

## Investment Update and Net Tangible Assets

### Net Tangible Assets (NTA) per share

NTA before tax*	\$1.0928
NTA after tax	\$1.0836

\* The Company made no tax payments during September.

\$ denotes Australian dollar.

### September review

Financial markets were relatively quiet during September. Global share markets, as measured by the MSCI All Country World Index, increased by 0.4% during the month in US\$ terms, or fell by 0.2% if measured in A\$ terms. US equities continued their outperformance over global shares markets, rising by 0.6%, while Japanese equities recorded the most noteworthy move during the month, increasing by 6.2%.

Reflecting the continuing strength of the US economy, the US Federal Reserve raised interest rates by 0.25% during September, their third interest rate rise this year. The strength of the US economy and its capital markets relative to the rest of the world has been one of the most powerful themes for markets this year. Year-to-date, US share markets have returned 10.6%, considerably outperforming global share markets, which have risen by 3.8%, and Chinese shares markets, which have fallen by 12.4%. The large differential in the equity market returns of the US and China is particularly noteworthy in the context of the escalating trade tensions between the two countries. The Trump administration, perhaps sensing that its unconventional approach to addressing Chinese trade practices is working, announced it would impose tariffs on a further US\$200Bn of Chinese imports during the month.

GVF entered one new trade during September, acquiring a large stake in a fund that will soon enter liquidation. We exited one of our smaller holdings at an attractive level and recorded a notable uplift on another via a corporate action that allowed us to realise the majority of our investment above its carrying value. These gains were more than offset however, by modest discount widening on several other holdings. We remain confident in the ultimate catalysts for these investments and will use any sustained pull back in their prices to add to our positions.

For some time now GVF has run with a relatively low underlying exposure to global equity markets. While we do not pretend to be able to predict the future direction of financial markets, after a nine-year uninterrupted equity bull market our conviction that compelling risk-adjusted returns can be readily found in share markets today is low. Moreover, we believe the success of our strategy turns on our ability to unlock value from a broad range of different asset classes, and we continue to find a range of exciting opportunities for the fund that should have a low correlation to broader share market returns. At the end of September, GVF's see through equity market exposure was 24%, one of the lowest levels of equity market exposure we have had since launch.

The investment portfolio decreased in value by 0.5% during September. The fund's discount capture strategy detracted 0.3% from returns during the month, while adverse currency movements reduced returns by a further 0.3%. The remaining attribution of returns are accounted for by positive returns from the fund's underlying market exposures and the Company's 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 103.7% invested at the end of September.

#### Global Value Fund Limited

ASX Code	GVF
Listed	July 2014
Shares on issue	147M
Share price	\$1.085
Market cap	\$160M
FY19 indicated dividend <sup>1</sup>	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

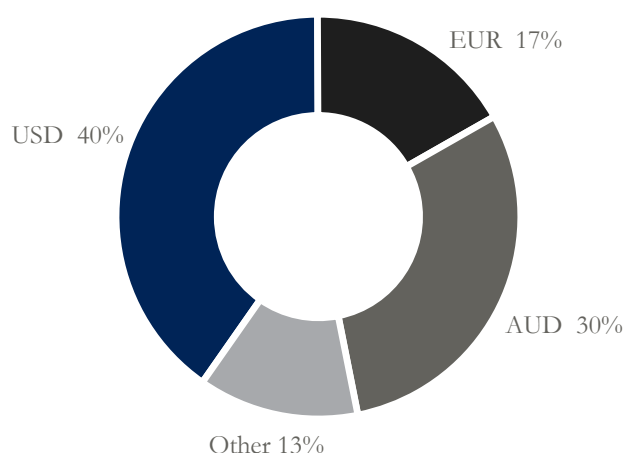
**Miles Staude, CFA**  
Fund Manager, Global Value Fund

#### Board of Directors

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



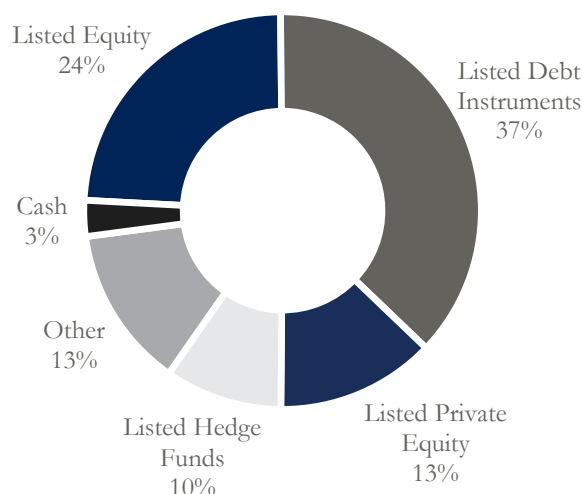
## Underlying Currency Exposures



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

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 30<sup>th</sup> September.

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	9.2%	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.
Deutsche Multi-Market Income Trust	7.4%	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	6.9%	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	6.6%	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	6.5%	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%.

<sup>1</sup> 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 30<sup>th</sup> September 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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