

Investment Update and Net Tangible Assets

Net Tangible Assets (NTA) per share

NTA before tax ¹	\$1.1118
NTA after tax ¹	\$1.1036

\$ denotes Australian dollar.

March review

After sharp corrections in February, financial markets were further rattled in March by the rising prospects of a trade war between the worlds' two largest economies, the US and China. The MSCI All Country World Index fell by 2.1% in US\$ terms during the month, with the US and Chinese share markets falling by 2.5% and 2.8% respectively. In Australia, the local equity market fell by 3.8%, while in Australian dollar terms, the MSCI All Country World Index decreased by 0.8%.

In the bond markets, one of the developments that has generated much interest recently has been the compression in the yield spread between near and long-dated US government debt. The spread between the US 2-year yield and the 10-year yield fell to just 0.47% by the end of March, its lowest level since August 2007. Historically, an inversion in the US yield curve (where the market prices near dated debt with a higher yield than long-dated debt) has been a reasonable predictor of US recessions, hence why there has been much commentary about the narrowing of this spread. A more sanguine reading of the spread compression would be that it is being driven by a normalisation of interest rates at the front end of the curve, as the US Fed raises rates, as opposed to a deterioration in the longer-term outlook. It is also worth underscoring that outright inversion remains some way off. In our view, a more noteworthy development has been the inversion in the yield spread between US and Australian government 10-year bonds, with long-term US interest rates now higher than those in Australia. In the past 30 years, long-term US interest rates have only been higher than their equivalent Australian rates once before this recent move, very briefly, in May 1998. For some time now, one the key arguments used to justify continuing Australian dollar strength has been the yield pick-up available from Australian interest rates relative to those in the US. With this yield advantage now gone it will be interesting to see how the currency performs in the medium term.

The investment portfolio was unchanged during March, generating a return of 0.0%, which marks the second consecutive month the fund has remained unaffected by the larger falls occurring in global financial markets. The fund's discount capture strategy detracted 0.4% from returns during March, a result driven predominantly by the widening of the discount on Pershing Square Holdings (PSH) over the month, which ended March at a 24% discount to NAV. We have used this widening to add considerably to the position, which is now one of GVF's largest holdings. PSH has come under concerted shareholder pressure recently, resulting in several key concessions being announced. The Company will soon conduct a tender offer for 8% of its outstanding shares, which we estimate will lift the fund's NAV by c.2%. Further, the Company is putting forward a resolution to remove the previous shareholder ownership restriction limits that have, until now, prevented any one shareholder owning more than 4.99% of the Company. Our thesis in this investment remains that over the medium-term a discount of >20% on a portfolio of large cap S&P stocks remains unsustainable, and the pending removal of ownership limits opens the door to much larger activist investors joining the register. At a 24% discount (with a further c.2% uplift expected via the tender), we believe the current situation provides a highly compelling opportunity for shareholders.

Global Value Fund Limited

ASX Code	GVF
Listed	July 2014
Shares on issue	136M
Share price	\$1.11
Market cap	\$151M
FY18 indicated dividend ^{1,2}	6.3 cents
FY18 indicated yield	5.7%
(50% 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

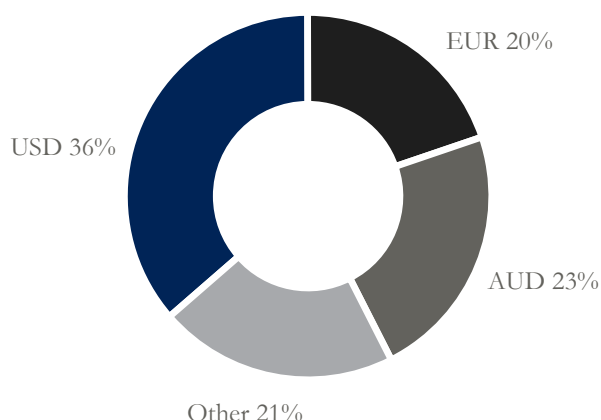
Miles Staude, CFA
Fund Manager, Global Value Fund

Board of Directors

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



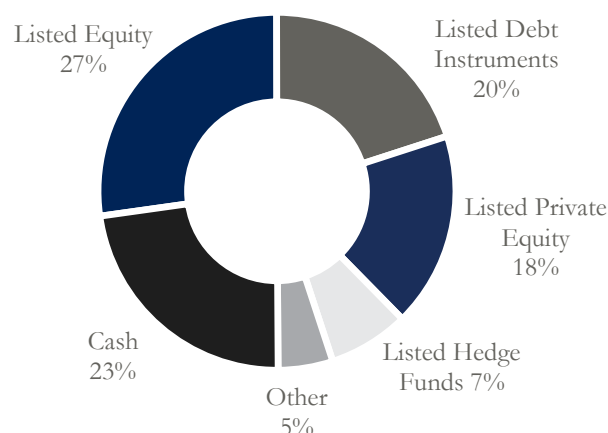
Underlying Currency Exposures



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 March.

Including emerging market currencies that are chiefly pegged to the US\$, the fund's US\$ exposure is approximately 42%.

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 March.

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
Aberdeen Private Equity Fund	6.8%	London-listed closed-end fund (CEF) with a portfolio of direct private equity investments and private equity funds, which was recently acquired at a premium to the market price and close to NAV. GVF built a position at a discount to the acquisition price and expects the vast majority of the investment to be returned in April, providing an attractive rate of return over a short period of time.
Frontier Market Small Cap SICAV	5.2%	An open-ended fund that invests in a diverse portfolio of Eastern European and Russian small capitalisation companies. The position has been acquired at a level which the manager believes offers a highly compelling risk/return profile.
Pacific Alliance China Land Ltd (AIM)	5.2%	London-listed Chinese real-estate CEF in liquidation. All of the Company's real estate assets have been sold and it is now in the process of repatriating its Renminbi cash balances out of China and returning its capital to shareholders. The position has been accumulated at an average discount to NAV of 20.1%.
Pershing Square Holdings	5.2%	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.
Undisclosed		The manager does not believe it is in shareholders' interests to disclose this holding at this time.

¹ GVF traded ex-entitlement to a 3.15 cent dividend, 50% franked, on 9 April 2018.

² The Board has guided that it anticipates FY18 dividend payments being at least 6.3 cents per share, 50% franked. This guidance is not a formal declaration of dividends for FY18 and actual dividend payments may differ to this amount.

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

Staupe 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 Staupe 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.