



march 2010 - update

Dear Share and Warrant Holders

Marlin Global's positive performance continued over the March quarter, with takeover offers for three companies within the portfolio helping make it the 5th consecutive quarter of growth. The Company's Net Asset Value (NAV) grew a further 6.1% over the period to \$1.14, reflecting improved market conditions and the strategy of our Manager, Fisher Funds, of investing in well-managed profitable growth companies.

Marlin Global's share price also received a healthy shot in the arm over the quarter lifting nearly 12% to 95 cents while the warrant price firmed to 4 cents. Our corporate office has fielded a number of calls from warrant holders considering exercising their warrants as the share price creeps closer to the \$1 warrant exercise price. While it is not appropriate for us to advise warrant holders if or when to exercise their warrants, we do advise keeping an eye on the share price and the three exercise dates remaining. Your financial advisor is the best person to speak to about exercising your warrants as they will be familiar with your individual circumstance. Details of the next warrant exercise date of 15 June 2010 and future dates are provided below.

As foreshadowed at our annual shareholders meeting in October, the Board has commenced its formal search in conjunction with a recruitment company for an additional director with the skills and attributes to, in time, take over the Chairman's role. We will advise of the outcome in due course.

Directors were pleased to note that the discount between diluted NAV (that is assuming all warrants are exercised) and share price narrowed to 13% at 31 March – one of the lowest discounts over the last two years. The Board has considered employing a range of capital management techniques, including buybacks, to minimise this discount, however, the current market environment is not particularly helpful in this regard.

There is however, an upside to discounts that investors and potential investors should bear in mind - buying Marlin Global shares presents a great opportunity to acquire shares in the underlying portfolio companies for less than buying into these investee companies directly. Needless to say, when discount levels were higher, astute investors who seized the opportunity got a bargain. More importantly, ongoing and new shareholders benefit from Fisher Funds' extensive research, thereby accessing a range of exciting international growth companies within one investment vehicle.

It won't be long before the end of our financial year. In our Annual Report to be published in late August, Fisher Funds will have further news to share following the Portfolio Manager's trips to Europe and Asia in search of outstanding companies.

With best wishes,

On behalf of the Board,

Rob Challinor
Chairman, Marlin Global Limited
29 April 2010

At a Glance

Performance for the three months 1 Jan 2010 to 31 Mar 2010

Net Asset Value	6.1%
Share Price	11.8%
Warrant Price	33.3%

Relative Performance 31 March 2010 (NZD)	Three Months	Since Inception
Marlin	6.1%	19.6%*
90 Day Bank Bill Index + 5% p.a.	1.9%	29.5%
MSCI Global Small Cap**	9.4%	-11.0%

* Based on adjusted Net Asset Value per share at listing of \$0.9734 (representing the issue price of \$1 less issue costs of \$0.0266 per share) and including 2 cps dividend paid on 18 September 2009.

**Includes dividends paid.

Notable March Quarter share price changes in local currency terms (only includes portfolio companies held for the full quarter)

Sarin	115%
City Telecom	71%
O2 Micro	34%
Wirecard	-27%
Wasion	-31%

Portfolio Holdings Summary as at 31 March 2010

Companies by Location	% Holding
Britain	
Wellstream	2.6%
Finland	
Nokian Tyre	1.0%
France	
Gameloft	0.9%
Germany	
Biotest	3.6%
Qiagen	4.0%
Stratec Biomedical	2.1%
Wirecard	4.6%
Greece	
Jumbo	3.0%
Hong Kong	
China Automation Group	1.1%
City Telecom	0.8%
Ports Design	3.7%
Wasion Group Holdings	0.8%
Zhuzhou CSR Times Electric	1.4%
Italy	
Brembo	0.8%
Japan	
Shinko Plantech	3.1%
Singapore	
China Zaino	1.2%
Hyflux	2.0%
Midas	2.6%
Raffles Education	4.9%
Sarin	1.8%
United States	
Advent Software	0.4%
Autodesk	3.0%
Conceptus	2.9%
Equinix	1.7%
F5 Networks	1.0%
Hanger Orthopedic	1.3%
Hansens Natural	3.6%
Home Inns	0.2%
Icon PLC	4.4%
O2 Micro	8.4%
Telvent	1.6%
Equity Total	74.5%
Cash Total	25.5%
TOTAL	100.0%



Marlin Net Asset Value and Share Price Performance



Performance above excludes dividends paid.

Exercise of Marlin Global Warrants (MLNWA) – 15 June 2010

As required by NZX Listing Rules, we advise Marlin warrant holders as follows.

You have a number of choices to exercise your warrants at a cost of \$1 each:

1. You can elect to exercise some or all of your warrants (a minimum of 500) on 15 June 2010 [please refer to instructions below]. Future warrant exercise dates are 15 September 2010 and 31 October 2010.
2. You can elect to not consider the exercise of any warrants until the end of the exercise period, namely 31 October 2010, at which time you may exercise all rights still held.
3. You can sell all or some of your Marlin Global warrants at any time on the NZX up until the final exercise date of 31 October 2010.

Any warrants not exercised by 31 October 2010 will lapse and all rights in regard to them will expire.

What do I do if I wish to exercise my warrants?

If you wish to exercise some or all of your warrants (subject to a minimum exercise of 500 warrants) on 15 June 2010, please **contact Computershare on (09) 488 8700** for your exercise form. This form must be received by Computershare no later than 5pm 15 June 2010 in order to be processed for that exercise date.

Marlin Global Quarterly Review – Fisher Funds

Market Review and Outlook

"I think I can, I think I can". The little markets that could continue to chug along with the MSCI Global Small Cap and All Cap Indices increasing 9% and 4% respectively. In the March quarter, Marlin Global's string of positive quarters extended to five with the NAV rising 6% during the past three months.

China and the other emerging economies have been underperforming the US and developed markets this calendar year as they apply the brakes to economic growth. Ultimately we believe this is bullish in the long term as these economies transition from extraordinarily large amounts of fiscal and monetary stimulus to more normalised economic growth. There will certainly be a slowdown in government infrastructure spending and we have used recent price strength to take profits in the Marlin Global portfolio companies that have benefited from this trend. More importantly private domestic

demand and consumption will become increasingly important to the Chinese economy and this is where we see the opportunities over the next few years.

US consumer stocks were amongst the best performers during the quarter. However, our research indicates an extended period of sub-par growth for the sector and with valuations of many US consumer stocks at multi-year highs we can't see many exciting investment opportunities. Despite an under-whelming outlook for the US consumer, the corporate sector is healthy and we continue to favour technology and healthcare companies.

A similar story is evident in Europe with the exception being the divide between the have and have-not countries. The weaker economies such as Greece hit the headlines and there are concerns these issues will spread to other countries. Europe is being balanced by the stronger economies like Germany and France which is where the majority of Marlin Global's European investments are held.

Currency had a minimal impact on returns and we maintain an un-hedged portfolio.

Portfolio update

Corporate activity was a driver of returns in the March quarter as three portfolio holdings were the subject of takeover offers.

Bare Escentuals received a takeover offer from Shiseido. The offer for US\$1.7billion or US\$18.20 per share represents more than a 40% premium to the market price. We initially purchased the stock in August last year at US\$9. As we think the offer is more than fair we took this opportunity to sell.

The management of **Hongguo** made an offer to acquire all of the outstanding shares for S\$0.439, a 37% premium to the market price. While we believe the company is worth more in the long term, we decided to accept the offer. Marlin Global could have remained a shareholder of Hongguo as a private company but we decided against it for two reasons - 1) being a listed company provides transparency, accountability and liquidity which is especially important in China and 2) the management want to merge the shoe business with other assets owned by the founders and transform the company, which changes the investment thesis and dilutes us as shareholders.

OSI Pharmaceuticals received a takeover offer from Astellas Pharmaceutical, a Japanese pharmaceutical company, for US\$52 per share or a 40% premium to the market price. Astellas have been pursuing OSI Pharmaceuticals unsuccessfully for more than a year and filings indicate historical price discussions in the US\$55-57 range. We decided to sell Marlin Global's shares in the open market at \$57 per share.

We also sold the investment in **Ebix** as our research indicates that the company's earnings profile may disappoint investors in the future.

We added **Hanger Orthopedic** to the portfolio. Hanger is the largest owner and operator of orthotic and prosthetic patient-care centres in the United States. In addition they are the largest distributor of O&P devices and components in the US, and further have a division which develops products for patients who have had a loss of mobility. The product development division has recently begun sales of a new product called Walk Aide which potentially could transform the growth profile of the company.



The other significant company announcement came from **Raffles Education** who announced that Khazanah, the investment arm of the Malaysian government, will invest RMB300million into Oriental University City, a subsidiary of Raffles. This calculates into a total valuation for OUC of S\$700m, or 70% of the current market cap of Raffles. We believe the core business is worth significantly more than S\$300m and have increased Marlin Global's investment in the company making it one of the largest holdings in the fund. OUC is a self contained university city in Lanfang in China, about an hour's drive from Beijing. Ken visited the facility in 2007 and was impressed with the potential for the company to create value at this location.

Hansen Natural announced that its board of directors has approved a new share repurchase program for up to \$200m of stock. We have recently been adding to the holding in Hansen.

Given three portfolio holdings have been taken over this quarter, Marlin Global's cash weighting has increased and we are now hunting for tomorrow's winners. Ken has just spent two weeks in the US and will also spend a week in China, including completing final due diligence on two intriguing companies. He will then attend two conferences in Singapore during May. Scott Brown, Fisher Funds' USA-based Senior Investment Analyst, is equally busy, having recently returned from a trip to Japan, spent a week visiting companies in the US and is due to attend an investment conference in Europe during May. Keep an eye out for some exciting new investments in Marlin Global's Annual Report.

Carmel Fisher
Managing Director
Fisher Funds Management Ltd
29 April 2010

Ken Applegate
Senior Portfolio Manager
Fisher Funds Management Ltd
29 April 2010

Why does Marlin Global buy back its shares?

Mr Market (as Warren Buffet often calls the share market) has provided Marlin Global with an opportunity to add value by pricing shares below net asset value. By buying Marlin Global shares, on market, at a discount to the asset value represented by that share the Board is able to boost underlying value for all other Marlin Global shareholders. This is a tangible way that the Board can help in improving returns for all shareholders. However, any decision by the Board to acquire shares will also consider market trading volumes, share price trends and our Manager's assessment of investment alternatives.

Why do we send out a buyback notice?

Shareholders are sent a share buyback letter within three months of a buyback. This is to notify them of the number of shares bought back on-market, the total cost including brokerage, and the average cost per share. We are required to inform you of this as part of our obligations under the Companies Act. The company does not buy back shares directly from shareholders – the buybacks are via the NZSX. A buyback notice informing shareholders of recent buyback activity is part of this newsletter (page 4).

What happens to the shares bought back?

The shares that are bought back by the company are referred to as "Treasury Stock" shares. The company can at any time hold up to 5% of total shares on issue as Treasury Stock and any shares bought back in excess of 5% will be cancelled upon acquisition. In the quarter to 31 March, Marlin Global bought back 324,908 shares at a cost of \$293,152. The total number of Treasury Stock shares held at 31 March was 3,989,659.

Treasury Stock may be re-issued to shareholders under Marlin Global's dividend reinvestment plan or it can also be issued to other parties as a placement. In both these cases the directors are required to resolve that such an issue is in the best interests of shareholders and the Company.

When the NAV is calculated, the number of Treasury Stock is deducted from total shares on issue of the company.

This increases the NAV per share, although it takes a significant (>10 million) number of shares bought back to have any meaningful impact on the NAV per share.

Do share buybacks reduce the discount?

It is our view, that in current market conditions, share buybacks have not had a noticeable effect on narrowing the discount between NAV and share price for Marlin Global. Other factors including shareholder sentiment and the state of the local and global economies appear to be a much greater determinant on the level of discount which prevails.

What's coming up?

- Warrant exercise date – 15 June 2010
- Financial Year end – 30 June 2010
- Annual Result announced – Late August 2010
- Annual Report published – September 2010

The Marlin Update newsletter is produced for the March and September quarters only. The Annual and Interim Reports will cover the June and December periods. Should you prefer to receive future Update newsletters electronically please email us at enquire@marlin.co.nz. If you would also like to be emailed the monthly NAV please email us to be added to the mailing list.

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The information and any opinions herein are based on sources believed reliable, but the writer makes no representations as to its accuracy or completeness. All opinions reflect the writer's judgement on the date of this report and are subject to change without notice.

29 April 2010

Dear Shareholder

**MARLIN GLOBAL LIMITED – SHARE BUYBACK – NOTICE TO SHAREHOLDERS FOR PERIOD
1 MARCH 2010 TO 21 APRIL 2010**

This notice to shareholders is issued in accordance with the requirements of section 65(2A) of the Companies Act 1993.

The Marlin Global Board announced on 30 October 2009 its intention to continue the share buyback programme of Marlin Global ordinary shares and warrants. The buyback period is from 1 November 2009 to 31 October 2010 and is for a maximum of 5,000,000 shares and 20,000,000 warrants.

In accordance with the requirements of section 65(2A) of the Companies Act 1993, Marlin Global Limited advises that between 1 March 2010 and 21 April 2010, it purchased a total of 392,911 ordinary shares at a total cost of \$362,287, an average price of \$0.9221 per share. All these shares acquired under the buyback programme are held as treasury stock but are available to be re-issued.

As the shares acquired under the buyback programme were purchased on-market via an appointed independent broker, the sellers of these shares are not known to the company.

Yours sincerely

On Behalf of the Board



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Corporate Manager
Marlin Global Limited

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