico, and a significant position in personal care products where they compete successfully with global leaders like Unilever and Procter & Gamble. Genomma has a portfolio of leading brands, a state of the art distribution system and a powerful consumer advertising capability. The company continues to deliver impressive growth and returns, and has significant opportunities to replicate its strategy in the Southern US and Latin America.

In Brazil we purchased **Mills Estruturas E Servicos** whose core business is to rent equipment to construction companies. There is a strong trend globally to rent rather than invest in capital equipment as it allows construction companies to improve efficiency and lower operating leverage. Brazil has under-invested in infrastructure for a long time and the public and private construction pipeline is huge which will benefit Mills. The company has a strong reputation and a track record of delivering value to shareholders, a healthy balance sheet and free cash flow generation.

We also purchased **L'Occitane International**, a global, natural cosmetics manufacturer and retailer. L'Occitane develops and retails high quality products that are rich in natural and organic ingredients. The company has a strong brand, global scale and an enviable track record of strong profitable growth. They have good growth prospects with expansion options in fast growing emerging markets. The business may demonstrate some cyclicality as end demand is discretionary. However within the luxury space, cosmetics demonstrate relatively high levels of demand elasticity.

In the first half of the financial year we sold **Torishima Pump** which had failed to deliver earnings growth despite improvements in its end markets. We also sold **Raffles Education**, a company that had value in its non-core property portfolio but its core education business continually underperformed and the balance sheet was over-geared. In the second half of the year we also sold our holding in **Orthofix** after the company delivered a poor set of results, senior management resigned and the prospect for a growth rebound receded.

Over the year we looked to reweight a number of stocks in the portfolio to more appropriately reflect our confidence in the outlook and valuation of the company, or to reduce stock specific risk. **Sarin Technologies** has been one of the best performing stocks in the portfolio. Sarin generates very high returns on its invested capital base, has strong growth prospects both from existing products and new technologies and has an attractive capital distribution policy. However, the strong share price performance tested our valuation range and, after taking account of the stock's low liquidity, we reduced our weighting.

We also reduced our weighting in **Nokian Tyres**. Nokian is a quality company that operates in the premium segment of the winter tyre market and generates returns well above its peers. However, they are exposed to the very difficult European market and the somewhat unpredictable Russian market. Nokian remains a strong STEEPP stock but given the uncertainties in the sector we have used any strength in the share price to gradually reduce our weighting to more appropriate levels.

We have also reduced our weighting in **Stratec Biomedical** to better reflect our conviction in their prospects. Stratec is a high quality company and a major beneficiary of a strong outsourcing trend by the diagnostic companies. We expect this trend to continue. However, Stratec develops and manufactures analyser systems for their clients under confidentiality agreements, which often means the visibility that investors have on their revenue stream is highly reliant on company guidance. More recently this guidance has proved to be a little optimistic. We have reflected this increased uncertainty with a lower portfolio weighting.

We also reduced our weighting in **Biotest** largely due to its low level of trading liquidity and our preference for more liquid companies. The outlook for Biotest remains strong especially given the recent approval to market its Bivigam products in the highly profitable US market.

In Japan we reduced our weighting in the relatively illiquid **Prestige International** following good price performance. In the emerging markets we have looked to selectively reduce stocks where the outlook has deteriorated due to either stock specific developments or deteriorating macroeconomic conditions. In China we have been reducing **Ports Design**, a high end women's and men's fashion designer. The company has low trading volumes and the fashion business in China remains very competitive. Similarly our holding in **Valid** has been lowered, partly due to our concern over the deteriorating economic environment in Brazil but also due to the lack of visibility we have in the prospects for its international operations.

Within Europe we remain very positive on the prospects for **Wirecard**, a payment solutions provider. The structural growth drivers are compelling as consumers purchase more goods online. In addition to the e-commerce drivers, Wirecard has attractive growth prospects through geographical diversification and mobile wallet initiatives. **Qiagen's** prospects in the molecular diagnostics area remain powerful with the company having invested heavily in developing state of the art diagnostic systems. The structural trends for increasing in-house diagnostics by hospitals are strong, which despite an increasingly competitive landscape, should benefit Qiagen in the long-term.

Brembo, an Italian based company that designs and produces brake systems mainly for the luxury car market has performed well for the portfolio and continues to show good growth momentum, supported by strong demand for luxury cars. Further, internal initiatives have allowed the company to improve operating margins and overall profitability.

We added to our position in **Gameloft**. Their prospects remain strong with the company exposed to strong structural trends of increasing smart phone penetration and rising mobile gaming tendencies. Further, having invested substantially in their game development capabilities they are now in a strong position to grow revenues off a relatively stable invested capital base, resulting in improved profitability.

Zodiac continues to benefit from good structural trends as air traveller volumes, especially in emerging markets, continue to underpin strong demand for Zodiac's products and services. **Icon** has been a strong performer over the last year supported by increasing expenditure on research and development by the large pharmaceutical companies and the continued trend to outsource more of this to specialist research organisations like Icon.

In China, **Wasion Group** has been a strong performer in what has been a very difficult market. The near-term growth outlook is underpinned by China's conversion to smart meters together with improving trends in smart meter pricing that take account of research expenditure and product sophistication. We have taken advantage of the strong price performance to selectively reduce our weighting in Wasion.

China Automation Group has had a difficult year as restructuring in the Ministry of Railways and delayed government spending on railway projects have pressured the share price. However, we believe the Chinese Government is committed to improving the high speed rail links between the major Chinese cities, and China Automation Group will be a major beneficiary of the planned USD700b spend over the next three years.

Outlook

As ever, the global equity market is characterised by competing hopes and fears. The hopeful are comforted by steadily improving US conditions, the emergence of a new stronger Europe and bargain prices for emerging market equities. The fearful point to highly indebted governments and consumers, lower visibility on sources of corporate earnings growth and reductions in monetary stimulus. Overall, compared to the past few years, we believe the systemic risks have steadily declined, and that this provides a solid platform for both earnings growth and an increase in risk appetite. Near-term uncertainty is a fact of investing, but we are guided by the long-term growth trend which has rewarded patient and disciplined investors handsomely over time.

We are excited about building on our recent successes in evolving the portfolio. Already the changes we have implemented over the last year have contributed positively to our investor returns and reduced the volatility of results. Going forward we expect the portfolio will increasingly reflect a move to less volatile stocks, better diversification and improved liquidity. We believe that as macro conditions normalise, companies will increasingly be measured on their fundamentals instead of large macro trends. We are building a portfolio today in anticipation of that future.

We remain keenly focused on buying strong companies with compelling growth prospects at attractive prices. Fisher Funds' substantial track record of success is built on rigorously applying this investing discipline, even, and especially when markets are characterised by uncertainty. We look forward to bringing this record of success to Marlin shareholders.

Carmel Fisher
Managing Director
Fisher Funds Management Limited
2 September 2013

Roger Garrett
Senior Portfolio Manager
Fisher Funds Management Limited
2 September 2013

Portfolio Holdings Summary as at 30 June 2013

Location	Company	% Holding
Brazil	Mills Estruturas E Servicos	2.2%
	Valid	1.2%
China	China Automation Group	1.7%
	Integrated Waste Solutions Group (formerly Fook Woo Group)	0.0%
	O2 Micro	2.0%
	Ports Design	1.0%
	Travelsky	0.8%
	Wasion Group	4.9%
Finland	Nokian Tyres	1.5%
France	Gameloft	1.9%
	L'Occitane International	0.8%
	Zodiac	3.5%
Germany	Biotest	5.3%
	Biotest deferred	0.7%
	PSI	0.8%
	Qiagen	1.5%
	Stratec Biomedical	3.7%
	Tom Tailor	3.7%
	United Internet	2.6%
	Volkswagen	2.3%
	Wirecard	4.6%
Ireland	Icon	2.3%
Israel	Sarin Technologies	4.7%
Italy	Brembo	3.4%
Japan	Asahi	1.0%
	Horiba	3.7%
	Park 24	2.2%
	Prestige International	2.3%
Mexico	Genomma Lab	2.3%
Singapore	Hyflux	1.8%
Switzerland	Acino	0.9%
United Kingdom	De La Rue	1.7%
	IMI	2.2%
United States	Autodesk	2.4%
	Dolby	2.1%
	Equinix	1.5%
	Hanger Orthopedic Group	3.6%
	UFP Technologies	3.1%
	Equity Total	**87.9%**
	New Zealand dollar cash	0.8%
	Total foreign cash	11.3%
	Cash Total	**12.1%**
	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? Fisher Funds prefers to buy established companies that have executed well in the past.

E

EARNINGS HISTORY

How fast has the company been able to grow its earnings in the past? How consistent has earnings growth been? 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.

De La Rue.

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 is 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? Does 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 37 securities at the end of June 2013.

THE 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 2013 and is sourced from Bloomberg. For companies that are new to the portfolio in the year, total shareholder return is from the first purchase date to 30 June 2013.

L'Occitane.

BRAZIL

What does it do?

Mills Estruturas E Servicos is a Brazilian construction services company that is well placed to benefit from long-term infrastructure under investment in Brazil. The core business is to rent equipment to construction companies. The company also has good exposure to the residential property market.

Why do we own it?

Mills has a strong record of profitable growth and is exposed to some very strong cyclical and structural trends in Brazilian infrastructure as well as the increasing tendency of construction companies to rent rather than buy equipment. In the near-term, the growth outlook is very healthy, driven by strong top line growth and improving margins. Mills has an excellent reputation which ensures good customer retention, a strong balance sheet and free cash flow generation is expected to accelerate.

Total Shareholder Return

-6%

BRAZIL

What does it do?

Valid is the leading identification solutions and specialised printing company in Brazil.

Why do we own it?

Key contracts are spread amongst government programmes such as driver's licences, passports, etc., financial institutions and various other commercial applications like RFID (a technology used to electronically track and manage inventory, especially important for consumer items). The long-term growth opportunity is open-ended yet the stock remains undiscovered and undervalued.

Total Shareholder Return

12%

CHINA

What does it do?

China Automation Group specialises in providing safety and control systems for the railway and petrochemicals industries in China.

Why do we own it?

China Automation Group is a beneficiary of government initiatives to improve safety standards in the railways and petrochemical industries. Similarly, they benefit from Chinese Government plans to connect all major Chinese cities by high speed rail links.

Total Shareholder Return

-19%

MARLIN PORTFOLIO STOCKS CONTINUED

CHINA

What does it do?
Integrated Waste Solutions Group is the largest recovered waste paper collector and recycled tissue paper manufacturer in China.

On 31 July 2013, Fook Woo Group changed their name to Integrated Waste Solutions Group.

Trading in Integrated Waste Solutions Group shares has been suspended since 28 November 2011.

CHINA

What does it do?
O2 Micro sells semiconductor chips with their core competencies being power management, advanced lighting (LED) and security applications.

Why do we own it?
With a top tier customer list featuring Sony, Apple and HP, the company's strategy is to increase dollar content per device and per customer by cross-selling new innovative products.

CHINA

What does it do?
Ports Design is a Chinese high end ladies' and men's fashion designer. In addition to their flagship Ports brand they have the rights to sell BMW and Giorgio Armani S.P.A. and are developing their own new brand called P61 aimed at a slightly younger client.

Why do we own it?
With a premium brand and a long history of successful execution this is a company that is poised to continue growing in China and has the potential to develop into a global brand.

Total Shareholder Return

N/A

Total Shareholder Return

-25%

Total Shareholder Return

-32%

信天游®
TRAVELSKY.COM

CHINA

What does it do?

Based in Beijing and listed in Hong Kong, Travelsky is the leading information technology provider for China's air travel and tourism industry.

Why do we own it?

Travelsky makes money every time an electronic airline ticket is issued and also provides other software and services like departure processing, reservation and inventory control and ticket settlements. In addition, they have been expanding into other travel related areas like hotel, rail and cargo.

Total Shareholder Return

27%

Wasion Group Holdings Limited
威勝集團控股有限公司

CHINA

What does it do?

Wasion Group is a leading energy measurement systems provider in China. Their core competency is automated meter readers and data collection terminals for the gas, electricity and water industries.

Why do we own it?

The Chinese Government has committed to upgrading the electricity grid over the next five years with automated meter reading being a key initiative.

Total Shareholder Return

65%

nokian
TYRES

FINLAND

What does it do?

Nokian Tyres manufacture and market high end performance and winter tyres in Scandinavia and Russia where harsh winter conditions require most cars to have alternate sets of summer and winter tyres.

Why do we own it?

In addition to increased penetration in its core market in northern Europe, the company is benefiting from increased wealth in Russia and Ukraine where there is a rapid growth in car registrations, especially in the premium segment where Nokian is the market leader. Nokian maintains a large advantage over global competitors by producing locally in Russia to avoid import tariffs.

Total Shareholder Return

10%

MARLIN PORTFOLIO STOCKS CONTINUED

FRANCE

Gameloft

What does it do?
Gameloft has developed and published more than 200 video games for mobile phones and other electronic devices.

Why do we own it?
With a combination of its own proprietary and licensed content they should continue to gain penetration with mobile customers around the world. The company is currently developing games for the new generation of mobile phones as well as the iPod and iPhone which will continue to drive its growth.

Total Shareholder Return

10%

FRANCE

L'Occitane en Provence

What does it do?
L'Occitane International is a global, natural cosmetics and well-being products manufacturer and retailer.

Why do we own it?
L'Occitane is a unique producer and retailer of natural and organic cosmetics with a strong brand, global reach and high levels of customer loyalty. The company has a track record of strong profitable growth and has significant expansion options, especially in emerging markets.

Total Shareholder Return

-5%

FRANCE

Zodiac Aerospace

What does it do?
Zodiac is a leading supplier of aeronautical equipment for airplanes in three main segments; cabin interiors, aircraft systems and aero safety and technology.

Why do we own it?
As the global market leader in more than two-thirds of the products and systems they sell they are well poised to benefit from increased content per plane on new programmes such as Boeing 787 and Airbus A380 and A350.

Total Shareholder Return

29%

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 are 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.

Total Shareholder Return

45%

GERMANY

What does it do?

PSI develops and integrates software solutions and control systems for complex production and logistics processes mainly for the utility and energy sectors although it is expanding into the manufacturing and mining sectors.

Why do we own it?

PSI offers a strong value proposition to a growing number of industries that require software solutions for the efficient management and operation of complex control systems. There is strong structural demand arising from the switch towards renewable forms of energy both in Europe and the emerging markets.

Total Shareholder Return

-4%

GERMANY

What does it do?

Qiagen is the leading provider of sample and assay tests for the healthcare market. The company realises almost 90% of its sales from consumable products which are recurring and high margin.

Why do we own it?

Qiagen offers leading edge products that allow the improved integrity and efficiency of blood sample analysis. They largely deal in consumables so as the installed base of their products increases, so does their revenue potential, especially from high margin spare parts.

Total Shareholder Return

16%

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

-1%

GERMANY

What does it do?
Tom Tailor is a branded fashion retailer with both its own branded retail network of stores along with a global wholesale business. The two main brands are Tom Tailor Casual and Tom Tailor Denim. They currently have about 215 of their own retail stores (70% of which are based in Germany), 155 franchise stores and over 1,500 controlled wholesale points of sale (shop-in-shops). Tom Tailor recently acquired women's fashion retailer Bonita, adding a complimentary brand and significant store network to its business.

Why do we own it?
Weak stock price action, which we believe was driven primarily by macro-economic concerns, gave us an opportunity to buy shares in this high quality company. Our research indicates continued strong fundamentals and an exciting long-term growth strategy.

Total Shareholder Return

28%

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. It has 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

34%

GERMANY

What does it do?
Volkswagen manufactures cars and other vehicles worldwide including Audi, Porsche, Bentley, Bugatti, Lamborghini, Skoda and Seat as well as Volkswagen passenger cars.

Why do we own it?
Volkswagen offers quality exposure to the global car market at attractive prices. The company's scale and efficiency make for superior profitability and its broad range of brands, from popular affordable cars to high end luxury cars allows it to access the most lucrative areas of market demand. Furthermore, growth is underpinned by new launches across a wide range of models.

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. They recently launched their own virtual credit card (a prepaid MasterCard) which is a big opportunity as credit card penetration in Europe is still relatively low.

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.

Total Shareholder Return

10%

Total Shareholder Return

38%

Total Shareholder Return

57%

ISRAEL

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

Why do we own it?
They recently commercialised a revolutionary product for inclusion mapping (precisely identifies blemishes to maximise the value of a diamond). This is transforming the growth profile of the company.

Total Shareholder Return

38%

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, Mercedes-Benz) and motorcycles (customers include Ducati and Harley Davidson).

Why do we own it?
As the global leader in their industry they have the ability to increase penetration with existing customers and sign up new customers around the world.

Total Shareholder Return

81%

JAPAN

What does it do?
Asahi is Japan's leading bicycle retailer.

Why do we own it?
Besides having a unique offering at their retail outlets they also have their own private brands which now comprise more than 50% of sales (and possess higher margins). They currently have 215 stores throughout Japan and will continue to grow the number of stores towards 500 in years to come.

Total Shareholder Return

12%

JAPAN

What does it do?
Horiba manufactures and markets analytical instruments and systems focused on the automotive, analytical, medical and semiconductor markets.

Why do we own it?
In each segment they operate in niche markets where they have high market share. The company has excellent long-term growth prospects, in particular in the automotive emissions testing and medical areas.

Total Shareholder Return

33%

JAPAN

What does it do?
Park 24 is a leading Japanese car park business which has also in recent years 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 14 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.

Total Shareholder Return

57%

JAPAN

What does it do?
Prestige International is a leading business process outsourcing company in Japan that specialises in roadside assistance and insurance assistance.

Why do we own it?
They operate in a niche segment of the market where they are the dominant provider. The company has consistently grown revenues and profits in the past and plans to double the business over the next three to five years yet is trading at a bargain basement valuation.

Total Shareholder Return

45%

MEXICO

What does it do?

Genomma Lab is a brand management company. It acquires out of favour yet established brands and looks to revitalise them through product development, brand management and powerful advertising.

Why do we own it?

Genomma has a strong track record of adding value in its home market of Mexico. The product opportunities remain strong domestically but Genomma equally has significant growth opportunities replicating this successful business model in the rest of Latin America and the US.

SINGAPORE

What does it do?

Hyflux is one of Asia's largest water treatment and environmental solution companies.

Why do we own it?

A prime beneficiary of the increasing need to "clean up" Asia's pollution problem and provide solutions to water shortages in Asia and the Middle East. Hyflux has a successful track record of winning and executing projects throughout Asia.

SWITZERLAND

What does it do?

Acino operates in the hard to manufacture drugs space and has developed advanced technologies in both delivery methods (slow release oral dispersibles, transdermal applications, i.e. patches and biodegradable implants) and also high levels of drug delivery efficacy. The recent purchase of Mepha significantly increases their distribution capabilities, especially to emerging markets.

Why do we own it?

Acino has strong revenue growth prospects as successful registrations bring a higher number of approved drugs to a wider distribution system. Equally, Acino has a strong pipeline of business as drug patents expire together with potential upsides from new technologies they have developed in conjunction with Bayer. We expect sales to double in the next five years and operating margins to improve significantly driving strong earnings growth.

Total Shareholder Return

-8%

Total Shareholder Return

-5%

Total Shareholder Return

-15%

DeLaRue

UK

What does it do?

De La Rue is primarily involved in the design and production of banknotes, although it also has units involved in identity schemes (passport and drivers licence production), security (authentication labels) and cash processing machines.

Why do we own it?

De La Rue operates in an industry with solid growth prospects and high barriers to entry. They have a good track record of profitable growth and a healthy balance sheet. De La Rue is well positioned to benefit from new contract wins, product diversification (into polymer notes) and continued margin expansion from a cost cutting and restructuring programme.

Total Shareholder Return

-7%

IMI

UK

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 it to achieve dominant market positions in niche markets, high degrees of product differentiation and strong exposure to powerful global trends of urbanisation, climate change and an aging population.

Total Shareholder Return

24%

Autodesk®

US

What does it do?

Autodesk is a leading design software and services company. The company develops computer-aided design and simulation solutions for customers in the manufacturing, building and infrastructure markets and digital video tools for the media market.

Why do we own it?

With a well-established distribution network and a large installed base they have the opportunity to further penetrate customers with new products and continue to broaden their product suite. In addition, non US sales will become a bigger growth driver in the future.

Total Shareholder Return

-3%

DOLBY

US

What does it do?
Dolby is the global market leader in audio solutions for consumer electronic applications.

Why do we own it?
Dolby is a high quality business with a rock solid balance sheet and strong cash flow generation. Dolby has been included as the audio standard in Windows 8 and will benefit from home entertainment product replacement going forward.

Total Shareholder Return

-9%

equinix

US

What does it do?
Equinix connects more than 4,000 companies directly to their customers and partners inside the world's most networked data centres. Today, businesses leverage the Equinix interconnection platform in 31 strategic markets across the Americas, EMEA and Asia-Pacific.

Why do we own it?
Equinix is the largest and most successful data centre provider in the US with operations in 18 key markets around the world. Equinix is positioning to become the global leader in this structural growth industry.

Total Shareholder Return

5%

Hanger ORTHOPEDIC GROUP INC.

US

What does it do?
Hanger Orthopedic Group is the largest owner and operator of orthotic and prosthetic patient-care centres, and the largest distributor of orthotic and prosthetic devices and components in the US.

Why do we own it?
In addition to continued growth in their core market, Hanger has a new product called WalkAide which could potentially transform the growth profile of the company.

Total Shareholder Return

23%

UFP TECHNOLOGIES

US

What does it do?
UFP Technologies is a US based custom converter of foams and plastics. They design and manufacture engineered packaging and component products utilising molded and fabricated foam plastic products and vacuum formed plastics, and serves end markets such as medical, automotive, and aerospace and defence.

Why do we own it?
This is a classic example of an industry leading business that is undiscovered by most investors. We have identified numerous catalysts that could lead to discovery and a re-rating of shares higher.

Total Shareholder Return

16%

BOARD OF DIRECTORS

ALISTAIR RYAN *MComm (Hons), CA*

Chairman, Independent Director

Alistair Ryan has extensive corporate and finance sector experience in the listed company sector in New Zealand and Australia. He had a 16 year career with SKYCITY Entertainment Group Limited (from pre-opening and pre-listing in 1996 through 2011). Alistair was a member of the senior executive team, holding the positions of General Manager Corporate, Company Secretary and Chief Financial Officer, and has 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. Alistair has a Master of Commerce (Honours) from Canterbury University and is a member of the New Zealand Institute of Chartered Accountants and the New Zealand Institute of Company Secretaries. Alistair is also a director of Kingfish, Barramundi, Christchurch Casinos, Metlifecare and Moa Group as well as a member of the New Zealand Racing Board. Alistair's principal place of residence is Auckland.

CARMEL FISHER *BCA*

Executive Director

Carmel Fisher established Fisher Funds Management Limited in 1998 and is also a director of Kingfish and Barramundi and TOWER Managed Funds. Carmel's interest and involvement in the New Zealand share market spans nearly 30 years. Carmel 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*

Independent Director

Carol Campbell is a Chartered Accountant and a member of the New Zealand Institute of Chartered Accountants. Carol spent over 25 years as a partner at Ernst & Young where she was a valued and respected member of the management team. Carol was one of 10 partners in the Entrepreneurial Services Group, advising small to medium-sized businesses and was instrumental in launching Ernst & Young Entrepreneur of the Year Award in 1996. 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 Turners and Growers, New Zealand Post and The Business Advisory Group (in which she is a joint owner). Carol is also a director of Kingfish and Barramundi. Carol's principal place of residence is Auckland.

ANDY COUPE *LLB*

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 which involved numerous initial public offers and secondary market transactions. Andy is Deputy Chairman of the New Zealand Takeovers Panel, a director of Kingfish, Barramundi, Coupe Consulting and Farmright, and is also a member of the Institute of Finance Professionals New Zealand. Andy's principal place of residence is Auckland.

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

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 whilst 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 Securities Commission (now the Financial Markets Authority).

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 Securities Commission Corporate Governance Principles and Guidelines during the year ended 30 June 2013, except where disclosed under Principle 3 for Audit and Risk Committee composition. The following reports against these principles and guidelines.

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

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 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.

A copy of the complete Code of Ethics, Conflicts of Interest Policy and the Insider Trading Policy is 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

The 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 30.

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 2013, 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 review both the performance and compliance with contractual arrangements of the Manager;
- capital management – implementing initiatives including share buybacks if it is the opinion of the Board that the value of the shares do not appropriately reflect the underlying net asset value;
- determining distribution policy;
- 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;
- financial reporting – considering and approving the annual and half-year financial reports;
- 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;
- other service providers – appointing other service providers and evaluating their performance.

The Board met six times during the year and received papers, including regular reports from the Chief Financial Officer 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 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 from 1 September 2012)	6	(6)
Carmel Fisher	6	(6)
Carol Campbell	6	(6)
Andy Coupe (appointed 1 March 2013)	2	(2)
Mark Todd (retired 16 September 2012)	1	(1)
James Miller (retired 31 August 2012, Chairman to 31 August 2012)	1	(1)
Meetings Held	**6**	**(6)**

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

- the provision of management services to the company such as the 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 the 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, disability, ethnicity and cultural background.

During the financial year, 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 Chief Financial Officer.

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 was one appointment to the Board (Andy Coupe, 1 March 2013).

The gender composition as at 30 June was as follows:

	as at 30 June 2013	as at 30 June 2012
Directors	two females, two males	two females, three males
Chief Financial Officer	male	male

The Board believes that the company has achieved the objectives set out in its Diversity Policy for the year ended 30 June 2013.

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 2013, 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.

During the year, executive director Carmel Fisher was temporarily added to the Audit and Risk Committee to meet the minimum member requirements of NZX Listing Rule 3.6 and for that period the majority of members were independent, non-executive directors (although the Corporate Governance Best Practice Code suggests that all members are non-executive directors).

Audit and Risk Committee Members	Meetings Attended/	(Scheduled)
Carol Campbell (Chair from 1 September 2012)	2	(2)
Alistair Ryan (Chair from 29 May 2012 to 31 August 2012)	2	(2)
Andy Coupe (appointed 1 March 2013)	0	(0)
Carmel Fisher (appointed 17 September 2012, retired 28 March 2013)	1	(1)
Mark Todd (retired 16 September 2012)	1	(1)
James Miller (retired 31 August 2012)	1	(1)
Meetings Held	**2**	**(2)**

The Audit and Risk Committee may have in attendance such members of management including the Marlin Chief Financial Officer, 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

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.

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.

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 Chief Financial Officer is the company's market disclosure officer, and 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 Chief Financial 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 Chief Financial Officer is responsible for ensuring compliance with the NZX continuous disclosure requirements and overseeing and co-ordinating disclosure to the exchange.

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 $120,000 was approved by shareholders' written resolution in September 2007.

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 on 29 February 2012 and states that all independent directors will receive company shares in lieu of 10% of their annual 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.

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 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 Marlin 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 Section 200 of the Act.

Attendance at the Annual Meeting
PwC, as external auditor of the 2013 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 including making available the most recent net asset value that is released to the NZX on a weekly basis and at the end of each month, corporate governance policies, shareholder reports, monthly updates, market announcements, copies of ASM minutes, presentations, press releases, news articles and performance data.

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 ASM 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 31 October 2013, 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 2013

We have pleasure in presenting the financial statements for Marlin Global Limited for the year ended 30 June 2013.

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 2013 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 1993.

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 15 August 2013.

Alistair Ryan	Carmel Fisher
Carol Campbell	Andy Coupe

FINANCIAL STATEMENTS CONTENTS

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 on pages 41 to 59, which comprise the statement of financial position as at 30 June 2013, 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 for the preparation of these financial statements in accordance with generally accepted accounting practice in New Zealand and that give a true and fair view of the matters to which they relate 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) and International Standards on Auditing. 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 of financial statements that give a true and fair view of the matters to which they relate, 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 have no relationship with, or interests in, Marlin Global Limited other than in our capacities as auditor and provider of other assurance services. These services have not impaired our independence as auditor of the company.

Opinion

In our opinion, the financial statements on pages 41 to 59:

(i) comply with generally accepted accounting practice in New Zealand;

(ii) comply with International Financial Reporting Standards; and

(iii) give a true and fair view of the financial position of the company as at 30 June 2013, and its financial performance and cash flows for the year then ended.

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

Report on Other Legal and Regulatory Requirements

We also report in accordance with Sections 16(1)(d) and 16(1)(e) of the Financial Reporting Act 1993. In relation to our audit of the financial statements for the year ended 30 June 2013:

(i) we have obtained all the information and explanations that we have required; and

(ii) in our opinion, proper accounting records have been kept by the company as far as appears from an examination of those records.

Restriction on Distribution or Use

This report is made solely to the company's shareholders, as a body, in accordance with Section 205(1) of the Companies Act 1993. Our audit work has been undertaken so that we might state to the company's shareholders 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
15 August 2013

MARLIN GLOBAL LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2013

	Notes	2013	2012
		$000	**$000**
Interest income		64	42
Dividend income		1,488	1,444
Other income	1(i)	117	769
Net changes in fair value of financial assets	1(ii)	10,491	(11,567)
Total net income		**12,160**	**(9,312)**
Operating expenses	1(iii)	(2,309)	(1,747)
Operating profit/(loss) before tax		**9,851**	**(11,059)**
Total tax expense	3(i)	(364)	(916)
Net operating profit/(loss) after tax attributable to shareholders		**9,487**	**(11,975)**
Other comprehensive income		0	0
Total comprehensive income/(loss) after tax attributable to shareholders		**9,487**	**(11,975)**
Earnings per share			
Basic and diluted earnings per share			
Profit/(loss) attributable to owners of the company ($000)		9,487	(11,975)
Weighted average number of ordinary shares on issue net of treasury stock ('000)		105,850	103,465
		8.96c	**(11.57c)**

The Statement of Accounting Policies set out on pages 45 to 49 and the Notes to the Financial Statements set out on pages 50 to 59 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 2013

	Notes	Attributable to shareholders of the company Share Capital	 Retained Earnings/ (Accumulated) Deficits)	 Total Equity
		$000	$000	$000
Balance at 1 July 2011		**99,928**	**8,599**	**108,527**
Comprehensive income				
Loss for the year		0	(11,975)	(11,975)
Other comprehensive income		0	0	0
Total comprehensive loss for the year ended 30 June 2012		**0**	**(11,975)**	**(11,975)**
Transactions with owners				
Share buybacks	2	(687)	0	(687)
Dividends paid		0	(7,660)	(7,660)
Dividends reinvested	2	3,013	0	3,013
Balance at 30 June 2012		**102,254**	**(11,036)**	**91,218**
Comprehensive income				
Profit for the year		0	9,487	9,487
Other comprehensive income		0	0	0
Total comprehensive income for the year ended 30 June 2013		**0**	**9,487**	**9,487**
Transactions with owners				
Share buybacks	2	(2,090)	0	(2,090)
Dividends paid		0	(7,200)	(7,200)
Dividends reinvested	2	2,850	0	2,850
Balance at 30 June 2013		**103,014**	**(8,749)**	**94,265**

The Statement of Accounting Policies set out on pages 45 to 49 and the Notes to the Financial Statements set out on pages 50 to 59 should be read in conjunction with this Statement of Changes in Equity.

MARLIN GLOBAL LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2013

	Notes	2013	2012
		$000	$000
ASSETS			
Current Assets			
Cash and cash equivalents		10,909	15,095
Trade and other receivables	4	479	695
Financial assets at fair value through profit or loss	6	83,025	75,726
Current tax receivable	3(ii)	85	0
Total Current Assets		**94,498**	**91,516**
TOTAL ASSETS		**94,498**	**91,516**
LIABILITIES			
Current Liabilities			
Trade and other payables	5	233	177
Current tax payable	3(ii)	0	121
Total Current Liabilities		**233**	**298**
TOTAL LIABILITIES		**233**	**298**
EQUITY			
Share capital	2	103,014	102,254
Accumulated deficits		(8,749)	(11,036)
TOTAL EQUITY		**94,265**	**91,218**
TOTAL EQUITY AND LIABILITIES		**94,498**	**91,516**

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

A B Ryan - *Chairman*
15 August 2013

C A Campbell - *Chair of the Audit and Risk Committee*
15 August 2013

The Statement of Accounting Policies set out on pages 45 to 49 and the Notes to the Financial Statements set out on pages 50 to 59 should be read in conjunction with this Statement of Financial Position.

MARLIN GLOBAL LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2013

	Notes	2013	2012
		$000	$000
Operating Activities			
Cash was provided from:			
- Sale of investments		18,957	34,388
- Interest received		64	43
- Dividends received		1,569	1,379
Cash was applied to:			
- Purchase of investments		(16,081)	(27,665)
- Other income		(479)	349
- Operating expenses		(1,793)	(2,447)
- Taxes paid		(570)	(457)
Net cash inflows from operating activities	7	**1,667**	**5,590**
Financing Activities			
Cash was applied to:			
- Share buybacks		(2,090)	(687)
- Dividends paid (net of dividends reinvested)		(4,350)	(4,647)
Net cash outflows from financing activities		**(6,440)**	**(5,334)**
Net (decrease)/increase in cash and cash equivalents held		**(4,773)**	**256**
Cash and cash equivalents at beginning of the year		15,095	14,411
Effects of foreign currency translation on cash balance		587	428
Cash and cash equivalents at end of the year		**10,909**	**15,095**

All cash balances comprise short-term cash deposits.

The Statement of Accounting Policies set out on pages 45 to 49 and the Notes to the Financial Statements set out on pages 50 to 59 should be read in conjunction with this Statement of Cash Flows.

STATEMENT OF ACCOUNTING POLICIES

FOR THE YEAR ENDED 30 JUNE 2013

General Information

Entity Reporting

The financial statements for Marlin Global Limited ("Marlin" or "the company") have been prepared in accordance with the requirements of the Financial Reporting Act 1993 and the Companies Act 1993.

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.

Marlin is listed on the NZX and is an issuer under the terms of the Financial Reporting Act 1993.

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 15 August 2013.

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 2013.

Statement of Compliance

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ('NZ GAAP'), the Companies Act 1993 and the Financial Reporting Act 1993. 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 standards have been adopted by the company in the year ended 30 June 2013:

NZ IAS 1: Presentation of financial statements has been amended effective 1 July 2012. The amendment requires entities to separate items presented in other comprehensive income into two groups, based on whether they may be recycled to profit or loss in the future. The adoption of the amendment has not affected these financial statements as the company has no items of other comprehensive income.

FRS 44: New Zealand Additional Disclosures – Under this standard the company needs to disclose the amount of imputation credits available for subsequent reporting periods.

The company has also moved the Cash Flow Statement Reconciliation from the primary statements to the notes to the financial statements.

No other changes to NZ IFRS were of material relevance to the company's financial statements for the 2013 financial year.

The following standards have been issued but are not yet effective:

NZ IFRS 9: Financial instruments – This standard will eventually replace NZ IAS 39: Financial instruments – recognition and measurement ('NZ IAS 39') and is expected to be adopted by the company in the interim period ending 31 December 2015 when it becomes effective. The standard is not expected to materially affect the company's financial statements.

NZ IFRS 13: Fair value measurement ('NZ IFRS 13') – This standard defines the concept of fair value and establishes a framework for measuring fair value, while setting the disclosure requirements for fair value measurement. In measuring fair value, NZ IFRS 13 permits the use of any price within the bid-ask spread that is most representative of fair value, rather than prescribing a specific market price that must be used. The standard will be adopted by the company for the interim period ending 31 December 2013 when it becomes effective.

The effect on the value of investments at fair value through profit or loss were NZ IFRS 13 to have been adopted for the year ended 30 June 2013 has been quantified below. The effect of adoption is based on the assumption that last sale price is used to value investments at fair value through profit or loss rather than the current bid price valuation, as this is deemed to be a closer representation of fair value. Where the last sale price falls outside of the bid-ask spread for a particular stock, bid price will be used to value the investment.

The effect of moving from bid price to last sale price at 30 June 2013, would have been an uplift of approximately $300,000 in the value of investments at fair value through profit or loss. This would increase net operating profit for the year ended 30 June 2013 and net assets as at 30 June 2013 by the same amount before other adjustments.

There were no instances of the last sale price of investments falling outside of the bid-ask spread for this analysis.

Any other proposed accounting standards and amendments not disclosed are not expected to have a material impact on the financial statements when they are initially applied.

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 financial statements requires the directors to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

Specifically, investments at fair value through profit or loss classified as Level 3 in the fair value hierarchy require judgement in estimating their fair value. Judgement has also been required in classifying and valuing Level 3 assets given the uncertainty around the resolution of related matters. Level 3 assets have been included within current assets as the investment is currently expected to become tradeable within one year. Further details are provided in note 6 to the financial statements.

Cash and Cash Equivalents
Cash and cash equivalents includes 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:

(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 as foreign exchange gains or losses on cash within Other Income.

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.

Translation differences on monetary financial assets and liabilities such as cash are recognised in the Statement of Comprehensive Income within Other Income 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.

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 up to the 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 current market bid prices at balance date.

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.

Dividend income from investments at fair value through profit or loss is separately 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 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.

Details of forward foreign exchange contracts at 30 June 2013 are included in note 6 to the financial statements.

Fair Value
The fair value of investments at fair value through profit or loss traded in active markets is based on current market bid prices at balance date.

The fair value of investments 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. This applied in determining the fair value of the Level 3 investment disclosed in note 6.

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.

Investments classified within Level 3 have 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.

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 value.

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 the profit attributable to equity holders of the company by the weighted average number of ordinary shares on issue during the year. Refer to the Statement of Comprehensive Income for the earnings per share calculations.

Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. 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.

MARLIN GLOBAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

NOTE 1 - STATEMENT OF COMPREHENSIVE INCOME

	2013	2012
	$000	**$000**
(i) Other income		
Foreign exchange gains on cash and cash equivalents	117	769
Total other income	**117**	**769**
(ii) Net changes in fair value of financial assets		
Investments designated at fair value through profit or loss		
- International equity investments	9,468	(9,893)
- Foreign exchange gains/(losses) on equity investments	1,638	(1,577)
Total investments gains/(losses)	**11,106**	**(11,470)**
Financial assets at fair value through profit or loss – held for trading		
- Losses on forward foreign exchange contracts	(615)	(97)
Total losses on assets held for trading	**(615)**	**(97)**
Net changes in fair value of financial assets	**10,491**	**(11,567)**
(iii) Operating expenses		
Auditor's fees:		
- Statutory audit and review of financial statements	33	33
- Other assurance services	6	2
Management fee (note 8)	1,293	804
Performance fee (note 11)	0	0
Directors' fees	127	138
Brokerage and transaction fees	160	223
Custody and NZX fees	190	202
Salaries and other personnel costs	109	124
Administration and other	146	121
Investor relations	55	64
Taxation and legal services	187	34
Bank fees	3	2
Total operating expenses	**2,309**	**1,747**

No non-audit fees were paid to the auditor during the year (2012: nil).

NOTE 2 - SHARE CAPITAL

Ordinary shares

As at 30 June 2013 there were 106,756,090 (30 June 2012: 105,471,848) fully paid Marlin shares on issue, including treasury stock of 16,000 shares (30 June 2012: nil). 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.

	2013	2012
	$000	$000
Opening balance	102,254	99,928
Shares issued from treasury stock under the dividend reinvestment plan	1,999	1,815
New shares issued under the dividend reinvestment plan	851	1,198
Share buybacks held as treasury stock	(2,090)	(687)
Closing balance	**103,014**	**102,254**

Treasury Stock

On 31 October 2012, 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	
	2013	2012	2013	2012
	$000	$000	'000	'000
Opening balance	(79)	1,049	0	1,650
Share buybacks	2,090	687	2,967	899
Shares re-issued under dividend reinvestment plan	(1,999)	(1,815)	(2,951)	(2,549)
Closing balance	**12**	**(79)**	**16**	**0**

NOTE 3 - TAXATION

	2013	2012
	$000	$000
(i) Total tax expense		
Operating profit/(loss) before tax	**9,851**	**(11,059)**
Non-taxable realised loss/(gain) on investments	9,730	(1,317)
Non-taxable unrealised (gain)/loss on investments	(20,838)	12,788
Exempt dividends subject to Fair Dividend Rate	(1,484)	(1,437)
Fair Dividend Rate income	3,847	3,988
Other	194	310
Taxable income	**1,300**	**3,273**
Tax at 28% (2012: 28%)	**364**	**916**

NOTE 3 - TAXATION CONTINUED

	2013	2012
	$000	$000
Taxation expense comprises:		
Current tax	363	901
Prior period adjustment	1	15
	364	**916**
(ii) Current tax balance		
Opening balance	(121)	338
Prior period adjustment	(1)	(15)
Current tax movements	(363)	(901)
Tax paid	570	457
Current tax receivable/(payable)	**85**	**(121)**

(iii) Imputation Credits

Imputation credits available for subsequent reporting periods total $0 (2012: $0). 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 2013.

NOTE 4 - TRADE AND OTHER RECEIVABLES

	2013	2012
	$000	$000
Dividends receivable	84	155
Unsettled investment sales	383	0
Related party receivable (note 8)	0	536
Other receivables and prepayments	12	4
Total trade and other receivables	**479**	**695**

Trade receivables are classified as loans and receivables under NZ IAS 39. Total loans and receivables are $11,388,000 (30 June 2012: $15,790,000) being cash plus trade and other receivables.

NOTE 5 - TRADE AND OTHER PAYABLES

	2013	2012
	$000	$000
Related party payable (note 8)	111	109
Unsettled investment purchases	66	0
Other payables and accruals	55	68
Share buyback payable	1	0
Total trade and other payables	**233**	**177**

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 AT FAIR VALUE THROUGH PROFIT OR LOSS

	2013	2012
	$000	**$000**
Investments designated at fair value through profit or loss		
- International listed equity investments	82,954	75,726
Financial assets at fair value through profit or loss – held for trading		
- Fair value of forward foreign exchange contracts	71	0
Total financial assets at fair value through profit or loss	**83,025**	**75,726**

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 designated at fair value through profit or loss are valued using quoted bid prices from an active market and are classified as Level 1 in the fair value hierarchy with the exception of Integrated Waste Solutions Group (IWS) [formerly Fook Woo Group] which has been classified as Level 3 in the fair value hierarchy.

At 30 June 2013, Marlin held 13,440,549 (2012: 13,440,549) shares in IWS. IWS voluntarily suspended trading in its shares on the Hong Kong Stock Exchange (HKSE) on 28 November 2011 and the shares currently remain suspended. The last quoted bid price for IWS was HK$1.37 which was on 28 November 2011. In line with the Marlin Board's policy, when a security has been suspended for one year or more and there is no clear evidence to the contrary, the investment has been written down to nil resulting in a loss of $582,086 being recognised in the Statement of Comprehensive Income (2012: the investment was written down by 80% to NZ$0.58m resulting in a loss of NZ$2.52m). IWS has released information regarding the suspension indicating that there are a number of serious discrepancies in the books and records of the company which have been highlighted by a forensic review and financial analysis performed by independent auditors. IWS is currently working through a proposal to restructure the group with a view to relisting its shares. IWS have also advised the market of the likelihood of a substantial net loss for the year to 31 March 2012 as a result of the discrepancies. As there was no active market for IWS shares at balance date and an estimate of fair value has been determined by the Marlin Board, the value of the shares have been classified in Level 3 of the fair value hierarchy.

The table below shows the movement in Level 3 instruments for the year, all relating to IWS:

	2013	2012
	$000	**$000**
Opening balance	582	0
Transfers to Level 3 fair value hierarchy	0	3,103
Purchases	0	0
Losses recognised in profit or loss	(582)	(2,521)
Closing balance	**0**	**582**

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 2013 was $10,078,000 (30 June 2012: nil).

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

	2013	2012
	$000	**$000**
Net profit/(loss) after tax	**9,487**	**(11,975)**
Items not involving cash flows:		
Unrealised gain on cash and cash equivalents	(587)	(428)
Unrealised (gain)/loss on investments	(20,909)	12,788
	(21,496)	**12,360**
Impact of changes in working capital items		
Increase/(decrease) in fees and other payables	56	(2,691)
Decrease/(increase) in interest, dividends and other receivables	216	(581)
Change in current tax	(206)	459
	66	**(2,813)**
Items relating to investments		
Net amount received from investments	2,876	6,723
Realised losses/(gains) on investments	10,418	(1,221)
(Increase)/decrease in unsettled purchases of investments	(66)	2,516
Increase in unsettled sales of investments	383	0
Increase in share buybacks payable	(1)	0
	13,610	**8,018**
Net cash inflows from operating activities	**1,667**	**5,590**

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 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% 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 period is less than the change in the NZX 90 Day Bank Bill Index over the same period but subject to a minimum management fee of 0.75% of the average gross asset value for that period. For the year ended 30 June 2013, no reduction was necessary (30 June 2012: reduction of $536,114).

The annual management fee shall be calculated by the Custodian within 20 business days of the end of the financial year and any amount required to be refunded by the Manager shall be repaid by way of set-off against future management fee payments due.

Management fees paid or payable (inclusive of GST) to Fisher Funds for the year ended 30 June 2013 totalled $1,292,846 (30 June 2012: $804,171), with $111,299 being payable at 30 June 2013 (30 June 2012: $108,711). During the year to 30 June 2013, the management fee was calculated and invoiced at 1.25% (30 June 2012: 0.75%) of gross asset value.

NOTE 8 - RELATED PARTY INFORMATION CONTINUED

In addition, a performance fee may be earned by the Manager provided certain benchmarks and a high water mark test have been met. No performance fee has been earned by the Manager for the year ended 30 June 2013, see note 11 (30 June 2012: nil).

Marlin's corporate management team is employed by Fisher Funds to provide management services to Marlin. The corporate team's remuneration is recharged by Fisher Funds and the cost for the year ended 30 June 2013 was $109,305 (30 June 2012: $123,722). These costs do not include any key management personnel compensation.

Administration and marketing costs incurred by Fisher Funds on behalf of Marlin amounted to $27,615 for the year ended 30 June 2013 and were recharged in full to Marlin (30 June 2012: $19,147).

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 2013 which are disclosed in the Statutory Information section of the annual report and total 0.39% of total shares on issue (30 June 2012: 0.53%). 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, off-market transactions between Marlin and other funds managed by Fisher Funds totalled $11,815 for purchases and $67,435 for sales (year ended 30 June 2012: purchases $0 and sales $829,998).

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 short-term deposits, currency hedges, 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.

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 25%, United States 13% and China 10% (2012: United States 20%, Germany 18% and China 15%).

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 2013 (2012: nil).

NOTE 9 - FINANCIAL RISK MANAGEMENT POLICIES CONTINUED

Interest Rate Risk

Surplus cash is held in foreign currency accounts overseas as well as in 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 2013 (2012: nil).

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 against 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 2013, the following monetary and non-monetary foreign currency assets (converted to New Zealand dollars) were held:

	30 June 2013	30 June 2012
	NZ$000	**NZ$000**
Brazilian Reals	3,202	2,297
Euros	36,131	27,734
Hong Kong Dollars	11,020	10,487
Japanese Yen	8,903	11,268
Mexican Pesos	2,219	0
Pounds Sterling	3,751	2
Singapore Dollars	7,351	14,160
Swiss Francs	935	218
US Dollars	19,697	23,793

Credit Risk

In the normal course of its business, the company is exposed to credit risk from transactions with its counterparties. 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 A-1.

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 following tables show the sensitivity of profit and shareholders' equity to variations in key parameters including equity prices, interest rates and foreign exchange rate movements, where the variable referred to is flexed but all other factors are held constant.

2013: Company ($000)					
EQUITY PRICES (i)					
	Carrying Amount	-10%		+10%	
		Profit	Equity	Profit	Equity
Investments at fair value through profit or loss – designated	82,954	(8,295)	(8,295)	8,295	8,295
INTEREST RATE (i)					
	Carrying Amount	-1%		+1%	
		Profit	Equity	Profit	Equity
Cash and cash equivalents	10,909	(109)	(109)	109	109

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 above sensitivities do not take into account impact on tax balances.

2013: Company ($000)					
FOREIGN EXCHANGE RATE (ii) & (iii)					
	Carrying Amount	-10%		+10%	
		Profit	Equity	Profit	Equity
US and Hong Kong dollar cash	6,052	672	672	(550)	(550)
Euro cash	2,746	305	305	(250)	(250)
Investments at fair value through profit or loss – designated:					
- US and Hong Kong dollar	24,666	2,741	2,741	(2,242)	(2,242)
- Euro	33,366	3,707	3,707	(3,033)	(3,033)
Financial assets at fair value through profit or loss – held for trading:					
- US and Hong Kong dollar	0	0	0	0	0
- Euro	19	(641)	(641)	525	525

(i) The table above summarises the impact on profit and equity if equity prices were 10% higher/lower with all other variables held constant, and if interest rates were 1% higher/lower with all other variables held constant.

(ii) The exchange rate sensitivity of -/+10% has been based on NZD/USD and NZD/EUR exchange rate volatility over the past 10 years.

(iii) The company is exposed to movements in foreign currencies as detailed under currency risk in note 9. 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 within the US dollar sensitivity as the Hong Kong dollar is pegged to the US dollar.

At 30 June 2013, the US$/NZ$ rate was 0.7723 (2012: 0.8038), the HK$/NZ$ rate was 5.9902 (2012: 6.2346) and the Euro/NZ$ rate was 0.5941 (2012: 0.6333). An exchange rate sensitivity of -/+10% has been used to asses the impact on unrealised gain/(loss).

NOTE 10 - SENSITIVITY ANALYSIS CONTINUED

2012: Company ($000)					
EQUITY PRICES					
	Carrying Amount	-10%		+10%	
		Profit	Equity	Profit	Equity
Investments at fair value through profit or loss - designated	75,726	(7,573)	(7,573)	7,573	7,573
INTEREST RATE					
	Carrying Amount	-1%		+1%	
		Profit	Equity	Profit	Equity
Cash and cash equivalents	15,095	(151)	(151)	151	151

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 above sensitivities do not take into account impact on tax balances.

2012: Company ($000)					
FOREIGN EXCHANGE RATE					
	Carrying Amount	-10%		+10%	
		Profit	Equity	Profit	Equity
US and Hong Kong dollar cash	2,516	280	280	(229)	(229)
Euro cash	3,399	378	378	(309)	(309)
Investments at fair value through profit or loss – designated:					
- US and Hong Kong dollar	31,764	3,529	3,529	(2,887)	(2,887)
- Euro	24,335	2,704	2,704	(2,212)	(2,212)

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 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 NZX 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 2013 the net asset value per share of $0.88 was below the high water net asset value per share (after adjustment for capital changes and distributions) of $0.89 (being the highest net asset value per share at the end of the last calculation period of 30 June 2011 adjusted for any capital changes and distributions).

Accordingly the company has not accrued a performance fee in its Statement of Comprehensive Income for the year to 30 June 2013 (30 June 2012: nil).

NOTE 12 - NET ASSET VALUE

The audited net asset value per share of Marlin as at 30 June 2013 was $0.88 per share (30 June 2012: $0.86 per share).

NOTE 13 - CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACTUAL COMMITMENTS

There were no material contingent liabilities or unrecognised contractual commitments as at 30 June 2013 (30 June 2012: nil).

NOTE 14 - SEGMENTAL REPORTING

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

NOTE 15 - SUBSEQUENT EVENTS

At 6 August 2013, the unaudited net asset value of the company was $0.92 per share and the share price was $0.74.

On 15 August 2013 the Board declared a dividend of 1.77 cents per share. The record date for this dividend is 13 September 2013 with a payment date of 27 September 2013.

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

SHAREHOLDER INFORMATION

Size of Shareholding as at 19 August 2013

Holding Range	# of Shareholders	# of Shares	% of Total
1 to 999	58	19,947	0.02
1,000 to 4,999	229	589,481	0.55
5,000 to 9,999	1,175	7,378,125	6.91
10,000 to 49,999	1,887	35,913,525	33.63
50,000 to 99,999	246	15,545,054	14.56
100,000 to 499,999	154	26,999,466	25.29
500,000 +	18	20,326,492	19.04
TOTAL	**3,767**	**106,772,090**	**100.00%**

20 Largest Shareholders as at 19 August 2013

Holder Name	# of Shares	% of Total
FNZ Custodians Limited	3,052,559	2.86
Forsyth Barr Custodians Limited	1,983,470	1.86
Forsyth Barr Custodians Limited	1,830,405	1.71
Custodial Services Limited	1,579,392	1.48
FNZ Custodians Limited	1,247,581	1.17
Anthony John Simmonds + Maureen Simmonds + Timothy Patrick Ward	1,203,586	1.13
Frank Simon Pearson	1,150,799	1.08
Denman Income Limited	1,087,964	1.02
Custodial Services Limited	935,662	0.88
Hettinger Nominees Limited	915,840	0.86
Mantles Limited	750,000	0.70
John Licco Sarfati	730,000	0.68
David Alexander Coory + Marie Linda Coory	688,841	0.65
Society of Mary Trust Board	680,000	0.64
Forsyth Barr Custodians Limited	667,250	0.62
Warwick John Greenwood + Ian Sloan Marshall Robertson + Alastair John Mansell	645,253	0.60
Anthony John Simmonds + Maureen Simmonds	597,777	0.56
Investment Custodial Services Limited	580,113	0.54
Marlin Global Limited	489,942	0.46
Custodial Services Limited	443,382	0.42
TOTAL	**21,259,816**	**19.92**

STATUTORY INFORMATION

Directors' Relevant Interests in Equity Securities at 30 June 2013

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 2013 are as follows:

	Ordinary Shares Held Directly	**Ordinary Shares Held by Associated Persons**
A B Ryan(1)	7,780	0
C M Fisher	0	400,107
C A Campbell(2)	5,835	0
R A Coupe	0	0

(1) A B Ryan received 7,228 shares in the year ended 30 June 2013, issued under the share purchase plan (issue price $0.69). A B Ryan received 552 shares in the year ended 30 June 2013, issued under the dividend reinvestment plan (average issue price $0.67).

(2) C A Campbell received 5,421 shares in the year ended 30 June 2013, issued under the share purchase plan (issue price $0.69). C A Campbell received 414 shares in the year ended 30 June 2013, issued under the dividend reinvestment plan (average issue price $0.67).

Directors Holding Office

The company's directors as at 30 June 2013 were:

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

On 31 August 2012 James Miller ceased to hold office and on 16 September 2012, Mark Todd ceased to hold office. In accordance with the Marlin constitution, at the 2012 Annual Shareholders' Meeting, Alistair Ryan and Carol Campbell were elected to the Board and Carmel Fisher retired by rotation and being eligible, was re-elected. Alistair Ryan retires by rotation at the 2013 Annual Shareholders' Meeting and being eligible, offers himself for re-election. Andy Coupe, being eligible, offers himself for election in accordance with the company's constitution.

Directors' Remuneration

The following table sets out the total remuneration received by each director from Marlin for the year ended 30 June 2013. 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 2013	
A B Ryan	$47,916(1)
C A Campbell	$36,666(2)
R A Coupe	$10,833
M T Todd (retired 16 September 2012)	$6,841
J B Miller (retired 31 August 2012)	$8,333

* excludes GST

(1) $4,987 of this amount was applied to the purchase of 7,228 shares under the Marlin share purchase plan.

(2) $3,740 of this amount was applied to the purchase of 5,421 shares under the Marlin share purchase plan.

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 2013

General Interest Pursuant to section 140 of the Companies Act 1993 as at 30 June 2013:

A B Ryan	Kingfish Limited	Director
	Barramundi Limited	Director
	Auditor Regulation Advisory Group	Member
	Christchurch Casinos Limited	Director*
	The New Zealand Racing Board	Board Member and Deputy Chairman*
	Metlifecare Limited	Director*
	Moa Group Limited	Director*
C M Fisher	Kingfish Limited	Director
	Barramundi Limited	Director
	Fisher Funds Management Limited	Director
	TOWER Managed Funds	Director*
C A Campbell	Kingfish Limited	Director
	Barramundi Limited	Director
	Turners and Growers Limited	Director
	Hick Bros Construction Limited & associated companies	Director
	Woodford Properties Limited	Director
	Brave Star Media Limited	Director
	CMS Alphatech Limited	Director
	New Zealand Post Group Limited	Director
	The Business Advisory Group Limited	Partner
	Key Assets NZ Limited	Director*
	Key Assets Foundation	Trustee*
R A Coupe	Kingfish Limited	Director*
	Barramundi Limited	Director*
	New Zealand Takeovers Panel	Deputy Chairman*
	Coupe Consulting Limited	Director*
	Farmright Limited	Director*
	UBS New Zealand Limited	Consultant*

(1) Notices given by directors during the year ended 30 June 2013 are marked with an asterisk.

(2) The following details included in the Interests Register as at 30 June 2012, or entered during the year ended 30 June 2013, have been removed during the year ended 30 June 2013:

- *A B Ryan is no longer a director of Vision Senior Living and subsidiaries*

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.

During the year, the company 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 2013 period the following amounts were paid/payable to the auditor – PricewaterhouseCoopers.

	$000
Audit Fees and Other Assurance Services	39
Other Services	0

Donations

The company did not make any donations during the period ended 30 June 2013.

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

Executive Director
Carmel Fisher

Chief Financial Officer
Ben Doshi

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

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PricewaterhouseCoopers New Zealand
188 Quay Street
Auckland 1142

Solicitor
Bell Gully
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48 Shortland Street
Auckland 1010

Banker
ANZ Banking Group Limited
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growing globally

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