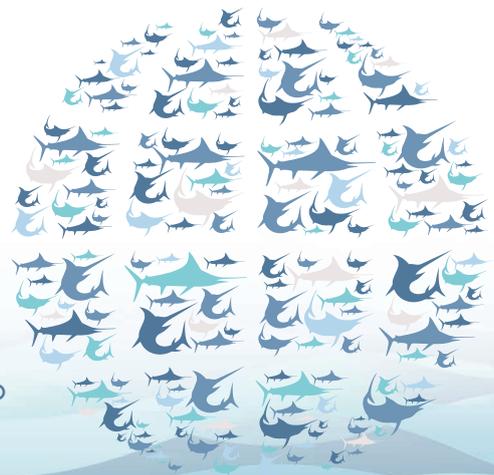


Monthly Update

March 2020



MLN NAV

\$1.01

SHARE PRICE

\$0.98

WARRANT PRICE

\$0.09

DISCOUNT¹

0.5%

as at 29 February 2020

A word from the Manager

Marlin Global's gross performance for the month was down -3.4%, while the adjusted NAV was down -2.8%. This compared with our global benchmark, which was down -6.4%.

After reaching record highs on February 19th, US equity markets led global stock exchanges sharply lower during the last seven days of the month. In the last week of February, the S&P 500 fell 11%, Britain's FTSE 100 dropped 11% and the German DAX declined 12%. Asia performed better with MSCI China index and Hong Kong's Hang Seng index down 4%.

Global markets had been looking through the short-term impact of a China slowdown and disruption to supply chains from Coronavirus at the start of the month. This shifted with growing concern about a potential global slowdown as the spread of Coronavirus widened to other countries, most notably Italy and South Korea.

The portfolio outperformed our benchmark thanks to strong performance by some of the defensive stocks like Fresenius Medical Care, Dollar General, TJX Companies Inc and outperformance by Alibaba and Tencent as investors see their online business models as more immune to fallout.

Portfolio Company Developments

One of our more defensive holdings, off-price retailer, **TJX Companies (+2%)** updated the market with a healthy earnings report. The company purchases branded inventory at a discount from full-price retailers and manufacturers who have excess product and difficulty selling it. The company passes savings through to the customer. Combined with a quick stock turnover, this creates a treasure hunt experience. In the earnings update, TJX noted particularly strong performance in Europe, thanks in part to economic weakness in the region. This environment suits TJX unique merchandising model as there is more inventory available to buy. Secondly, it provides the opportunity for TJX to relocate stores or open new ones in vacated premises. Lastly, the company is able to capture market share as their value proposition becomes more appealing to consumers.

Alibaba (+1%) reported a good set of results during the month with revenue and profits both growing over 30%. However, the focus of investors was largely on the impact

of Coronavirus, which is temporarily impacting the core ecommerce business as the shutdown causes issues with the supply and delivery of goods. On the other hand, Alibaba believes the impact of the virus could drive incremental demand longer term. As people in China are eating and working more from home, the online-grocery delivery and remote working services have actually seen growth accelerate, and the company expects many of these customers will continue to use these services even once things return to normal. Our other Chinese holding, **Tencent (+3.5%)**, was a strong performer in February. The company derives the majority of its revenue from video games and therefore should benefit with people spending more time at home.

Our two payments companies, **Mastercard (-8%)** and **PayPal (-5%)**, updated the market on the impact Coronavirus is having on their operations. While Mastercard's domestic payment volumes are proving resilient to Coronavirus (they don't currently operate in China), it is impacting cross-border travel payment volumes and as a result the company reduced its revenue growth guidance for the current quarter to 9-10% (a 2-3% reduction). PayPal also reduced its revenue guidance due to Coronavirus, however only by 1% due to stronger than expected performance in its domestic ecommerce business. The uncertainty around the future progression of Coronavirus makes it difficult to assess how long payment volumes will remain depressed, but despite the challenging backdrop both businesses continue to grow strongly and we remain just as positive about their long-term growth potential.

In mid-February **Adidas (-12%)** announced, along with peers Nike and Puma, store closures in China due to Coronavirus. Also noting a significant reduction in customer traffic to remaining stores. Even though China is a strategic growth priority for the company, the share price held up well with the market focusing on the long-term opportunity. However, as news broke of the Coronavirus spread into Europe, the Adidas share price came under pressure. At 30%, Western Europe represents Adidas's largest region by sales. It was widely expected the company would benefit from the upcoming football tournament, Euro 2020, scheduled for June with games in Italy as well as other countries.

¹ Share Price (Premium) / Discount to NAV (including warrant price on a pro-rated basis and using NAV to four decimal places).

However, as sporting events are cancelled or played behind closed doors, expectations for Adidas have changed from sales benefit to potentially having excess inventory. This may pressure profit margins over the next couple of quarters. Long-term we remain positive on the outlook for Adidas. The company (along with Nike) have a significant scale advantage over competitors and should benefit from the ongoing trend of casualisation in attire.

After a year of strong market performance and relative calm, the Coronavirus outbreak has driven a significant spike in market volatility. This is no doubt unsettling for investors and we are monitoring the situation and the impact on our portfolio companies closely. High quality businesses like those in the Marlin portfolio are more resilient than most in difficult

economic times and we believe our portfolio companies remain well positioned to grow strongly over the long-term. While the ongoing impact of Coronavirus remains to be seen, we continue to hunt for new investments should market panic present attractive opportunities.



Ashley Gardyne
Senior Portfolio Manager
Fisher Funds Management Limited



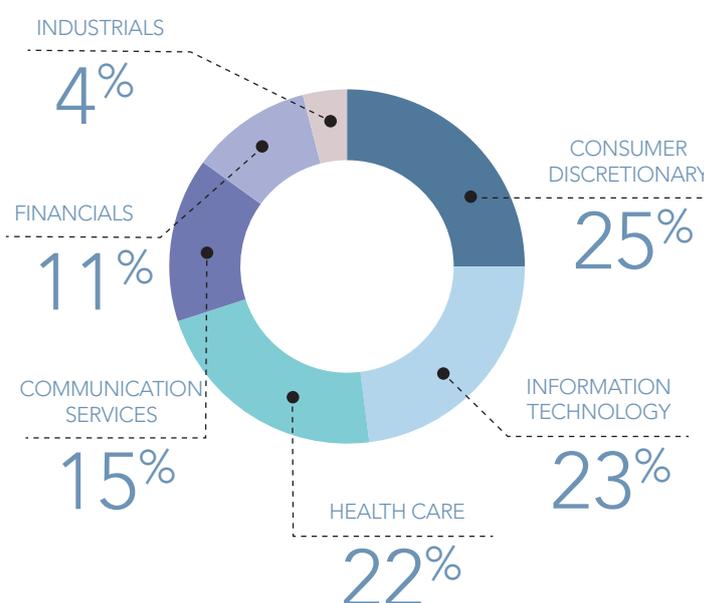
Key Details

as at 29 February 2020

FUND TYPE	Listed Investment Company
INVESTS IN	Growing international companies
LISTING DATE	1 October 2007
FINANCIAL YEAR END	30 June
TYPICAL PORTFOLIO SIZE	25-35 stocks
INVESTMENT CRITERIA	Long-term growth
PERFORMANCE OBJECTIVE	Long-term growth of capital and dividends
TAX STATUS	Portfolio Investment Entity (PIE)
MANAGER	Fisher Funds Management Limited
MANAGEMENT FEE RATE	1.25% of gross asset value (reduced by 0.10% for every 1% of underperformance relative to the change in the NZ 90 Day Bank Bill Index with a floor of 0.75%)
PERFORMANCE FEE HURDLE	Changes in the NZ 90 Day Bank Bill Index + 5%
PERFORMANCE FEE	10% of returns in excess of benchmark and high water mark
HIGH WATER MARK	\$0.92
PERFORMANCE FEE CAP	1.25%
SHARES ON ISSUE	149m
MARKET CAPITALISATION	\$146m
GEARING	None (maximum permitted 20% of gross asset value)

Sector Split

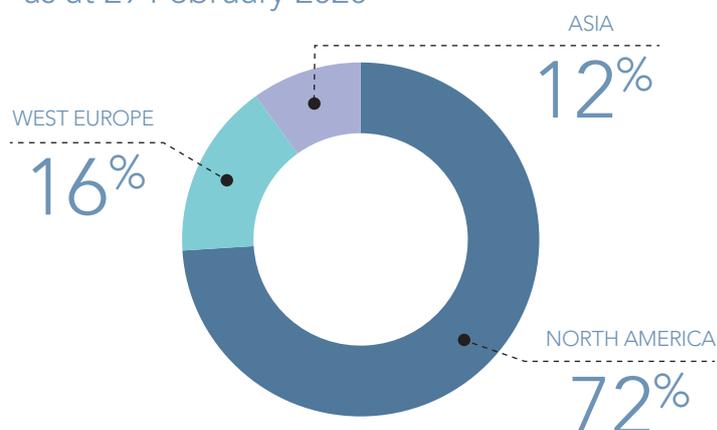
as at 29 February 2020



The Marlin portfolio also holds cash.

Geographical Split

as at 29 February 2020



February's Biggest Movers in local currency terms

Typically the Marlin portfolio will be invested 90% or more in equities.

HEXCEL CORP

-13%

ADIDAS AG

-12%

SIGNATURE BANK

-12%

ABBOTT LABORATORIES

-12%

ESSILOR LUXOTTICA

-8%

5 Largest Portfolio Positions as at 29 February 2020

ALPHABET

9%

FACEBOOK

7%

ALIBABA GROUP

6%

PAYPAL HOLDINGS

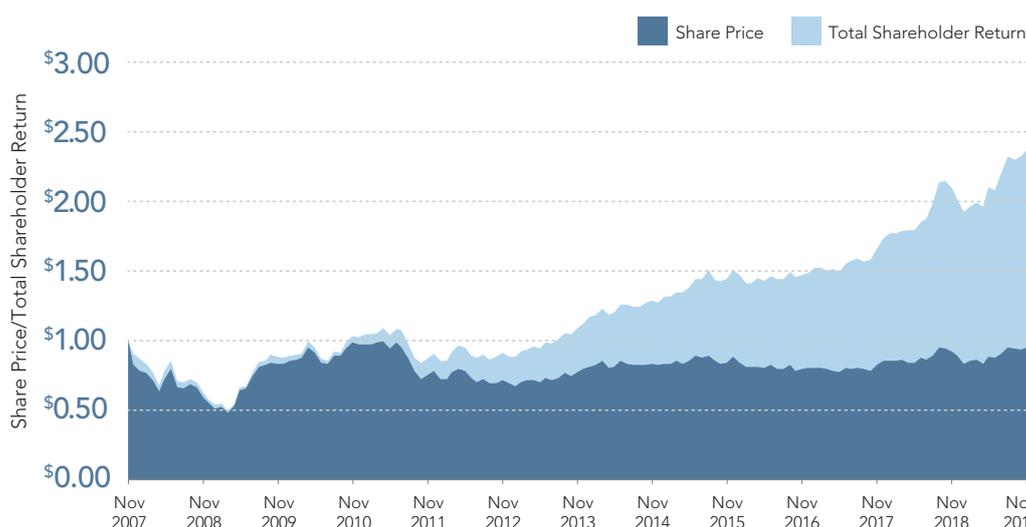
6%

TJX COMPANIES

6%

The remaining portfolio is made up of another 18 stocks and cash.

Total Shareholder Return to 29 February 2020



Performance to 29 February 2020

	1 Month	3 Months	1 Year	3 Years (annualised)	5 Years (annualised)
Company Performance					
Total Shareholder Return	(8.8%)	+0.5%	+27.9%	+19.4%	+13.6%
Adjusted NAV Return	(2.8%)	(0.6%)	+16.6%	+16.4%	+10.8%
Portfolio Performance					
Gross Performance Return	(3.4%)	(0.5%)	+18.9%	+19.9%	+14.3%
Benchmark Index [^]	(6.4%)	(5.4%)	+5.4%	+8.2%	+9.5%

[^]Benchmark index: World Small Cap Gross Index until 30 September 2015 & S&P Large Mid Cap/S&P Small Cap Index (50% hedged to NZD) from 1 October 2015

Non-GAAP Financial Information

Marlin uses non-GAAP measures, including adjusted net asset value, adjusted NAV return, gross performance return and total shareholder return. The rationale for using such non-GAAP measures is as follows:

- » adjusted net asset value – the underlying value of the investment portfolio adjusted for capital allocation decisions after expenses, fees and tax,
- » adjusted NAV return – the net return to an investor after expenses, fees and tax,
- » gross performance return – the Manager's portfolio performance in terms of stock selection and currency hedging before expenses, fees and tax, and
- » total shareholder return – the return combines the share price performance, the warrant price performance, the net value of converting any warrants into shares, and the dividends paid to shareholders. It assumes all dividends are reinvested in the company's dividend reinvestment plan, and that shareholders exercise their warrants, (if they were in the money) at warrant expiry date.

All references to adjusted net asset value, adjusted NAV return, gross performance return and total shareholder return in this monthly update are to such non-GAAP measures. The calculations applied to non-GAAP measures are described in the Marlin Non-GAAP Financial Information Policy. A copy of the policy is available at <http://marlin.co.nz/about-marlin/marlin-policies/>.

About Marlin Global

Marlin is an investment company listed on the New Zealand Stock Exchange. The company gives shareholders an opportunity to invest in a diversified portfolio of between 25 and 35 quality growing international companies (excluding New Zealand and Australia) through a single, professionally managed investment. The aim of Marlin is to offer investors competitive returns through capital growth and dividends.

Management

Marlin's portfolio is managed by Fisher Funds Management Limited. Ashley Gardyne (Senior Portfolio Manager), Chris Waters and Harry Smith (Senior Investment Analysts) have prime responsibility for managing the Marlin portfolio. Together they have significant combined experience and are very capable of researching and investing in the quality global companies that Marlin targets. Fisher Funds is based in Takapuna, Auckland.

Board

The Manager has authority delegated to it from the Board to invest according to the Management Agreement and other written policies. The Board of Marlin comprises independent directors Alistair Ryan (Chair), Carol Campbell, and Andy Coupe; and non-independent director Carmel Fisher.

Capital Management Strategies

Regular Dividends

- » Quarterly distribution policy introduced in August 2010
- » Under this policy, 2% of average NAV is targeted to be paid to shareholders quarterly
- » Dividends paid by Marlin may include dividends received, interest income, investment gains and/or return of capital
- » 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 (DRP)
- » Shares issued to DRP participants are at a 3% discount to market price
- » Marlin became a portfolio investment entity on 1 October 2007. As a result, dividends paid to New Zealand tax resident shareholders have not been subject to further tax

Share Buyback Programme

- » Marlin has a buyback programme in place allowing it (if it elects to do so) to acquire its shares on market
- » Shares bought back by the company are held as treasury stock
- » Shares held as treasury stock are available to be re-issued for the dividend reinvestment plan

Warrants

- » On 17 October 2019, a new issue of warrants (MLNWD) was announced
- » The warrants were issued at no cost to eligible shareholders and in the ratio of one warrant for every four Marlin shares held
- » Exercise Price = \$0.94 per warrant, to be adjusted down for dividends declared during the period up to the Exercise Date
- » Exercise Date = **6 November 2020**
- » The final Exercise Price will be announced and an Exercise Form will be sent to warrant holders in **September 2020**

Disclaimer: The information in this update has been prepared as at the date noted on the front page. The information has been prepared as a general summary of the matters covered only, and it is by necessity brief. The information and opinions are based upon sources which are believed to be reliable, but Marlin Global Limited and its officers and directors make no representation as to its accuracy or completeness. The update is not intended to constitute professional or investment advice and should not be relied upon in making any investment decisions. Professional financial advice from an authorised financial adviser should be taken before making an investment. To the extent that the update contains data relating to the historical performance of Marlin Global Limited or its portfolio companies, please note that fund performance can and will vary and that future results have no correlation with results historically achieved.



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