

update september 2010



Fisher Funds' Quarterly Portfolio Review

Market review and outlook

The see-saw market environment continued with a strong July, a sell-off in August before finishing the quarter with a nice rally in September. Global markets are essentially flat this year but there are changes occurring beneath the surface and we are positioning the fund to take advantage of them. We continue to add to companies in Asia, with China being in the later stages of a mid cycle slowdown. Investors will soon stop focusing on the slowdown and begin to realise the quality of growth is improving which will lead to a higher re-rating. Remember 8% GDP growth in China is a sustainable level for at least the next 5-10 years.

While the overall outlook for the US and Europe is not as promising, there continue to be areas of opportunities that we are exploiting. For example, we have 15% of the fund invested in German companies (Germany has been one of the best performing stock markets in the world this year), we are bullish on the US technology sector, and we find many compelling investments in the healthcare sector. As always, we continue to find undiscovered high quality businesses that have the potential for significant investment returns.

Another important driver of returns is merger and acquisition activity. We are living in a world of slower economic growth and large companies are flush with cash. Instead of relying on organic growth, companies are looking to acquire growth. Smaller companies with best of breed products or services that have higher growth potential fit nicely into larger companies who often possess brand presence and distribution capabilities. In addition, small companies often have a valuation discount as they remain undiscovered - making them attractive takeover candidates.

Following on from three portfolio companies being acquired earlier in 2010 we had another portfolio company

announce takeover interest in September – please refer to the portfolio update for more details. We believe that corporate activity will continue to be a dominant theme in 2010 and there are other portfolio companies that make attractive takeover candidates.

The New Zealand dollar rallied 7% against the US dollar although it was relatively flat against the Euro, Japanese Yen and Singapore dollar. The NZ dollar is now more than 20% above its long term average of 60c and is considered in the price extreme range from a statistical perspective. Since floating in the mid 1980's the NZ dollar has spent less than 15% of the time above 70c and this has historically been a good time to move assets offshore.

At a Glance

Net Asset Value \$1.10
Share Price \$0.94

Performance for the three months 1 Jul 2010 to 30 Sep 2010
Net Asset Value (inc dividends) +3.8%
Share Price +13.3%

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Portfolio Holdings Summary as at 30 September 2010

Companies by Location	% Holding
Britain	
Wellstream	3.2
China	
BaWang International	0.3
China Automation Group	1.2
Hsu Fu Chi Foods	1.2
Midas	2.2
O2 Micro	5.4
Ports Design	4.8
Travelsky	1.6
Wasion Group Holdings	2.5
Zhuzhou CSR Times Electric	0.9
Finland	
Nokian Tyre	1.4
France	
Gameloft	0.9
Germany	
Biotest	5.7
Qiagen	0.8
Stratec Biomedical	2.4
Wirecard	6.5
Greece	
Jumbo	2.4
Hong Kong	
City Telecom	0.6
Ireland	
Icon PLC	3.6
Israel	
Sarin Technologies	3.9
Italy	
Brembo	5.0
Japan	
Okano Valve	1.5
Prestige International	1.2
Shinko Plantech	3.6
Singapore	
Hyflux	1.2
Raffles Education	4.7
Spain	
Telvent	0.8
Switzerland	
Actelion	3.0
United States	
Advent Software	0.8
Autodesk	3.3
Conceptus	2.3
Equinix	1.1
Hanger Orthopedic Group	3.0
Hansens Natural	5.1
Interactive Intelligence	1.7
Total equity	89.8
Total cash	10.2
TOTAL	100.0%



Portfolio update

Marlin had yet another quarter of positive returns with the NAV rising 3.8% although this was less than the increase in the MSCI Global Small Cap Index of 6.9%. A large part of the relative underperformance was due to our significant underweight in North America which comprises more than half of the index. As mentioned previously we have been increasing our allocation to Asia, which has been an underperformer, as we find much more compelling investment opportunities and believe the outlook for growth is superior.

After a very busy second quarter for the fund we added just one company and sold one company during the most recent quarter. We sold our shares in **F5 Networks** as price performance has been strong and the valuation more than reflects the positive company outlook. We remain disciplined to our investment process and are rotating those proceeds into what we believe will be tomorrow's winners.

We added **Travelsky** to the fund. Based in Beijing and listed in Hong Kong, Travelsky is the leading information technology provider for China's air travel and tourism industry. They essentially make money every time an electronic airline ticket is issued and also provide 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.

As mentioned above corporate activity continues to be a positive theme for the fund as **Wellstream** announced it "has received a number of preliminary approaches regarding a possible offer for the Company". Since this announcement it has been reported that General Electric has made a bid for the company. Shares rallied 30% on the back of this announcement.

Actelion announced that one of its potential new drug candidates Clazosentan has failed its primary endpoint in the first of its phase III trials. While this is disappointing we considered it an upside option to shares. The company remains undervalued and there are still multiple catalysts over the next few years to drive the share price higher. The shares sold off 8% on this announcement.

In almost clockwork fashion **Midas Holdings** announced two more contracts worth RMB130million (NZ\$26million). Even more importantly, one of these contracts was for downstream fabrication which is higher value-add and is an endorsement of Midas' capabilities as an integrated rail transport components supplier. They also completed a secondary listing on the Hong Kong exchange which should increase visibility for the shares. This is especially important for Midas as we continue to anticipate a listing of their NPRT subsidiary, likely in Hong Kong, over the next few years.

Datacash, a UK listed company comparable to **Wirecard**, announced they received an offer to be acquired by Mastercard for a 50% premium. This follows the announcement back in April that CyberSource, a US listed comparable, would be acquired by Visa. Both companies were acquired at a similar transaction multiple. While Wirecard shares have already rallied 25% since the first announcement, if you apply the same transaction multiple it

represents a further 40% upside for Wirecard shares. We strongly believe that Wirecard is a superior business to both of these companies and it is the largest holding in the fund.

Hyflux announced a 50:50 joint venture with Japanese based Mitsui & Co. This will give them access to more capital to enable them to bid for new projects in China.

Notable September Quarter share price changes in local currency terms

Brembo	+51.7%
Wellstream	+51.2%
Wirecard.	+48.9%
Hsu Fu Chi	+45.5%
CSR Times Electric.	+41.0%
F5 Networks.	+35.6%
Nokian Renkaat	+30.5%
Telvent	+27.2%
Icon PLC	-29.7%
Bawang	-41.2%

What's new on our website?

www.marlin.co.nz

Marlin's fact sheet is available on the homepage and is a good place to start if you need to know key company details including the distribution policy, key portfolio positions and performance. The fact sheet is updated each quarter.

We are currently updating Marlin's website which will soon include a performance page showing dividends paid to date, NAV performance since the Company's inception as well as performance comparison to the MSCI Small Cap Index.

Watch this space - we encourage you to visit the website and let us know if there is anything else we could do to make the website more informative.

Computershare contact

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What's Coming Up?

- Interim period end – 31 December 2010
- Dividend payment – 17 December 2010 (record date 6 December)
- Interim result announcement – late February 2011
- Interim Report published – March 2011

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 also email us to be added to the mailing list.

Company News

Annual Shareholders' Meeting

Shareholders attending the meeting held in Auckland on 4 November 2010 participated in a worthwhile and wide ranging discussion on a number of matters including portfolio performance, warrant issues and the share buyback policy.

Carmel Fisher was re-elected as a Director, and James Miller's appointment as a Director by the Board on 14 September 2010, following an extensive succession planning search, was confirmed by shareholders.

Following James' election, Rob Challinor announced his intention to retire as a Director on 31 December and that the Board had decided that James would succeed him as Chairman effective 1 January 2011. James has had extensive capital markets and governance experience with ABN Amro Craigs and other investment banks. He is also a Director of Vector, NZX, and Auckland International Airport.

On behalf of the Board, Annabel Cotton paid tribute to Rob for his service as inaugural Chairman and this was warmly endorsed by shareholders.

The Chairman's and Manager's ASM presentations are available to view on the Marlin website www.marlin.co.nz while minutes of the meeting will be available on the website by the end of the month.

Final Warrant Exercise

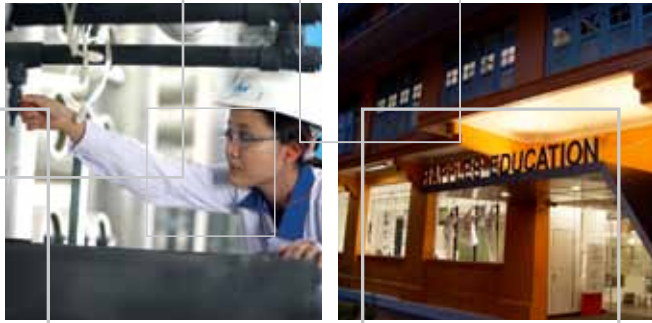
31 October 2010 was the final date warrant holders could exercise their warrants and subscribe for shares in the Company. As the share price edged closer to the exercise price of \$1.00 per warrant, 804,846 warrants were exercised while 50,695,153 warrants were not exercised.

Marlin's corporate office has received a number of calls enquiring as to whether a new warrant issue was likely. No decision has been made by the Board although the matter is under active consideration.

Farewell to Rob Challinor

It is with sadness that the Marlin board farewells Rob Challinor as he heads into retirement. Rob was Marlin's inaugural Chairman and has overseen the company, in the most difficult of market environments, with professionalism and integrity. Rob has ensured that the Marlin board has maintained the highest standards of corporate governance and his fellow directors have enormous respect for Rob's intellect, attention to detail and commercial experience. Rob will be missed by all who have had the pleasure of working with him. We wish him well.





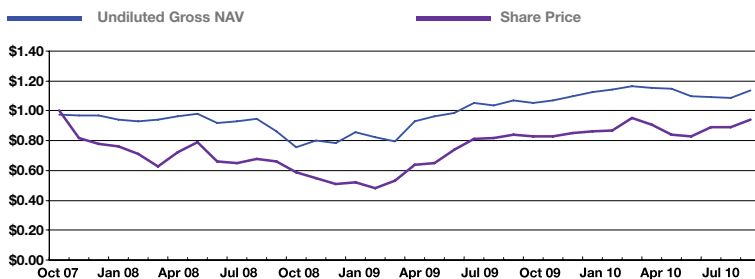
Relative Performance

Relative Performance 30 September 2010 (NZD)	Three Months	Since Inception
Marlin**	+3.8%	+17.0%*
MSCI Global Small Cap**	+6.9%	-11.7%

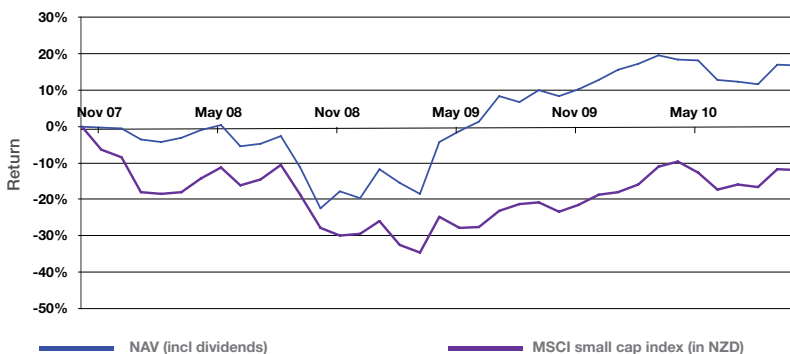
* Based on adjusted Net Asset Value per share at listing of \$0.9734 (representing the issue price of \$1 less issue costs of \$0.0266 per share).

**Includes dividends paid.

Marlin Unaudited Net Asset Value and Share Price Performance



(Gross NAV includes 4 cps dividends paid)



10 November 2010

Dear Shareholder

Marlin Global Limited – share buyback – notice to shareholders for period 20 October 2010 to 31 October 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 20 October 2010 and 31 October 2010, it purchased a total of 81,212 ordinary shares at a total cost of \$78,010, an average price of \$0.9606 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

Nivedita Findlay
Corporate Manager
Marlin Global Limited

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