

## Investment Update and Net Tangible Assets

### Net Tangible Assets (NTA) per share

NTA before tax*	\$1.1047
NTA after tax	\$1.1003

\* This is after the deduction of tax payments of \$691k made during July.

\$ denotes Australian dollar.

### July review

Financial markets recovered their risk appetite during July. Global share markets, as measured by the MSCI All Country World Index, rose by 3.0% in US\$ terms, with the largest contributor to global returns once again being the continuing strength of US share markets. The S&P500 rose by 3.7% during the month, recording a new all-time high in the process. European share markets were also particularly firm, rising by 3.4% over the month, being aided by the announcement in late July that the Trump administration would not follow through on its threats of additional EU tariffs. In Australia, the local equity market rose by 1.4%, while in Australian dollar terms, the MSCI All Country World Index increased by 2.4%.

July was an active month for GVF. The fund exited two of its larger positions in full at very attractive levels. These sales, combined with a number of smaller exits during the month, amounted to 8% of GVF's NAV. More than offsetting these exits, the fund made total new investments of 11% of NAV. In total then, the fund turned over 19% of NAV during the month, an unusually high level of turnover for a single month, but a result that underscores our ability to be light on our feet as and when opportunities present themselves.

One notable addition during the month was that GVF greatly increased its holding in Blue Capital Global Reinsurance Fund (BCAI). We detailed in our May monthly report our involvement with BCAI. This fund has now gone into liquidation and has delisted from the LSE. In the run-up to its delisting, GVF was able to add substantially to its holding at very attractive discount levels. We expect to receive all our invested capital back within twelve months, over which time we will have received both the underlying reinsurance returns from BCAI's investments, and the uplift apparent from unlocking the value presented by the discount.

The investment portfolio increased in value by 0.8% during July. The fund's discount capture strategy added 0.8% to returns during the month, while the rise in the Australian dollar over the month detracted 0.3% from performance. The remaining attribution of returns are accounted for by positive 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 90% invested at the end of July.

#### Global Value Fund Limited

ASX Code	GVF
Listed	July 2014
Shares on issue	147M
Share price	\$1.09
Market cap	\$161M
FY18 indicated dividend <sup>1</sup>	6.3 cents
FY18 indicated yield	5.8%
(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

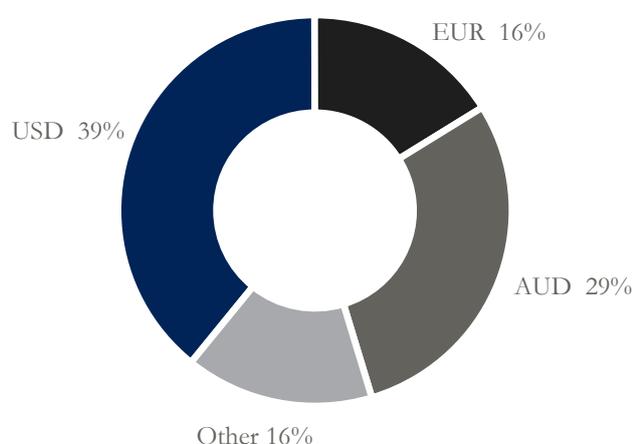
**Miles Staude, CFA**  
 Fund Manager, Global Value Fund

#### Board of Directors

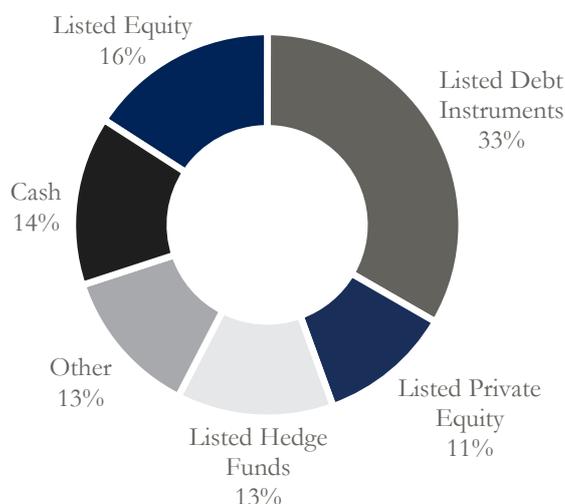
**Jonathan Trollip**  
 Chairman  
**Chris Cuffe**  
 Non-executive Director  
**Geoff Wilson**  
 Non-executive Director  
**Miles Staude, CFA**  
 Non-executive Director



## Underlying Currency Exposures



## 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 31<sup>st</sup> July.

Including emerging market currencies that are chiefly pegged to the US\$, the fund's US\$ exposure is approximately 44%.

The above chart reflects the manager's estimate of the underlying asset classes held through the fund's portfolio of investments as at 31<sup>st</sup> July.

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	8.2%	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.
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%.
Deutsche Multi-Market Income Trust	6.2%	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.
Blue Capital Global Reinsurance	6.1%	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%.
MVC Capital	4.4%	US-listed Business Development Company (a form of CEF) investing in the debt and equity of mid-cap private companies, with shareholders becoming increasingly vocal about the long-standing discount.

<sup>1</sup> 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 31<sup>st</sup> July 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. This document is not suitable for distribution into the EEA.**

**Global Value Fund Limited** c/o Mertons Corporate Services Pty Ltd Level 7 330 Collins Street Melbourne Victoria 3000 ACN: 168 653 521 Telephone +61 3 8689 9997 [www.globalvaluefund.com.au](http://www.globalvaluefund.com.au)

**Share Registrar** Boardroom Pty Ltd Telephone 1300 737 760 [enquiries@boardroomlimited.com.au](mailto:enquiries@boardroomlimited.com.au)

**Investor Relations** [ir@globalvaluefund.com.au](mailto:ir@globalvaluefund.com.au)