

## Investment Update and Net Tangible Assets

### Net Tangible Assets (NTA) per share

NTA before tax*	\$1.1205
NTA after tax	\$1.1001

\* This is after the deduction of tax payments of \$175k made during November.

\$ denotes Australian dollar.

### November review

Global share markets continued to move higher during November, with the MSCI All Country World Index increasing by 1.9% in US dollar terms during the month. Strong gains were recorded in the US, China and Japan, increasing by 3.1%, 2.4% and 3.3% respectively in local currency terms. These gains were offset to some degree by a modest fall in Europe, with the Euro Stoxx Index falling 2.0% in Euro terms. In Australia, the local equity market rose 1.6%, while in Australian dollar terms, the MSCI All Country World Index increased by 3.3%.

The backdrop of a buoyant global economy continues to be one of the main drivers of global share market strength. During November, US third quarter GDP growth was revised up to 3.3%, ahead of the preliminary estimate of 3% (and original market forecasts of 2.6%), representing the fastest pace of economic expansion in three years. One of the most noteworthy parts of the report was the 10.4% growth rate recorded in business-equipment spending. Recently there have been clear signs that investment growth, i.e. companies investing for the future, has been accelerating, a trend that bodes well for the sustainability of the expansion<sup>1</sup>.

Also in the US, November saw the release of the first details of the proposed changes to the US tax code which Republican lawmakers plan on making a key part of the Trump presidency. If enacted into law the changes, centred around cutting the corporate tax rate from 35% to 20%, would provide a vast fiscal boost to the US economy (arguably at time when such a boost is not needed), adding up to US\$1.5 trillion to the US deficit over the next ten years<sup>2</sup>. While it is easy to get caught up in the political spectacle surrounding the debate over these plans, whether or not the proposals get passed into law will be one of the key market drivers of 2018. After the high-profile failure by the Trump administration to repeal Obamacare, markets continue to discount the ability of the current administration to pass this major part of Trump's economic agenda.

During November, the fund successfully exited two of its largest investments via corporate actions. Neither investment added to returns during the month, as the positive uplifts from each investment had already been received. Together, the two positions represented 12.7% of the fund's NAV.

The investment portfolio increased in value by 1.7% during November. The fund's discount capture strategy did not add or subtract to returns during the month while favourable currency movements added 1.4% to performance. The remaining attribution of returns is accounted for by favourable underlying market movements and operating costs.

A list of the Global Value Fund's current top five holdings is shown on the following page, along with a breakdown of the fund's underlying currency and asset class exposures. The fund was 98.8% invested at the end of November.

### Global Value Fund Limited

ASX Code	GVF
Listed	July 2014
Shares on issue	122M
Share price	\$1.16
Market cap	\$141M
Dividend (50% franked)	3.15 cents
FY2018 indicated yield (50% franked)	5.4%

### 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

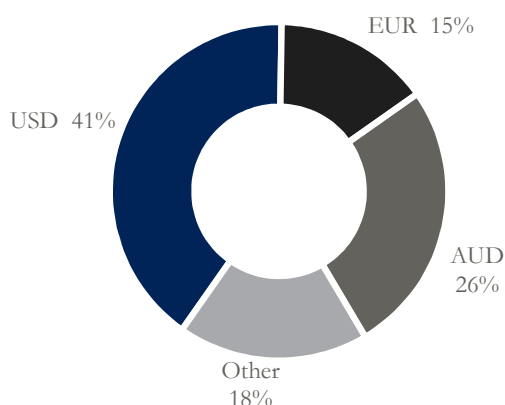
**Miles Staude, CFA**  
Fund Manager, Global Value Fund

### Board of Directors

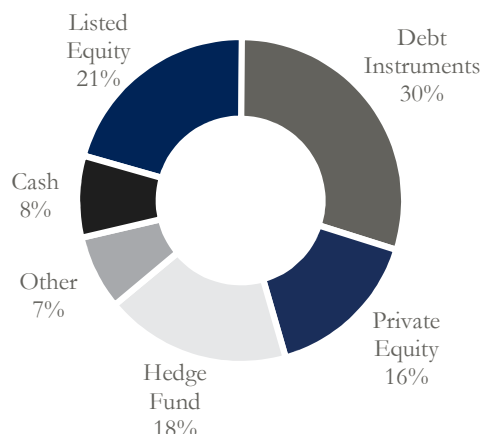
**Jonathan Trollip**  
Chairman  
**Chris Cuffe**  
Non-executive Director  
**Geoff Wilson**  
Non-executive Director  
**Miles Staude, CFA**  
Non-executive Director



## Underlying currency exposures



## Underlying asset classes



The above chart reflects the manager's estimate of the currency exposures arising from the portfolio's underlying investments and cash balances as at 30<sup>th</sup> November.

Including emerging market currencies that are chiefly pegged to the US\$, the fund's US\$ exposure is approximately 47%.

The above chart reflects the manager's estimate of the underlying asset classes held through the fund's portfolio of investments as at 30<sup>th</sup> November.

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
DW Catalyst Fund	9.5%	London listed closed-end fund (CEF) that acts as a feeder fund into a US\$2.3bn multi-strategy credit fund spun out from Brevan Howard. The position has been accumulated at an average discount to net asset value of greater than 10%. In August 2017 shareholders voted to wind up the company and return capital progressively throughout 2018.
Undisclosed	7.7%	The manager does not believe it is in shareholders' interests to disclose this holding at this time.
Third Point Offshore Investors	6.8%	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%.
Deutsche High-Income Opportunities Fund	6.3%	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 in March 2018. GVF has accumulated its position at an attractive discount to NAV.
Carador Income Fund	6.2%	London-listed CEF that holds a diversified portfolio of equity and mezzanine tranches of CLOs, backed by senior secured leveraged loans. We expect to be able to unlock value from this investment via a near-term corporate action.

<sup>1</sup> IMF World Economic Outlook October 2017

<sup>2</sup> Committee for a Responsible Federal Budget – Article from 2<sup>nd</sup> Nov 2017

Unless otherwise stated, source for all data is Bloomberg LP and data as at 30<sup>th</sup> November 2017.

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.