marlin
growing globally

update
march 2011

Fisher Funds' Quarterly Portfolio Review

Market review and outlook

We've already had a year's worth of negative events this quarter; more sovereign debt concerns in Europe, unrest in the middle-east and some major natural disasters. Despite a negative impact from our Japanese investments we managed to fare relatively well as the portfolio is currently conservatively positioned. The Marlin NAV including dividends increased by 5.6%. This compares to the MSCI World Small Cap Index return of 8.8%.

The portfolio continues to be in a transitionary phase. Over the last 6 months we have been selling winners that have rallied into the upper end of our valuation range as we remain disciplined in reducing our holdings – everything has a price. This also enables us to deploy cash into undiscovered and undervalued high quality growth companies. Remember it is the seeds we plant today that will grow into winners in the years ahead.

We've long said that trying to predict overall markets is a futile exercise. At the beginning of each year a plethora of predictions by strategists and economists hit the headlines. Our favourite quote this year is from Dylan Grice, a Strategist at Societe Generale: "I suggest getting in touch with our inner Kevin Keegan, the hapless former England football manager who, facing the sack after a bad run of results famously lamented "I know what's around the corner, I just don't know where the corner is." We prefer to illustrate our views through actions – our portfolio positions reflect our investment beliefs.

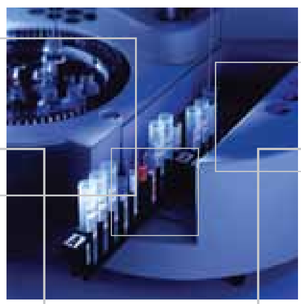
China has been an underperformer over the last year but our recent travels to Asia remind us why we continue to be bullish on the Chinese economy in the long term. If you recall, we significantly reduced our allocation in the second half of 2009 due to high valuations and a Chinese government intent on slowing growth. Late last year we believed the mid cycle slowdown was nearing its end and stocks would re-rate higher as the quality of growth was improving. We continue to believe this to be the case but the slowdown has extended further into 2011 and there are continued worries over inflation. Irrespective of how the macro economy plays out there are always opportunities to make money. For example, luxury consumer spending in China is estimated to be a NZ$20billion market and will be the world's largest luxury market in the next 10 years. High end consumer companies like **Ports Design** have strong brands and pricing power and benefit from the strong growth in China but are not prey to inflation concerns. We have approximately 25% of the fund invested in China and Asia ex-Japan.

At a Glance 31 March 2011

Net Asset Value	$1.12
Share Price	$0.99

Performance to March 2011	*3 months*	*Since inception*
Net Asset Value (inc dividends*)	+5.6%	+24.5%
Total Shareholder Return (share price plus dividends*)	+4.3%	+8.6%
Relative Performance (NZD)		
MSCI Global Small Cap (gross index)	+8.8%	+3.4%

** Assumes dividends are reinvested. Imputation credits have been excluded.*



Portfolio Holdings Summary as at 31 March 2011

Companies by Location	% Holding
China	
China Automation Group	2.4
Fook Woo	2.3
Hsu Fu Chi Foods	0.9
Midas	3.7
02 Micro	4.0
Ports Design	5.3
Travelsky	2.1
Wasion Group Holdings	2.0
Finland	
Nokian Tyre	1.5
France	
Gameloft	1.1
Zodiac	1.1
Germany	
Biotest	6.3
Qiagen	0.9
Stratec Biomedical	1.8
Wirecard	5.6
Greece	
Jumbo	1.9
Ireland	
Icon PLC	3.3
Israel	
Sarin Technologies	3.4
Italy	
Brembo	2.2
Japan	
Asahi	2.0
Horiba	3.5
Okano Valve	1.5
Prestige International	0.9
Shinko Plantech	3.5
Torishima Pump	1.1
Singapore	
Hyflux	2.5
Raffles Education	4.5
Spain	
Telvent	1.0
United States	
Autodesk	2.6
Conceptus	1.6
Equinix	3.4
Hanger Orthopedic Group	1.0
Hansens Natural	4.2
Interactive Intelligence	0.7
Orthofix	2.8
Total equity	**88.6**
Total cash	**11.4**
TOTAL	**100.0%**

As mentioned above the disaster in Japan had a negative impact on performance. Our first thoughts go out to all those who have been impacted by this tragedy. Our senior analyst, Scott Brown, was in Tokyo doing research and meeting with companies when the big 9.0 earthquake struck. Luckily he is now safe back home but he described the scene and we know it's had a significant impact on him.

We are not going to rehash all the possible scenarios along with the economic and market impact but it does warrant a comment as over the last 6-9 months we have been increasing our investments in Japan. We found a handful of world class Japanese companies at compelling prices and identified catalysts that can re-rate their shares higher. We were always cognizant of the long term structural issues but we had identified numerous short to medium term positives for the investing environment. Unfortunately a lot of those are now gone. For example, corporate tax rates were set to decrease but now funds will be channelled to disaster recovery and rebuilding.

The one potential positive is a weaker Yen with the G7 announcing a coordinated intervention. This will be extremely good for exporters and five of the six Japanese companies we own generate the majority of their sales outside of Japan.

What are we doing with our investments? We have been in contact with all of our companies numerous times since the initial earthquake in an attempt to quantify the direct and indirect impact to their business. The good news is there is no major direct impact to any of our companies. In the process of determining our valuation for a company we complete scenario analysis and this is a tool that is proving useful. The one stock we have taken action on is **Shinko Plantech**; our longest standing investment in Japan that provides maintenance services for oil refining and petrochemical plants in Japan. The stock has been rallying on the anticipation of increased work from a number of oil refineries. While there will be increased work it doesn't change our long term value of the company significantly. The stock is UP nearly 15% since the earthquake and is now trading in the upper end of our valuation range and we have been taking profits on this strength.

Our largest geographic allocation in 2010 was Europe with a heavy bias toward German companies which was one of the better performing stock markets in the world last year. Our recent research continues to highlight strength in the core European economies but given high valuations and strong price performance we have recently been taking profits. We have been finding some unique opportunities in other parts of Europe and Ken travelled to Italy during March and met with more than a dozen Italian companies. Italy is unique in that it offers the valuations of a weak European country but the fundamentals more akin to a core European country. Italy does not need a major fiscal consolidation to stabilise public debt to GDP and the Italian banking system has fared well because there has not been a credit or housing bubble. Companies in Italy have strong balance sheets and the Italian consumer is remarkably resilient. Despite the statistics you hear about Italian unemployment and taxes our research highlights a strong consumer, which is why it is critical to see things first hand. We are completing further due diligence on some intriguing Italian companies.

Currency had a negligible impact on return during the quarter and the Company remains un-hedged. As mentioned in the interim report; “from a statistical perspective the probabilities suggest the New Zealand, versus the US Dollar, is likely to be lower in a year’s time. The NZ dollar is 30% above its long term average of .60 and since floating in the mid 1980’s has spent more than 85% of the time below .70. This has historically been a good time to move money offshore, and a lower NZ dollar will be positive for Marlin shareholders.”

We also want to update you on some organisational improvements we have been making. We recently hired a new analyst who will be based in our San Francisco office with Scott Brown. Ken also has an analyst working with him full time in Takapuna. We find more great opportunities than we have time to research so a bigger analyst team will add even more depth to our investment process.

Portfolio update

We sold our shares in **Advent Software** and **City Telecom**. Both have been superb investments but the valuations more than reflect this. We sold our shares in **Actelion** as the shares rallied strongly on takeout rumours. We believe the likelihood of takeout is relatively low and when combined with numerous disappointing results from clinical trials and a very full valuation we decided to exit our holding. We also sold our holding in **Bawang** after they had issues with one of their products and we believe this will not only impact current earnings but also the probability of success of new product rollouts and future earnings growth.

We added two new companies to the portfolio. **Zodiac** is a leading supplier of aeronautical equipment for airplanes in three main segments; cabin interiors, aircraft systems, and aero safety & technology. Based in France, they are the global market leader in more than two-thirds of the products and systems they sell and they are well poised to benefit from increased content per plane on new programs such as Boeing 787 and Airbus A380 and A350. **Asahi** is Japan’s leading bicycle retailer. 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 which is enough scale to embark upon their first nationwide marketing campaign. Our research indicates this campaign will be a success and Asahi will continue to grow the number of stores towards 500 in years to come.

Hyflux made a number of positive announcements; they won three water projects in Chongqing, China. As an aside, Ken visited Chongqing last year and was amazed at how quickly the biggest city in western China (population of approximately 33 million people) has been urbanising. These types of announcements reinforce the importance of the urbanisation in China as an investment theme. Hyflux also announced they won the contract to design, build, own and operate Singapore’s second water desalination plant (they also built the first desalination facility). The total contract is worth S$890million (NZ$925milion). Construction will begin later this year and this contract will provide a significant boost to earnings visibility.

Biotest agreed to sell the worldwide activities of its microbiological monitoring business to Merck KGaA. While the cash infusion to the balance sheet is nice we are much more positive that they sold this non-core business. It enables Biotest to focus on the core plasma protein and biotherapeutics businesses which are the crown jewels of the company. Separately, they announced initial results on the rheumatoid arthritis clinical trial which show “good efficacy”. Biotest remains one of the largest holdings in the portfolio.

Outlook

Using analysts’ consensus earnings forecasts, the Marlin Global portfolio has a strong prospective earnings growth of 19% but exhibits a relatively cheap P/E ratio of 14x. Irrespective of what unfolds in the overall global economy there are always investment opportunities to be exploited. Marlin Global continues to focus on investing for the long term and we are extremely excited about the outlook for the portfolio companies.

Carmel Fisher
Managing Director
Fisher Funds Management
6 May 2011

Ken Applegate
Senior Portfolio Manager
Fisher Funds Management
6 May 2011

Company News

New Director – Mark Todd

On 21 March 2011, Marlin Global was pleased to announce that Mark Todd had joined the Board.

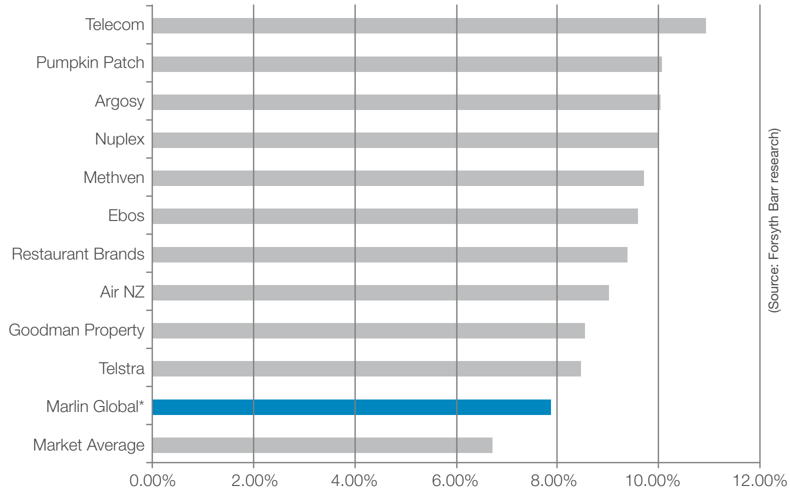
Mark’s extensive experience includes over 15 years as a specialist legal adviser to the funds management industry. He has been heavily involved in industry activities over that period. Mark was ranked by Chambers Global 2010 as a leading practitioner, noting that he is a “leading specialist in financial services law, covering superannuation, unit trusts and insurance”. Mark continues to practice as a partner in law firm Bell Gully.

In accordance with the Company’s constitution, Mark’s appointment runs until the next Annual Shareholders Meeting when he must retire and seek re-election by the shareholders.

Notable March Quarter share price changes in NZD and including dividends

Interactive Intelligence	+51%
Wirecard AG	+32%
Shinko Plantech	+31%
Torishima Pump	-28%
Okano Valve	-27%

Gross Yield - Marlin Global v Top 10 Highest Yielding Stocks



** Marlin Global's gross yield is based on three dividends in the last year as the quarterly dividend policy was only introduced in December 2010.*

The above graph illustrates the projected gross dividend yield based on the gross dividends paid in the year to 31 March 2011 and the share price on that date. It therefore assumes that dividends paid will remain the same going forward.

The above stocks which Marlin Global has been compared with have been selected from the NZ50, ranked in order of gross dividend yield.

Dividends

A dividend of 2.21 cents per share was paid to shareholders on 25 March 2011 under the Company's quarterly dividend policy. The next dividend payment is scheduled to be paid on 24 June 2011. The record date for this upcoming dividend will be 10 June 2011 and the shares will trade ex-entitlement on 8 June 2011.

Marlin Global's gross yield of 7.83% puts the Company in the top 20 highest yielding stocks when compared with the NZ50. Marlin Global's gross yield is based on only 3 dividends in the past year as the quarterly dividend policy was only introduced in December 2010:

What's Coming Up?

- Dividend payment – 24 June 2011
- Year end – 30 June 2011
- 2011 Annual Report publication – September 2011
- Dividend payment – September 2011
- September update newsletter – October/November 2011
- Annual shareholders meeting – October/November 2011

Computershare contact:

Phone: 09 488 8700

Email: enquiry@computershare.co.nz

For managing your shareholding online, please visit www.computershare.co.nz/investorcentre. You will need your FIN number to access the investor centre.

marlin

growing globally

6 May 2011

Dear Shareholder

Marlin Global Limited – share buyback – notice to shareholders for period 22 February 2011 to 2 May 2011

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 1 November 2010 its intention to continue the share buyback programme of Marlin Global ordinary shares. The buyback period is from 1 November 2010 to 31 October 2011 and is for a maximum of 5,000,000 shares.

In accordance with the requirements of section 65(2A) of the Companies Act 1993, Marlin Global Limited advises that between 22 February 2011 and 2 May 2011, it purchased a total of 584,976 ordinary shares at a total cost of $563,054, an average price of $0.9625 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

Ben Doshi

Chief Financial Officer

Marlin Global Limited

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.

Marlin Global Limited. Phone +64 9 484 0365, Fax +64 9 489 7139. Email enquire@marlin.co.nz

PO Box 33 549, Takapuna, Auckland 0740, New Zealand. www.marlin.co.nz