

Investment Update and Net Tangible Assets

Net Tangible Assets (NTA) per share

NTA before tax*	\$1.1298
NTA after tax	\$1.1190

* The Company made no tax payments during August.

\$ denotes Australian dollar.

August review

In aggregate, global share markets were again firmer in August, with the MSCI All Country World Index rising 0.8% in US\$ terms. The key driver behind continuing global share market strength however, remains the performance of US share markets, and in particular, the now very large tech stocks which have come to characterise this bull market. The S&P500 rose by 3.3% during the month, once again setting a new all-time high. More noteworthy was the performance of the NASDAQ, a US tech stock heavy share market index, which rose by 5.9%.

In contrast to the strength seen in US share markets, European and emerging markets recorded noticeable falls. In July, financial markets dramatically lost confidence in the state of Turkey's financial position and the economic policies of its government. The Turkish Lira has fallen by 42% since the beginning of July, while there have been substantial falls in the value of both Turkish equities and bonds. By August, these market stresses had spilt beyond Turkey, becoming a broader repricing of emerging markets risk. During the month the MSCI Emerging Markets Equity Index fell by 2.7% in US\$ terms, with a 4.7% fall in China particularly noticeable. The Chinese share market has now fallen by 15.3% this calendar year. The fall out was not limited to share markets, with most emerging market currencies recording substantial declines as well, notably the Brazilian Real and South African Rand, which fell by 7.3% and 10.8% respectively.

While it requires drawing a long bow to tie the misfortunes of Turkey to the economic prospects of Australia, the Australian currency has always been heavily tied to emerging market fortunes, due to Australia's large trade surplus with China. In tandem with the moves discussed above, the Australian dollar fell by 3.3% against the US\$ over the month.

During August one of our larger investments, Carador Income Fund, announced that it would be bringing forward proposals to liquidate the company and return capital back to shareholders. Our initial investment thesis in this company was predicated on this being a possible outcome, and since the announcement we have added significantly to our position at what we believe to be a very compelling level. The fund also opened four new trades during the month, in names that we plan to continue building stakes in for the foreseeable future.

Pleasingly, the manager has now substantially invested all the new capital raised during April and May. At the end August GVF was 96% invested, taking the fund back to being within its targeted investment range of 95% to 105% invested.

The investment portfolio increased in value by 2.3% during August. The fund's discount capture strategy added 0.3% to returns during the month, while the fall in the Australian dollar over the month added 2.0% to performance. The remaining attribution of returns are accounted for by positive underlying market movements and operating costs.

Global Value Fund Limited

ASX Code	GVF
Listed	July 2014
Shares on issue	147M
Share price	\$1.085
Market cap	\$160M
FY19 indicated dividend ¹	6.3 cents
FY19 indicated yield	5.8%
(70% franked)	

Company overview

The Global Value Fund (ASX: GVF) is a listed investment company that provides shareholders with the opportunity to invest globally through a portfolio of securities purchased at a discount to their underlying asset value. By capturing this discount for its investors, the manager aims to provide an alternative source of market outperformance compared to more common stock selection strategies.

It is the Board's intention to pay regular dividends so long as the Company is in a position to do so.

Investment Manager

The portfolio management team is based in London and has considerable experience in finding international assets trading at a discount to their intrinsic value and in identifying, or creating, catalysts to unlock this value.

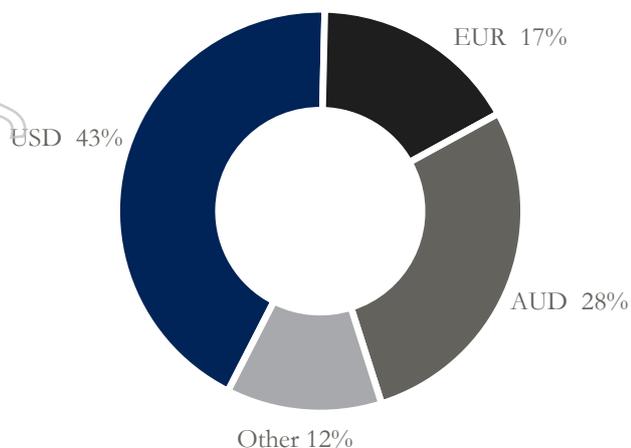
Investment Management

Miles Staude, CFA
Fund Manager, Global Value Fund

Board of Directors

Jonathan Trollip
Chairman
Chris Cuffe
Non-executive Director
Geoff Wilson
Non-executive Director
Miles Staude, CFA
Non-executive Director

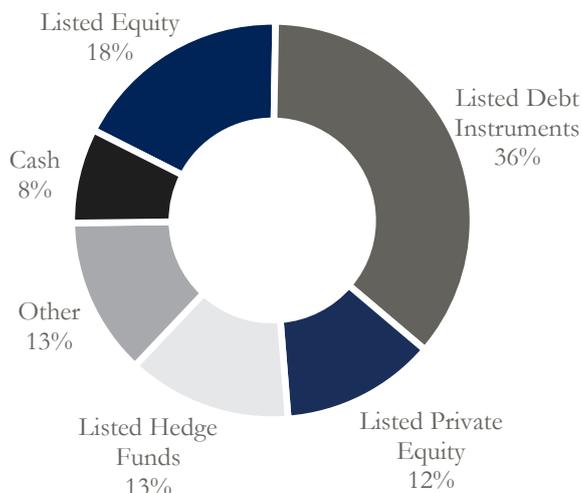
Underlying Currency Exposures



The above chart reflects the manager’s estimate of the currency exposures arising from the portfolio’s underlying investments and cash balances as at 31st August.

Including emerging market currencies that are chiefly pegged to the US\$, the fund’s US\$ exposure is approximately 45%.

Underlying Asset Classes



The above chart reflects the manager’s estimate of the underlying asset classes held through the fund’s portfolio of investments as at 31st August.

Exposure to cash represents both cash balances held by the Company and the underlying cash holdings of the fund’s portfolio of investments.

Top Five Holdings

Holding	% NTA	Summary
Pershing Square Holdings	9.0%	London-listed CEF managed by a well-known investment manager. The position in this concentrated portfolio of large capitalisation US stocks was accumulated at an average discount to NAV of 23%. The underlying investments can be hedged, to reduce exposure to the manager’s performance, at a relatively low cost.
Deutsche Multi-Market Income Trust	6.9%	A New York listed CEF with a diversified corporate bond portfolio, mainly concentrated in the United States. The Fund is in the process of liquidating and expects to return capital to shareholders no later than December 2018. GVF has accumulated its position at an attractive discount to NAV.
Carador Income Fund	6.8%	London-listed CEF that holds a diversified portfolio of equity and mezzanine tranches of CLOs, backed by senior secured leveraged loans. The position has been accumulated at an attractive discount to asset backing and we expect the fund to soon be liquidated, allowing us to unlock the underlying value in our investment.
Third Point Offshore Investors	6.5%	London listed CEF that acts as a feeder fund into a global event-driven, value-oriented hedge fund. The position has been accumulated at an average discount to net asset value of greater than 18%.
Blue Capital Global Reinsurance	6.2%	Bermudan incorporated global reinsurance fund. The fund is in liquidation, with the majority of investor capital expected to be returned in the first half of 2019. The position has been accumulated at an average discount to NAV of 11.5%.

The Board has guided that it anticipates FY19 dividend payments being at least 6.3 cents per share, 70% franked. This guidance is not a formal declaration of dividends for FY19 and actual dividend payments may differ to this amount.

Unless otherwise stated, source for all data is Bloomberg LP and data as at 31st August 2018.

Staude Capital Limited is an appointed representative of Mirabella Advisers LLP, which is authorised and regulated by the Financial Conduct Authority. Mirabella Financial Services LLP is the Investment Manager of the Global Value Fund and has seconded the investment team at Staude Capital to manage the Global Value Fund. This information is not an offer to buy or sell, or solicitation of an offer to buy or sell, any security or investment. Investors should read the Fund prospectus before making a decision to invest.

Past performance is not an indicator of future returns. This document is not suitable for distribution into the EEA.

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