



**Minutes of Annual Shareholders Meeting of Marlin Global Limited held at the Ellerslie Event Centre, Auckland on Friday 4<sup>th</sup> November 2011 commencing at 10.30am**

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**PRESENT**

Directors

James Miller - Chairman  
Annabel Cotton – Independent Director  
Mark Todd – Independent Director  
Carmel Fisher – Director

Shareholders and invitees

70 Shareholders and accompanying guests

8 Invitees

5 Visitors

**IN ATTENDANCE**

Ken Applegate	- Senior Portfolio Manager
Ben Doshi	- Marlin Global Chief Financial Officer/Company Secretary
Sam Shuttleworth	- PricewaterhouseCoopers – Auditor
Philip Taylor	- PricewaterhouseCoopers – Auditor

**CHAIRMAN'S ADDRESS**

The Chairman:

- Discussed the highlights for the year including a net surplus of \$7.7m, total dividends paid of 8.63cps, the narrowing of the share price discount to Net Asset Value (NAV), Total Shareholder Return of 25.5%, the Company exceeding its performance benchmark and receiving a positive recommendation by research company Morningstar;
- Detailed the performance of the Company for the year to 30 June, noting that Marlin Global's Total Shareholder Return had been 25.5%, NAV including dividends 6.7% and noted that the MSCI Small Cap Gross Index had risen 14.3% in the year;
- Discussed the quarterly dividend policy, noting the effect it has had on narrowing the discount between Net Asset Value and Share Price;
- Provided an update of the Company's performance to 30 September 2011, noting that a dividend of 2.13cps had been paid, Total Shareholder Return for the 3 months was -21.9% and the NAV including dividends had decreased 15.8%. These performance figures were compared to MSCI Small Cap Gross Index which fell 13.4% over the same period.

## **MANAGER'S ADDRESS**

Ken Applegate, representing the Manager, then delivered his address. The Manager:

- Discussed the investment team's activity through the year;
- Noted that corporate activity had again been a boost to the Company;
- Stated that this had been the third consecutive year of positive NAV performance;
- Discussed the 19% value-add Marlin Global had achieved over the MSCI Small Cap Gross Index since inception;
- Referred to the lowlights of the year - trimming back on winners from countries such as Germany and the U.S too early and a negative currency impact as the New Zealand dollar propelled to post float highs;
- Discussed the reversion of the real NZD/USD exchange rate to mean levels over long horizons;
- Noted the new portfolio companies added to the portfolio;
- Discussed new portfolio stock Dolby and why it deserved a place in the portfolio;
- Noted the companies that had been exited due to acquisition, price & valuation excess and changes to fundamentals;
- Discussed the opportunities to be found in small cap Asian stocks;
- Talked through the outlook and the positioning of the portfolio.

## **QUESTIONS**

The Chairman declared the meeting open for any questions.

A shareholder asked how the Manager deals with the lack of transparency in Asian reporting and whether he had seen any opportunities in Eastern Europe.

Ken Applegate responded that the Manager only invests in developed markets in Asia, like Hong Kong and Singapore and that all information is verified by speaking to the companies, their management team, their competitors, their Boards and that transparency was of the utmost importance to the Manager.

Ken went on to state that Scott Brown, the Senior Investment Analyst, had visited Eastern Europe, but the investment team did not yet have enough information on the market and economy to invest there.

An attendee asked the portfolio manager what the current levels of cash were.

Ken responded that cash was currently around 17% of the portfolio and that 2-3 months ago cash was 24% of the portfolio. Ken explained that when Marlin Global exits a portfolio company, he won't necessarily spend the proceeds straight away, but will wait for the right opportunities, and given the current uncertainties in the financial markets, they are finding these opportunities now.

An investor asked where the cash is held.

Ken replied that the cash is held in Hong Kong dollars, U.S dollars, Singapore dollars, Euros, Yen as this is where the money is likely to be put to work.

## **ELECTION OF DIRECTORS**

The Chairman advised that under the constitution, one-third of Directors on the Board at the start of the year must retire by rotation. Annabel Cotton retired by rotation and, being eligible, offered herself for re-election.

Annabel Cotton addressed the meeting and noted that if re-elected she would unlikely remain for the full term as she has served eight years as a Director of Marlin and its sister companies, Kingfish and Barramundi.

It was moved and seconded "THAT Annabel Cotton be re-elected as a Director of Marlin Global Limited."

The Chairman declared the motion carried by a show of hands.

James Miller stated that as a new director, Mark Todd must stand for election. Mark Todd addressed the meeting.

It was moved and seconded "THAT Mark Todd be elected as a Director of Marlin Global Limited."

The Chairman declared the motion carried by a show of hands.

## **APPOINTMENT AND REMUNERATION OF AUDITOR**

The Chairman advised that the existing auditors were automatically re-appointed auditor of the Company for the year ending 30 June 2012, but a resolution was required to authorise the Directors to set their remuneration.

It was moved and seconded "THAT the Directors be authorised to set PricewaterhouseCoopers' remuneration for the current year."

The Chairman declared the motion carried by a show of hands.

## **GENERAL BUSINESS**

***The Chairman invited attendees to raise matters of a general nature.***

A shareholder asked if the Manager could also include the PEG ratio in future and whether the Manager is putting money in US dollars at the moment or whether trades are settled primarily in US dollars or local currency.

Ken explained to the meeting that the PEG ratio calculates the P/E ratio relative to earnings growth and that he will include this metric in future.

Ken also explained that trades tend to be settled in the country of the listing's currency, for example, the recent purchase of new Brazilian portfolio stock Valid was settled in Brazilian Real.


An investor queried the breakdown of total shareholder return between share price and dividends.

The Chief Financial Officer replied that the breakdown would be provided on the website after the meeting.

**CLOSURE**

The meeting was declared closed at 11.30am.

CONFIRMED:

A handwritten signature in black ink, appearing to read "J B Miller". The signature is written in a cursive style with a large initial "J" and a checkmark at the end.

Chairman  
28 November 2011