marlin
growing globally

MONTHLY UPDATE

August 2026

SHARE PRICE	WARRANT PRICE	MLN NAV	DISCOUNT[1]
$0.71	$0.01	$0.82	13.8%

as at 31 July 2026

A WORD FROM THE MANAGER

Marlin's gross performance return for July was +3.1%, while the adjusted NAV return was +2.9%. This compared with our global benchmark, S&P Large Mid Cap/S&P Small Cap Index (50% hedged to NZD), which was down -3.6%. It was pleasing to see a month of strong performance for Marlin, particularly in a volatile market.

Team expansion and portfolio review

In July we strengthened the team managing the Marlin portfolio with the addition of two investment analysts, Daniel Moser and Ashton Olds, who join Chris Waters and Christian McIntyre. We now have four analysts focused on the portfolio, which has allowed us to increase our research coverage and assign sector specialists to key market sectors like Technology, Consumer and Healthcare.

Over the last few months, we have undertaken a comprehensive review of our existing portfolio positions, while identifying a handful of companies that may be attractive additions. As a result, we expect to make several changes in August to further broaden the portfolio's sector and geographic diversification . We will provide an update next month on these changes.

Market Environment

Global equity markets were volatile in July, delivering a modest decline that masked one of the sharpest intra-month rotations seen in years. The S&P 500 ended the month little changed (down around 0.1%), but only after a violent round trip: the Nasdaq fell more than 10% from its early-June high to enter its second correction of the year by late July, before rallying in the final days of the month on standout earnings from Microsoft and Amazon.

Semiconductor stocks bore the brunt of the sell-off, with the Philadelphia Semiconductor Index (SOX) falling around 20% in July. TSMC's sharply higher capital spending guidance, Samsung and SK Hynix's own capex plans, and reports of progress on Chinese domestic lithography tools all raised questions about the risks a surge in chip supply could create. Marlin's avoidance of selected cyclical semiconductor stocks, like SK Hynix (-32%) and Micron (-31%) helped relative performance during the month.

Middle East tensions also resurfaced, with a fragile US-Iran ceasefire breaking down and renewed attacks around the Strait of Hormuz driving Brent crude up by around 24% over the month, peaking near US$100 a barrel – a reversal of the de-escalation seen in June. Meanwhile, the US Federal Reserve, under new Chair Kevin Warsh, left interest rates unchanged at its July meeting, but the market's reaction was unusually negative, with the 10-year Treasury yield rising to its highest level since January 2025 amid concerns that policymakers are falling behind on inflation.

Portfolio

The Marlin Portfolio significantly outperformed its benchmark in July. The single biggest driver was our long-standing underweight to semiconductors: after detracting from relative performance for much of the past year as the sector rallied strongly, this positioning proved highly beneficial as the SOX recorded its worst month since 2008.

Strong stock selection amongst our largest holdings, particularly Microsoft and Dexcom, provided a further meaningful contribution.

Microsoft (+25% in local currency) was our largest contributor, driven by a strong fiscal fourth-quarter result that addressed concerns around its AI investment cycle. Azure growth accelerated to 43%, ahead of expectations, with management forecasting approximately 45% growth for the September quarter and further acceleration thereafter. Unchanged capital-spending guidance provided encouraging evidence of improving returns on AI investment, while Microsoft 365 Copilot surpassed 30 million paid seats with accelerating additions. The Microsoft result, as well as Amazon (discussed below), reinforced our view that the hyperscale cloud players remain one of the best ways to invest in the AI thematic, without some of the risks we see with investing in more commoditised parts of the semiconductor sector.

Dexcom (+24%) rebounded strongly following another quarter of improved execution. US revenue grew 11%, international sales exceeded expectations, and the company continued to gain share from Abbott across both markets. Operating margin was approximately 300 basis points ahead of expectations, supported by manufacturing improvements and the more efficient 15-day sensor. Management raised the midpoint of full-year revenue guidance and lifted its margin outlook, and a positive clinical trial result in the non-insulin-treated Type 2 diabetes population further strengthened the case for the multi-year expansion of the addressable continuous glucose monitoring market.

Amazon (+14%) rose after AWS cloud growth accelerated to 37% – its fastest pace in eighteen quarters – with AWS operating income reaching US$16.6 billion. Amazon's own AI and semiconductor businesses have each surpassed a US$25 billion annualised revenue run-rate, further evidence that AI investment is translating into demand. Third-quarter operating income guidance of US$22.5–26.5 billion, well ahead of the prior year, reinforced confidence despite a near-term swing to negative free cash flow as infrastructure investment continues to ramp.

ASML (-18%) was our largest detractor, despite a strong second-quarter result in which revenue of €9.33 billion beat expectations and full-year guidance was raised to €43–45 billion. The shares fell sharply late in the month on reports that China has begun manufacturing its own immersion-DUV lithography tools domestically. They have only built a handful of machines so far, well behind ASML's technology, but enough to unsettle investors about the durability of ASML's China franchise. We think the market's reaction has been overdone given the small scale of the near-term threat, but it added to a broader de-rating across the semiconductor complex during the month.

[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).

TSMC (-15%) fell even as it reported a record quarter, with profit up 77% to a new high, comfortably ahead of expectations and driven by continued AI-processor demand. The share price weakness instead, reflected profit-taking across crowded semiconductor positions and renewed investor scrutiny of the AI infrastructure spending cycle, compounded late in the month by concerns around cheaper Chinese AI models and China's progress in domestic chip-making equipment.

The common thread across many of July's market moves was a reassessment of the AI investment cycle. Investors increasingly distinguished between companies where heavy investment is translating into accelerating revenue growth, such as Microsoft and Amazon, and those where the returns on rising capital intensity remain less visible. We view this as greater selectivity within the AI theme, rather than a wholesale rejection of its long-term growth potential.

July's recovery in quality stocks, and de-rating of the market's most crowded areas, is consistent with the broadening in market leadership for which we have been positioning. While one month does not establish a lasting trend, we believe the disconnect between our portfolio companies' underlying fundamentals and their relative valuations remains significant, creating attractive opportunities for patient, long-term investors.

New portfolio additions/ exits

We did not add or exit any new stocks during the month.

Ashley Gardyne
Senior Portfolio Manager
Fisher Funds Management Limited

KEY DETAILS

as at 31 July 2026

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	$0.85
PERFORMANCE FEE CAP	1.25%
SHARES ON ISSUE	231m
MARKET CAPITALISATION	$163m
GEARING	None (maximum permitted 20% of gross asset value)

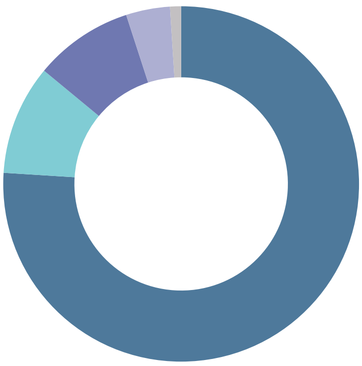
SECTOR SPLIT

as at 31 July 2026

Information Technology	26%
Consumer Discretionary	21%
Health Care	19%
Financials	14%
Communication Services	11%
Industrials	7%
Cash & Derivatives	2%

GEOGRAPHICAL SPLIT

as at 31 July 2026



North America	76%
Asia Pacific	10%
Western Europe	9%
South & Central America	4%
Central Asia	1%

JULY'S SIGNIFICANT RETURNS IMPACTING THE PORTFOLIO during the month in local currency

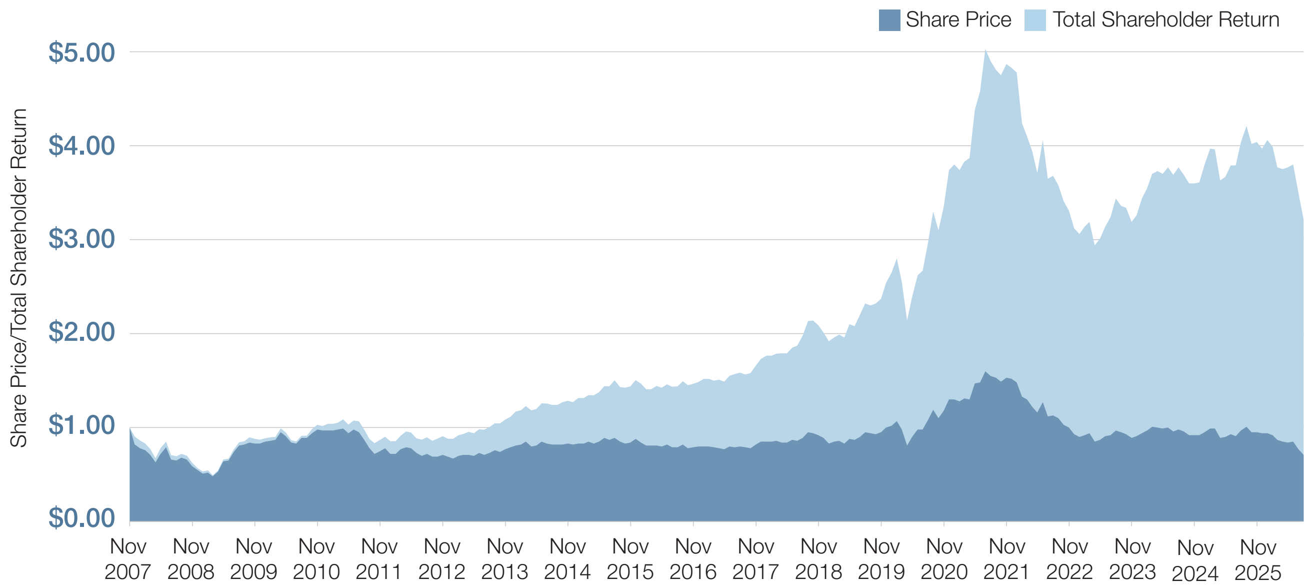
MICROSOFT	DEXCOM	GREGGS	SALESFORCE	ASML
+25%	+24%	+18%	+17%	-18%

5 LARGEST PORTFOLIO POSITIONS as at 31 July 2026

MICROSOFT	AMAZON	MASTERCARD	META PLATFORMS	TENCENT
8%	7%	6%	5%	5%

The remaining portfolio is made up of another 26 stocks and cash.

TOTAL SHAREHOLDER RETURN to 31 July 2026



PERFORMANCE to 31 July 2026

	1 Month	3 Months	1 Year	3 Years (annualised)	5 Years (annualised)
Company Performance					
Total Shareholder Return	(8.3%)	(14.8%)	(20.6%)	(2.2%)	(8.1%)
Adjusted NAV Return	+2.9%	+0.5%	(5.8%)	+3.1%	(1.1%)
Portfolio Performance					
Gross Performance Return	+3.1%	+1.1%	(3.6%)	+5.7%	+1.1%
Benchmark Index^	(3.6%)	+3.2%	+22.3%	+17.1%	+10.9%

^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. Ashley Gardyne (Senior Portfolio Manager), Chris Waters (Senior Investment Analyst), and Christian McIntyre, Daniel Moser and Ashton Olds (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 Fiona Oliver (Chair), David McClatchy, Dan Coman and Simon Flood.

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 16 February 2026
- The warrant term offer document was sent to all Marlin shareholders in late February 2026
- Warrants were allotted to all eligible Marlin shareholders on 23 April 2026
- The new warrants (MLNWH) commenced trading on the NZX Main Board from 24 April 2026
- The Exercise Price of each warrant is $0.87, 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 23 April **2027**

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