

GLOBAL VALUE FUND LIMITED

ABN 90 168 653 521

**Appendix 4D
Interim Report
for the half-year ended 31 December 2017**

Half-year report

This half-year ended report is for the reporting period from 1 July 2017 to 31 December 2017.

Results for announcement to the market	31 December 2017 \$	up/down	% mov't
Revenue from ordinary activities	7,824,645	down	(43.3%)
Profit from ordinary activities after tax attributable to members	4,079,241	down	(46.6%)

All comparisons are to the half year ended 31 December 2016.

Dividends

The Company declared a final dividend for FY2017 of 3.15 cents per share, 50% franked, which was paid on 3 November 2017. The record date for entitlement to the FY2017 final dividend was 9 October 2017.

Since the end of the half-year, the Company has declared an interim dividend of 3.15 cents per share to be paid on 10 May 2018. The interim dividend will be 50% franked. The record date for entitlement to the interim dividend is 10 April 2018.

Dividend reinvestment plan

The Company's dividend reinvestment plan (DRP) will be in effect for the FY2018 interim dividend payment of 3.15 cents per share, 50% franked.

The DRP has been designed so that participants will always receive the lowest reinvestment price possible, without their reinvestment diluting the post-tax Net Tangible Asset value per share (NTA) of those shareholders who choose not to participate in the plan. When the Company's share price is greater than or equal to its NTA, dividends are paid as newly issued shares in the Company. If on 9 April 2018, the Company's closing share price is greater than its current NTA, shareholders will be issued new shares at the greater of, a 2.5% discount to the volume weighted average share price over the three trading days commencing 9 April 2018, or the 9 April 2018 NTA value of the Company. If the share price for the Company is less than the Company's NTA at this time, cash available for distribution as dividends on shares subject to the DRP will be used to acquire the Company's shares on-market in accordance with the terms set out in the plan.

Shareholders who would like to participate in the DRP can enrol at www.investorserve.com.au. Alternatively, please contact the Company's share registrar, Boardroom, on 1300 737 760. The enrolment deadline for the FY2018 interim dividend is 5:00 pm (AEDT) Wednesday 11 April 2018. Details of the DRP are available on the Company's website at: <http://www.globalvaluefund.com.au/wp-content/uploads/2017/11/GVF-Dividend-Reinvestment-Plan-ASX-Release-Nov-2017.pdf>

Net tangible assets per Share	31 December 2017 \$	31 December 2016 \$
Net tangible asset backing (per share) before tax	1.11	1.13
Net tangible asset backing (per share) after tax	1.09	1.10

Non-renounceable Entitlement Offer and Public Offer of the Shortfall

On 28 February 2018 the Company announced a non-renounceable Entitlement Offer and a Public Offer. The Entitlement Offer comprises the right to subscribe for 1 new share for every 4 existing GVF shares held, as well as a right to apply for additional New Shares to meet the shortfall in applications under the Entitlement Offer (if any). The Public Offer consists of an offer of the shortfall in New Shares not taken up under the Entitlement Offer and the Shortfall Offer. The issue price of each New Share is \$1.10, representing a discount of approximately 2.7% to the 30 day volume weighted average price (VWAP) of the Company's shares traded on the ASX over the 30 trading days up to and including the 27 February 2018. All New Shares issued under the Entitlement Offer and Public offer will be entitled to receive the 3.15 cent per share dividend payable on 10 May 2018. The Entitlement and Shortfall Offer will close 21 March 2018 at 5pm Sydney time. The Public Offer will close 27 March 2018.

December 2017 half-year review and Company outlook

For the half-year ended 31 December 2017, the Company's investment portfolio generated net investment returns of 4.3%^{1,2}, with the fund's discount capture strategy generating a 1.7%² (gross) return over the period. Positive returns from this strategy represent outperformance over the underlying market and currency exposures of the investment portfolio, and the 1.7% return represents a meaningful level of market outperformance over a six-month period.

Portfolio Manager Miles Staude said: "Financial markets in the second half of 2017 were dominated by a significant acceleration in global growth, with global GDP growth rates reaching 3.6%, their fastest pace in five years. On the back of this move, growth sensitive assets classes performed extraordinarily well. Industrial commodities like oil, iron ore and copper increased in value by 39.5%, 27.3% and 22.1% respectively. Equity markets, particularly those in high-growth countries, or dominated by high-growth sectors like technology, also rallied strongly. Emerging market equities rallied by 15.9%, while the tech-stock heavy S&P500 increased by 11.4%. In Australian dollar terms, the MSCI All Country World Index returned 9.3%³.

Just how strongly the technology sector is driving global equity markets now is often underappreciated. Seven of the top ten largest constituents in the MSCI All Country World Index are now tech companies (six incorporated in the USA and one in China), and a simple average weighted basket of these seven stocks would have generated a 21.9%⁴ return in the six-month period ending December 2017. To put those kinds of investment returns into perspective, the 20-year annualised total return for the MSCI All Country World Index is just 6.6%⁴.

To state the obvious, a basket of stocks that can rise by 21.9% in six months can also fall by 21.9% in six months, and at GVF we remain determined to seek a decidedly calmer investment journey through life. The 4.3% net investment return for the period was generated with an average underlying equity market exposure of just 29%, and the 1.7% of gross returns generated from our discount capture strategy represents respectable outperformance over a six-month period. While large parts of the investment community today seem hypnotised by the share price charts of Amazon and Google, we continue to run with low levels of general equity market exposure. As equity markets continue to rally, our focus remains on generating the best risk-adjusted returns we can, seeking to protect shareholder capital from any future market correction."

This report is based on the half-year interim report which has been subject to an independent review by the Auditors, Pitcher Partners. All the documents comprise the information required by Listing Rule 4.2A. This information should be read in conjunction with the 30 June 2017 Annual Financial Report.

¹ Net investment returns are after management fees and trading costs, but before company expenses and tax..

² Source Staude Capital Limited.

³ All returns quoted are total returns, including both price and dividends.

⁴ In US\$ terms.

Global Value Fund Limited

ABN 90 168 653 521

Interim Report for the half-year ended 31 December 2017

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Corporate Directory

Directors

Jonathan Trollip
Chairman & Independent Director

Chris Cuffe, AO
Independent Director

Geoffrey Wilson, AO
Director

Miles Staude
Director

Company Secretary

Mark Licciardo and Adam Sutherland
Mertons Corporate Services Pty Ltd
Level 7, 330 Collins Street
Melbourne Victoria 3000

Investment Manager

Mirabella Financial Services LLP
130 Jermyn Street
London SW1Y 4UR
United Kingdom

Portfolio Manager

Miles Staude
Staude Capital Limited¹
222 Regent Street
London W1B 5TR
United Kingdom
Telephone: (44) 0203 874 2241

Administrator

Citco Fund Services Pty Ltd
45 Clarence Street
Sydney NSW 2000

Auditors

Pitcher Partners
Level 22 MLC Centre
19 Martin Place
Sydney NSW 2000
Telephone: (02) 9221 2099

Registered Office

Global Value Fund
C/- Mertons Corporate Services Pty Ltd
Level 7, 330 Collins Street
Melbourne Victoria 3000
Telephone: (03) 8689 9997

Share Registrar

Boardroom Pty Limited
Level 7, 207 Kent Street
Sydney NSW 2000
Telephone: (02) 9290 9600
Fax: (02) 9279 0664

Stock Exchange

Australian Securities Exchange (ASX)
The home exchange is Sydney
ASX code: GVF

¹ 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 Limited and has seconded the investment team at Staude Capital to manage the Company's portfolio.

Directors' Report

The Directors of Global Value Fund Limited ("the Company") present their report together with the condensed interim financial report of the Company for the half-year ended 31 December 2017.

Global Value Fund Limited is a company limited by shares and is incorporated in Australia.

Directors

The following persons held office as Directors of the Company during the period:

Jonathan Trollip	Chairman & Independent Director
Chris Cuffe	Independent Director
Geoffrey Wilson	Director
Miles Staude	Director

Directors have been in office since the start of the period to the date of this report.

Principal Activity

The Company was established to provide investors with the opportunity to invest in global financial markets through a carefully constructed portfolio of financial assets trading at a discount to their underlying value.

To achieve its objective, the Company has appointed Mirabella Financial Services LLP ("Mirabella") to act as Investment Manager and Mirabella has seconded the investment team at Staude Capital to manage the Company's portfolio. Staude Capital is based in London and its investment team has considerable experience in finding international assets trading at a discount to their intrinsic worth, and in identifying or creating catalysts that will be used to unlock this value.

The portfolio held comprises mainly closed ended funds and equities that are listed on various international exchanges as well as cash deposits denominated in domestic and foreign currencies.

The Company's approach is designed to provide superior risk-adjusted returns compared to more traditional forms of international equity investing.

No change in this activity is anticipated in the future.

Review of Operations

For the half-year ended 31 December 2017, the Company's investment portfolio generated net investment returns of 4.3%², with the fund's discount capture strategy generating a 1.7%² (gross) return over the period. Positive returns from this strategy represent outperformance over the underlying market and currency exposures of the investment portfolio, and the 1.7% return represents a meaningful level of market outperformance over a six-month period.

Investment operations over the half-year ended 31 December 2017 resulted in an operating profit before tax of \$5,357,315 (2016: \$10,830,389) and an operating profit after tax of \$4,079,241 (2016: \$7,632,789).

The net tangible asset backing for each ordinary share at 31 December 2017 after tax amounted to \$1.09 (2016: \$1.10). The net tangible asset backing for each ordinary share at 31 December 2017 before tax amounted to \$1.11 (2016: \$1.13).

Dividend

The Company declared a final dividend for FY2017 of 3.15 cents per share, 50% franked, which was paid on 3 November 2017. The record date for entitlement to the FY2017 final dividend was 9 October 2017.

The Company's dividend reinvestment plan ("DRP") was in effect for the payment of this dividend.

² Net investment returns are after management fees and trading costs, but before company expenses and tax.
Source: Staude Capital Limited.

Change of joint Company Secretary

On 19 December 2017, Mr Adam Sutherland of Mertons Corporate Services Pty Limited ("Mertons") was appointed Joint Company Secretary following the retirement of Mr Christopher Lobb from this position. Mr Mark Licciardo (also of Mertons) remained as a Joint Company Secretary.

Events occurring after the reporting period

Since the end of the half-year, the Company has declared an interim dividend of 3.15 cents per share to be paid on 10 May 2018. The interim dividend will be 50% franked. The record date for entitlement to the interim dividend is 10 April 2018.

The Company's DRP will be in effect for the interim FY2018 dividend payment.

The DRP participation enrolment deadline for the interim dividend is 5.00 pm (AEDT) Wednesday 11 April 2018.

On 28 February 2018 the Company announced a non-renounceable Entitlement Offer and a Public Offer. The Entitlement Offer comprises the right to subscribe for 1 new share for every 4 existing GVF shares held, as well as a right to apply for additional New Shares to meet the shortfall in applications under the Entitlement Offer (if any). The Public Offer consists of an offer of the shortfall in New Shares not taken up under the Entitlement Offer and the Shortfall Offer. The issue price of each New Share is \$1.10, representing a discount of approximately 2.7% to the 30 day volume weighted average price (VWAP) of the Company's shares traded on the ASX over the 30 trading days up to and including the 27 February 2018. All New Shares issued under the Entitlement Offer and Public offer will be entitled to receive the 3.15 cent per share dividend payable on 10 May 2018. The Entitlement and Shortfall Offer will close 21 March 2018 at 5pm Sydney time. The Public Offer will close 27 March 2018.

Other than the above, no other matter or circumstance has occurred subsequent to period end that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial periods.

Rounding of amounts to nearest dollar

In accordance with ASIC Corporations (rounding in Directors' Reports) Instrument 2016/191, the amounts in the Directors' Report have been rounded to the nearest dollar, unless otherwise stated.

Auditor's independence declaration

A copy of the Auditor's independence declaration as required under section 307C of the *Corporations Act 2001* in relation to the review for the half year is set out on page 4 of this financial report.



Jonathan Trollip
Chairman

Sydney
27 February 2018

**Auditor's Independence Declaration
To the Directors of Global Value Fund Limited
ABN 90 168 653 521**

In relation to the independent auditor's review for the half-year ended 31 December 2017, to the best of my knowledge and belief there have been:

- (i) no contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Global Value Fund Limited during the period.



Scott Whiddett
Partner

Pitcher Partners
Sydney

27 February 2018

Global Value Fund Limited
Statement of Profit or Loss and Other Comprehensive Income
For the half-year ended 31 December 2017

Statement of Profit or Loss and Other Comprehensive Income

	Notes	31 December 2017 \$	31 December 2016 \$
Income			
Net realised gains on disposal of investments		1,729,867	7,631,307
Net unrealised gains on market value movement of investments		3,748,914	4,547,412
Net realised gains/ (losses) on foreign exchange movement		79,274	(839,163)
Net unrealised gains on foreign exchange movement		99,036	1,162,866
Interest income received		143,377	58,663
Dividend income received		2,024,177	1,227,250
Total income		7,824,645	13,788,335
Expenses			
Management fees		(993,026)	(820,621)
Performance fees		(259,265)	(1,355,623)
Administration fees		(133,851)	(112,332)
Brokerage expense		(268,988)	(252,353)
Accounting fees		(16,000)	(3,323)
Share registry fees		(36,489)	(39,808)
Dividends paid on borrowed stock		(107,882)	-
Interest expense		(522,073)	(251,710)
Tax fees		(6,600)	-
Directors' fees		(37,500)	(37,500)
Legal fees		(6,820)	(3,750)
Secretarial fees		(17,342)	(17,405)
ASX fees		(33,910)	(28,397)
Audit fees		(17,500)	(12,477)
Other expenses		(10,084)	(22,647)
Total expenses		(2,467,330)	(2,957,946)
Profit before income tax		5,357,315	10,830,389
Income tax expense		(1,278,074)	(3,197,600)
Profit attributable to members of the Company		4,079,241	7,632,789
Other comprehensive income for the period, net of tax		-	-
Total comprehensive income for the period		4,079,241	7,632,789
Earnings per share for profit attributable to the ordinary equity holders of the Company:		Cents	Cents
Basic and diluted earnings per share	7	3.36	7.43

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Global Value Fund Limited
Statement of Financial Position
As at 31 December 2017

Statement of Financial Position

		31 December 2017	30 June 2017
	Notes	\$	\$
Assets			
Cash and cash equivalents		22,614,985	40,601,076
Trade and other receivables		266,068	126,908
Financial assets at fair value through profit or loss	3	116,659,972	97,449,909
Current tax asset		350,348	559,912
Deferred tax asset		629,626	98,085
Total assets		<u>140,520,999</u>	<u>138,835,890</u>
Liabilities			
Trade and other payables		539,643	2,008,105
Financial liabilities at fair value through profit or loss		4,024,045	2,684,611
Deferred tax liabilities		2,565,717	1,450,560
Total liabilities		<u>7,129,405</u>	<u>6,143,276</u>
Net assets		<u>133,391,594</u>	<u>132,692,614</u>
Equity			
Issued capital	5	123,025,699	122,583,961
Profits reserve	6	14,743,895	13,945,930
Accumulated losses	6	(4,378,000)	(3,837,277)
Total equity		<u>133,391,594</u>	<u>132,692,614</u>

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Global Value Fund Limited
Statement of Changes in Equity
For the half-year ended 31 December 2017

Statement of Changes in Equity

	Notes	Contributed equity \$	Profits reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2017		122,583,961	13,945,930	(3,837,277)	132,692,614
Profit for the period		-	-	4,079,241	4,079,241
Other comprehensive income for the period		-	-	-	-
Transfer of profits during the period	6	-	4,619,964	(4,619,964)	-
<u>Transactions with owners:</u>					
Shares issued on dividends reinvested	5	441,738	-	-	441,738
Dividends paid	2	-	(3,821,999)	-	(3,821,999)
Balance at 31 December 2017		123,025,699	14,743,895	(4,378,000)	133,391,594
Balance at 1 July 2016		102,013,197	8,823,596	(2,906,380)	107,930,413
Profit for the period		-	-	7,632,789	7,632,789
Other comprehensive income for the period		-	-	-	-
Transfer of profits during the period		-	7,632,789	(7,632,789)	-
<u>Transactions with owners:</u>					
Shares issued on dividends reinvested	5	297,761	-	-	297,761
Dividends paid	2	-	(3,078,351)	-	(3,078,351)
Balance at 31 December 2016		102,310,958	13,378,034	(2,906,380)	112,782,612

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows

	31 December 2017 \$	31 December 2016 \$
Cash flows from operating activities		
Proceeds from sale of investments	57,987,602	146,912,279
Payment for investments	(70,379,450)	(146,909,899)
Realised foreign exchange gains/ (losses)	79,274	(839,163)
Dividends received	1,906,289	1,238,735
Interest received	136,164	53,178
Interest paid	(473,586)	(236,967)
Management fees paid	(1,159,191)	(818,121)
Performance fees paid	(1,643,821)	-
Income tax paid	(554,109)	(1,229,635)
Payments for other expenses	(604,038)	(704,012)
Net cash (used in) operating activities	(14,704,866)	(2,533,605)
Cash flows from financing activities		
Dividends paid	(3,380,261)	(2,780,590)
Net cash (used in) financing activities	(3,380,261)	(2,780,590)
Net (decrease) in cash and cash equivalents held	(18,085,127)	(5,314,195)
Cash and cash equivalents at the beginning of the financial period	40,601,076	38,426,642
Effects of foreign currency exchange rate changes on cash and cash equivalents	99,036	1,162,866
Cash and cash equivalents at end of period	22,614,985	34,275,313
Non cash financing activities		
Dividends reinvested	441,738	-

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the financial statements

1 Summary of significant accounting policies

These condensed interim financial statements and notes for the half-year represent those of Global Value Fund Limited ("the Company").

The interim financial statements were authorised for issue on 27 February 2018 by the Board of Directors.

Basis of preparation

These condensed interim financial statements for the half-year reporting period ended 31 December 2017 have been prepared in accordance with the *Corporations Act 2001* and Australian Accounting Standard AASB 134 *Interim Financial Reporting*.

These interim financial statements do not include full disclosures of the type normally included in an annual financial report. Accordingly, it is recommended that this report be read in conjunction with the Annual Financial Report of the Company for the year ended 30 June 2017 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements arising under the *Corporations Act 2001*.

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected financial assets and financial liabilities.

In accordance with ASIC Corporations (rounding in Directors' Reports) Instrument 2016/191, the amounts in the Directors' Report have been rounded to the nearest dollar, unless otherwise stated.

There are no new and revised accounting requirements significantly affecting the interim financial statements. The accounting policies have been consistently applied by the Company throughout the reporting period and are consistent with those applied in the 30 June 2017 Annual Financial Report.

2 Dividends

(a) Dividends paid during the period

	2017 \$	2016 \$
Final dividend of 3.15 cents per fully paid ordinary share, 50% franked based on tax paid at 30%. The aggregate amount of the dividend with an ex-date of 6 October 2017 and a record date of 9 October 2017, was paid on 3 November 2017 (2016: 3.0 cents):	<u>3,821,999</u>	<u>3,078,351</u>

(b) Dividends not recognised at the end of the financial period

Since period end, the Directors have declared an interim dividend of 3.15 cents per fully paid ordinary share, 50% franked. The aggregate amount of the dividend with an ex-date of 9 April 2018 and a record date of 10 April 2018, expected to be paid on 10 May 2018 out of the profits reserve at 31 December 2017, but not recognised as a liability at period end, is:	<u>3,834,644</u>	<u>3,241,215</u>
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(c) Dividend reinvestment plan

The Company's dividend reinvestment plan ("DRP") will be in effect for the payment of this FY2018 interim dividend.

The plan has been designed so that DRP participants will always receive the lowest reinvestment price possible, without their reinvestment diluting the Net Tangible Asset value per share (NTA) of those shareholders who choose not to participate in the plan.

When the Company's share price is greater than or equal to its NTA, dividends are paid as newly issued shares in the Company. If on 9 April 2018, the Company's closing share price is greater than its current NTA, shareholders will be issued new shares at the greater of, a 2.5% discount to the volume weighted average share price over the three trading days commencing 9 April 2018, or the 9 April 2018 NTA value of the Company. If the share price is less than the Company's NTA at this time, cash available for distribution as dividends on shares subject to the DRP will be used to acquire the Company's shares on-market in accordance with the terms set out in the plan.

There are no costs to participate in the plan and shareholders can discontinue their participation in the plan at any time.

3 Fair value measurements

The Company measures and recognises its financial assets at fair value through profit or loss ("FVTPL") on a recurring basis.

(a) Fair value hierarchy

AASB 13: Fair Value Measurement requires the disclosure of fair value information using a fair value hierarchy reflecting the significance of the inputs in making the measurements. The fair value hierarchy consists of the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

(i) Recognised fair value measurements

The following table presents the Company's assets and liabilities measured and recognised at fair value at 31 December 2017.

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
At 31 December 2017				
Financial assets at FVTPL				
Australian and overseas listed equity securities	99,503,407	14,757,443	-	114,260,850
Derivative financial instruments ¹	1,205,185	1,193,937	-	2,399,122
Total financial assets	100,708,592	15,951,380	-	116,659,972

¹ The aggregate notional value of all derivatives included in Level 1 of the fair value hierarchy is \$4,520,940.

Financial liabilities at FVTPL

Australian and overseas listed equity securities sold short

Total financial liabilities	4,024,045	-	-	4,024,045
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	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
At 30 June 2017				
Financial assets at FVTPL				
Australian and overseas listed equity securities	91,820,846	3,377,280	-	95,198,126
Derivative financial instruments ²	2,219,790	31,993	-	2,251,783
Total financial assets	94,033,166	3,416,743	-	97,449,909

Financial liabilities at FVTPL

Australian and overseas listed equity securities sold short

Total financial liabilities	2,684,611	-	-	2,684,611
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² The aggregate notional value of all derivatives included in Level 1 of the fair value hierarchy is \$28,000,677.

Included within Level 1 of the hierarchy are listed investments. The fair value of these financial assets has been based on the closing quoted last prices at the end of the reporting period, excluding transaction costs.

The majority of investments included in Level 2 of the hierarchy include amounts due to be received upon the liquidation of closed end funds. As these funds ceased trading prior to the end of the year the valuation technique used to determine value attributed to these investments is, the fair value of all consideration due and payable to the Company by the liquidators of the investee fund, less any discount which the manager believes is appropriate given the circumstances of the investment. All manager priced securities are reviewed on a monthly basis by an appointed pricing committee.

There were no transfers between levels for recurring fair value measurements during the period.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

(ii) Recognised fair value measurements

The carrying amounts of all financial instruments other than those measured at fair value on a recurring basis are considered to represent a reasonable approximation of their fair values.

4 Segment information

The Company has only one reportable segment. The Company is engaged solely in investment activities, deriving revenue from dividend income, interest income and from the sale of its investments.

The Company continues to have foreign exposure as it invests in companies which operate internationally.

5 Issued capital

	31 December 2017		30 June 2017	
	No of shares	\$	No of shares	\$
(a) Share capital				
Ordinary shares	<u>121,734,738</u>	<u>123,025,699</u>	<u>121,333,300</u>	<u>122,583,961</u>

(b) Movements in ordinary share capital

	Number of shares	Issue price	\$
31 December 2017			
Opening balance at 1 July 2017	121,333,300		122,583,961
Shares issued to participants in the dividend reinvestment plan	401,438	\$1.1005	441,738
Closing balance	<u>121,734,738</u>		<u>123,025,699</u>
30 June 2017			
Opening balance at 1 July 2016	102,611,692		102,013,197
Shares issued to participants in the dividend reinvestment plan	284,033	\$1.0484	297,761
Shares issued to participants in the Share Purchase Plan ("SPP")	18,097,363	\$1.10	19,907,682
Shares issued to participants in the dividend reinvestment plan	340,212	\$1.074	365,321
Closing balance	<u>121,333,300</u>		<u>122,583,961</u>

	31 December 2017 \$	30 June 2017 \$
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6 Profits reserve and accumulated losses

(a) Profits reserve

Profits reserve	<u>14,743,895</u>	<u>13,945,930</u>
Movements:		
Opening balance	13,945,930	8,823,596
Transfer of profits during the period	4,619,964	12,011,967
Dividends paid	<u>(3,821,999)</u>	<u>(6,889,633)</u>
Balance as at the end of the period	<u>14,743,895</u>	<u>13,945,930</u>

(b) Accumulated losses

Accumulated losses	<u>(4,378,000)</u>	<u>(3,837,277)</u>
Movements:		
Opening balance	(3,837,277)	(2,906,380)
Net profit for the period	4,079,241	11,081,070
Transfer of profits during the period	<u>(4,619,964)</u>	<u>(12,011,967)</u>
Balance as at the end of the period	<u>(4,378,000)</u>	<u>(3,837,277)</u>

	31 December 2017 \$	31 December 2016 \$
7 Earnings per share		
Profit after income tax used in the calculation of basic and diluted earnings per share	<u>4,079,241</u>	<u>7,632,789</u>
	Cents	Cents
(a) Basic and diluted earnings per share		
Basic and diluted earnings per share attributable to the ordinary equity holders of the Company	<u>3.36</u>	<u>7.43</u>
(c) Weighted average number of shares used as denominator	No. of shares	No. of shares
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings per share	<u>121,459,086</u>	<u>102,697,904</u>

As at the end of the period, there are no outstanding securities that are potentially dilutive in nature for the Company.

8 Contingencies and commitments

The Company had no material contingent liabilities or commitments as at 31 December 2017 (30 June 2017: nil).

9 Events occurring after the reporting period

Since the end of the half-year, the Company has declared an interim dividend of 3.15 cents per share to be paid on 10 May 2018. The interim dividend will be 50% franked. The record date for entitlement to the interim dividend is 10 April 2018.

The Company's DRP will be in effect for the interim FY2018 dividend payment.

The DRP participation enrolment deadline for the interim dividend is 5.00 pm (AEDT) Wednesday 11 April 2018.

On 28 February 2018 the Company announced a non-renounceable Entitlement Offer and a Public Offer. The Entitlement Offer comprises the right to subscribe for 1 new share for every 4 existing GVF shares held, as well as a right to apply for additional New Shares to meet the shortfall in applications under the Entitlement Offer (if any). The Public Offer consists of an offer of the shortfall in New Shares not taken up under the Entitlement Offer and the Shortfall Offer. The issue price of each New Share is \$1.10, representing a discount of approximately 2.7% to the 30 day volume weighted average price (VWAP) of the Company's shares traded on the ASX over the 30 trading days up to and including the 27 February 2018. All New Shares issued under the Entitlement Offer and Public offer will be entitled to receive the 3.15 cent per share dividend payable on 10 May 2018. The Entitlement and Shortfall Offer will close 21 March 2018 at 5pm Sydney time. The Public Offer will close 27 March 2018.

Directors' Declaration

The Directors of Global Value Fund Limited declare that:

- (a) the interim financial statements and notes, as set out on pages 5 to 12 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standard AASB 134 *Interim Financial Reporting*, the *Corporations Regulations 2001* and any other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the Company's financial position as at 31 December 2017 and of its performance for the half-year ended on that date.
- (b) In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Jonathan Trollip
Chairman

Sydney
27 February 2018

**Independent Auditor's Review Report
To the Members of Global Value Fund Limited
ABN: 90 168 653 521**

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report Global Value Fund Limited ("the company"), which comprises the statement of financial position as at 31 December 2017, statement of profit or loss and comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a summary of significant accounting policies, other selected explanatory notes and the directors' declaration of the company.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410: *"Review of a Financial Report Performed by the Independent Auditor of the Entity"*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporation Act 2001* including: giving a true and fair view of the Company's financial position as at 31 December 2017 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: *"Interim Financial Reporting"* and the *Corporations Regulations 2001*. As the auditor of Global Value Fund Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of the half-year financial report consists of making enquiries, primarily of persons responsible for the financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Global Value Fund Limited is not in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the company's financial position as at 31 December 2017 and of its performance for the half-year ended on that date; and
- (ii) complying with Accounting Standard AASB 134: *Interim Financial Reporting* and *Corporations Regulations 2001*.



Scott Whiddett
Partner



Pitcher Partners
Sydney

27 February 2018