MONTHLY UPDATE

March 2025

SHARE PRICE	WARRANT PRICE	MLN NAV	DISCOUNT[1]
$0.99	$0.01	$1.03	3.2%

as at 28 February 2025

A WORD FROM THE MANAGER

Marlin's gross performance return for February was -3.0%, while the adjusted NAV return was -3.1%. This compared with our global benchmark, S&P Large Mid Cap/S&P Small Cap Index (50% hedged to NZD), which was -1.4%.

Market Environment

There was a big shift from US stocks to Eurozone equities, with the Europe STOXX 600 Index +3.3% compared to a -1.4% decline for the S&P 500 Index. This marks one of Europe's strongest relative starts to the year since 2000.

This was a partial unwind of the sharp outperformance of US equities over the last couple of years, but especially since Trump was elected. It was also a response to the elevated policy uncertainty coming out of the US and a more dovish European Central Bank verses a more hawkish US Central Bank. The European Central Bank (ECB) cut its key interest rate by 25 basis points to 2.75% in late January (and again in early March as I type), responding to a stagnating Eurozone economy. In contrast, the US Federal Reserve maintained its key rate at 4.25%-4.50%, pausing its cutting cycle that began in September. This decision was influenced by robust economic growth and stubborn inflation.

The sell-off in artificial intelligence (AI) related stocks in late January, triggered by increased competition from China, was followed by a sell-off in broader tech stocks in February. The market questioned the rising capex with uncertain return on that capex. We have been taking some weight out of our large tech holdings for the past few months.

Portfolio

Tencent (+19% in local currency) rallied alongside the wider Chinese tech sector. Chinese AI startup DeepSeek's release of an AI model that performed on par with leading US AI models ignited investor enthusiasm. Tencent is already benefiting from AI-driven technology in its advertising business and is now rolling out AI features into its WeChat app. Sentiment was further boosted by a more supportive stance from the Chinese government, with President Xi Jinping meeting tech leaders during the month. This follows several years of intense regulatory oversight on the private tech sector.

Mastercard (+4%) reported solid Q4 earnings at the end of January which supported its share price through February. All key metrics were stronger than expected, with cross-border and US payment volumes being the highlights. Both cross-border and US payments volumes accelerated growth from Q3 to Q4 and were stronger than expected. Additionally, quarter-to-date metrics showed that the US growth acceleration has sustained so far. Mastercard continue to see robust consumer spending supported by high employment rates, solid wage growth, and wealth effects for affluent consumers. Mastercard continues to penetrate the global payments market as consumers are increasingly using card payments over cash and checks for traditional consumer-to-business payments, and is penetrating other payment flows such as business-to-business.

Dexcom (+2%) reported quarterly earnings during the month. They had pre-released results at an investor conference in January so there were few surprises. Dexcom continues to show progress in turning the business around following several execution missteps in 2024 and has several tailwinds going forward including commercial coverage for Type-2 non-insulin users; the shift to a 15 day sensor (from 10 days) which will boost profit margins; and the launch of the next-gen G8 continuous glucose monitor next year.

Alphabet (-17%) sold off during February on a weaker than expected results from Google Cloud and an unexpected step up in capex. Alphabet's Search and YouTube businesses were better than expected. Google Cloud reported the first deceleration of growth in four quarters. Like peers Amazon and Microsoft, Google Cloud is datacenter capacity constrained and struggling to meet AI demand. As a result, Alphabet materially increased its expected capex spending for 2025 to $75b from $52b in 2024. With slowing Google Cloud revenue growth, investors are questioning the future return on this large capex investment. Alphabet continues to see good momentum with AI Overviews which has been additive to existing Search volumes with consumers searching more often and with new queries. We have been reducing our weight in Alphabet for the past few months.

[1] Share Price Discount to NAV (including warrant price on a pro-rated basis and using the net asset value per share, after expenses, fees and tax, to four decimal places).

Unitedhealth Group (-12%) fell as the US's largest health insurer faces scrutiny post the murder of one of its executives in December and amongst increasing public dissatisfaction with the US healthcare system. Reports that the DOJ and senate are investigating US health insurance practices, coupled with healthcare spending cuts proposed by the new Trump administration drove negative sentiment on the sector. Health insurance companies like UNH provide a critical role in the complex and fragmented US healthcare system, but also operate in a constantly evolving regulated environment.

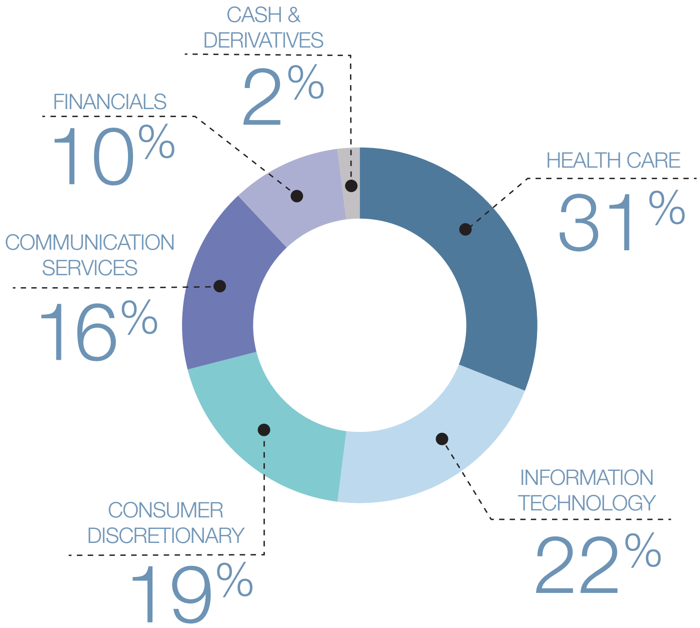
Amazon (-11%) shares fell in February on the back of a mixed quarterly results. Revenue in its key segments of cloud, eCommerce and advertising came in slightly softer than expected, but margins continue to exceed expectations, resulting in higher operating income than expected. Like Alphabet and Microsoft, Amazon is also increasing its capex spend in response to the AI demand they are seeing in its cloud business, AWS. AWS currently has datacenter capacity constraints due to AI demand and the company believes AWS would have grown faster without these constraints. Margin expansion remains impressive and is being driven by efficiency gains on the logistics infrastructure it invested into during the pandemic to accommodate growing eCommerce volumes.

Sam Dickie
Senior Portfolio Manager
Fisher Funds Management Limited

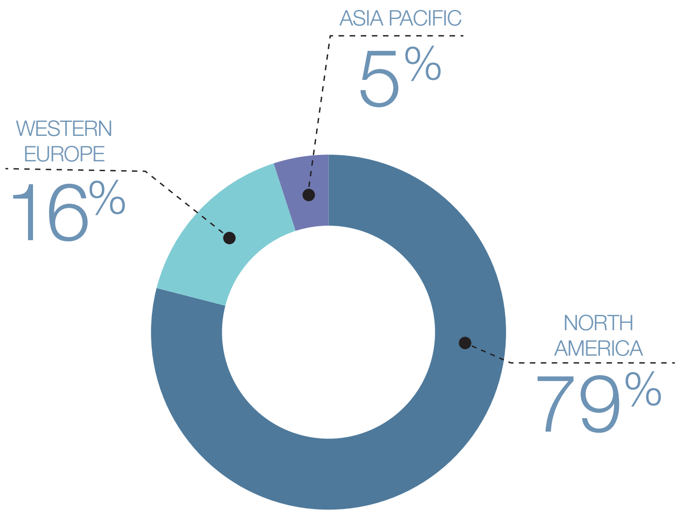
KEY DETAILS
as at 28 February 2025

FUND TYPE	Listed Investment Company
INVESTS IN	Growing international companies
LISTING DATE	1 October 2007
FINANCIAL YEAR END	30 June
TYPICAL PORTFOLIO SIZE	20-35 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	$0.98
PERFORMANCE FEE CAP	1.25%
SHARES ON ISSUE	219m
MARKET CAPITALISATION	$217m
GEARING	None (maximum permitted 20% of gross asset value)

SECTOR SPLIT
as at 28 February 2025



GEOGRAPHICAL SPLIT
as at 28 February 2025



FEBRUARY'S SIGNIFICANT RETURNS IMPACTING THE PORTFOLIO (in local currency) during the month

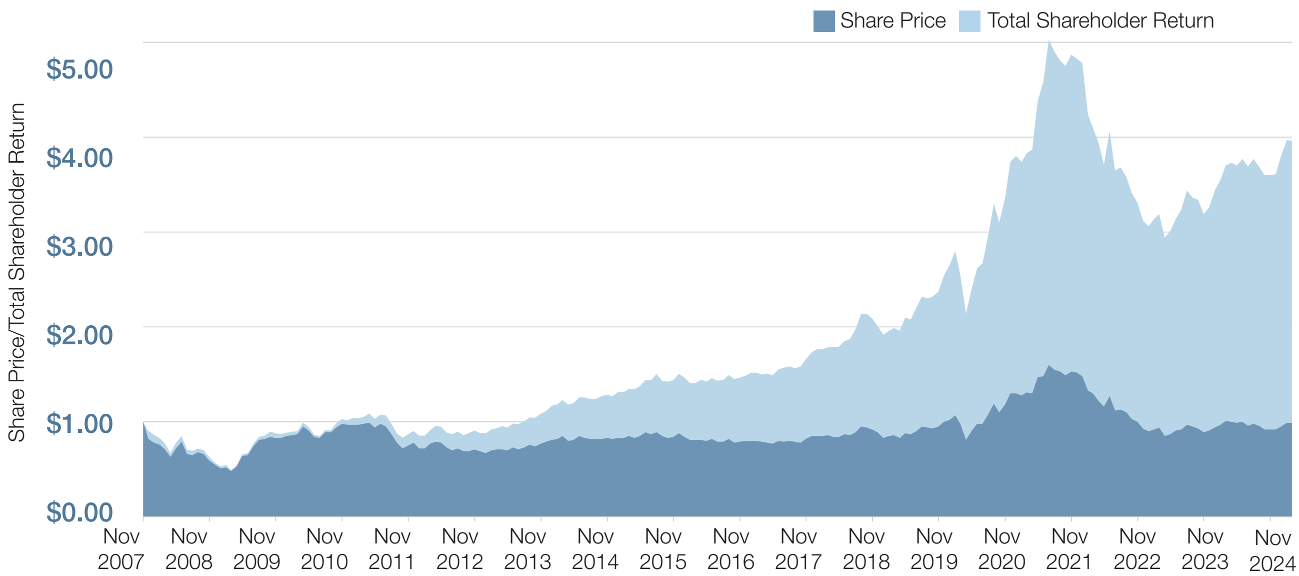
TENCENT	AMAZON	UNITED HEALTH	SALESFORCE	ALPHABET
+19%	-11%	-12%	-13%	-17%

5 LARGEST PORTFOLIO POSITIONS as at 28 February 2025

MICROSOFT	AMAZON	MASTERCARD	ASML HOLDINGS	FLOOR & DÉCOR
8%	8%	6%	6%	6%

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

TOTAL SHAREHOLDER RETURN to 28 February 2025



PERFORMANCE to 28 February 2025

	1 Month	3 Months	1 Year	3 Years (annualised)	5 Years (annualised)
Company Performance					
Total Shareholder Return	(0.2%)	+9.8%	+7.1%	(1.2%)	+9.2%
Adjusted NAV Return	(3.1%)	+2.5%	+6.0%	+6.0%	+9.5%
Portfolio Performance					
Gross Performance Return	(3.0%)	+3.1%	+9.2%	+8.4%	+12.6%
Benchmark Index^	(1.4%)	(0.0%)	+16.3%	+10.1%	+12.0%

^Benchmark index: S&P Large Mid Cap/S&P Small Cap Index (50% hedged to NZD)

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 dividends (and other capital management initiatives) and after expenses, fees, and tax,
» adjusted NAV return – the percentage change in the adjusted NAV,
» 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 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 20 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

The Manager has authority delegated to it from the Board to invest according to the Management Agreement and other written policies. Marlin's portfolio is managed by Fisher Funds Management Limited. Sam Dickie (Senior Portfolio Manager), Chris Waters (Senior Investment Analyst), and Daniel Moser and Charles Barty (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 Board of Marlin comprises independent directors Andy Coupe (Chair), Carol Campbell, David McClatchy and Fiona Oliver.

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 utilised for the dividend reinvestment plan

Warrants

» Marlin announced a new issue of warrants on 29 April 2024

» The warrant term offer document was sent to all Marlin shareholders in early May 2024

» Warrants were allotted to all eligible Marlin shareholders on 16 May 2024

» The new warrants (MLNWG) commence trading on the NZX Main Board from 17 May 2024

» The Exercise Price of each warrant is $1.04, adjusted down for the aggregate amount per Share of any cash dividends declared on the shares with a record date during the period commencing on the date of allotment of the warrants and ending on the last Business Day before the final Exercise Price is announced by Marlin

» The Exercise Date for the Marlin warrants is 16 May **2025**

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 a 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.

marlin
growing globally

Marlin Global Limited
Private Bag 93502, Takapuna, Auckland 0740
Phone: +64 9 484 0365
Email: enquire@marlin.co.nz | www.marlin.co.nz

Computershare Investor Services Limited
Private Bag 92119, Auckland 1142
Phone: +64 9 488 8777
Email: enquiry@computershare.co.nz | www.computershare.com/nz