

**GLOBAL VALUE FUND LIMITED**

**ABN 90 168 653 521**

**Appendix 4D  
Interim Report  
for the half-year ended 31 December 2016**

## Half-year report

This half-year ended report is for the reporting period from 1 July 2016 to 31 December 2016.

Results for announcement to the market	31 December 2016 \$	up/down	% mov't
Revenue from ordinary activities	13,788,335	up	354.9%
Profit from ordinary activities after tax attributable to members	7,632,789	up	471.8%

*All comparisons are to the half year ended 31 December 2015.*

## Dividends

The Company declared a fully-franked final dividend of 3.0 cents per share that was paid on 4 November 2016.

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 2017. The interim dividend will be 50% franked. The record date for entitlement to the interim dividend is 10 April 2017.

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

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 the share price for the Company is less than the Company's NTA, 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.

Net tangible assets per Share	31 December 2016 \$	31 December 2015 \$
Net tangible asset backing (per share) before tax	1.13	1.15
Net tangible asset backing (per share) after tax	1.10	1.11

## Change in Investment Manager

On 27 October 2016 the Company announced changes to the investment management arrangements. Miles Staude and investment personnel at Metage Capital Limited ("Metage") previously responsible for the investment management of the Company have established a new London based investment firm, Staude Capital Limited ("Staude Capital"). Staude Capital has in turn appointed Mirabella Financial Services ("Mirabella") to act as its regulatory host. A regulatory host provides its clients with a platform from which they can undertake regulated activities with the appropriate permissions from the UK's Financial Conduct Authority, without needing to be directly authorised in their own right. In tandem with these changes, the Directors executed a new investment management agreement with Mirabella, pursuant to which the Company's investment portfolio continues to be managed by Miles Staude and his team with an unchanged investment mandate. The new management agreement with Mirabella is on substantially the same terms as the previous agreement with Metage, has the same expiry date and there is no change to the quantum of management fees payable by the Company. The new arrangements took effect on 4 November 2016.

## Share Purchase Plan

On 13 February 2017 the Company announced a Share Purchase Plan (SPP) to existing GVF shareholders at the fixed price of \$1.10 per share. Shareholders on the Company's register at 7.00pm on 10 February 2017 will be entitled to participate in the SPP. The offer will close on 10 March 2017. Shareholders will be offered the opportunity to acquire parcels of shares to the value of \$1,000, \$2,500, \$5,000, \$7,500, \$10,000, \$12,500 or \$15,000.

### December 2016 half-year review and Company outlook

For the half-year ended 31 December 2016, the Company's investment portfolio returned 10.3%<sup>1</sup> after all fees and expenses, significantly outperforming the Company's reference index return of 5.4%<sup>2</sup>.

Portfolio Manager Miles Staude said: "The December half of 2016 proved to be the best half-year performance for the fund's discount capture strategy since the Company's IPO. The 9.2%<sup>1</sup> gross return generated by our investment strategy represents substantial outperformance over a six-month measurement period, and is a result that the team is very proud of. In the final months of 2016 global equity markets rallied substantially, driven by a sharp upward revision to US growth expectations following the election of Donald Trump. Against the backdrop of strong general equity market returns, the fund's outperformance over this period runs the risk of being overshadowed somewhat. However, it is important to highlight that GVF generated the returns that it did during the December half running with an average underlying equity market exposure of just 36%. Looking ahead, the fund continues to run with low levels of general equity market risk, and as of recently, a reduction in its foreign currency risk. As equity markets continue to rally, our focus remains on generating the best risk-adjusted returns we can, while seeking to protect shareholder capital from any 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 2016 Annual Financial Report.*

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<sup>1</sup> Source: Staude Capital Limited.

<sup>2</sup> The Company's reference index is calculated using a weighting of 50% to the MSCI All Country World Index in Australian dollar terms, and 50% to Australian cash interest rates. Australian cash interest rates are derived from monthly swap rates.

# **Global Value Fund Limited**

ABN 90 168 653 521

## **Interim Report for the half-year ended 31 December 2016**

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**Corporate Directory**

**Directors**

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

**Company Secretary**

Mark Licciardo and Chris Lobb  
Mertons Corporate Services Pty Limited  
Level 7, 330 Collins Street  
Melbourne Victoria 3000

**Investment Manager**

Mirabella Financial Services LLP  
Norfolk House  
31 St James Square  
London SW1Y 4JJ  
United Kingdom

**Registered Office**

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

**Auditor**

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

**Share Register**

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 Ordinary Shares

## **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 2016.

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 appointed an investment manager, Metage Capital Limited ("the Manager"), who specializes in buying assets trading at a discount to their intrinsic value, and through the use of proprietary systems and strategies, in unlocking the discount present at the time of purchase. There was a change in the investment Manager from 4 November 2016 (see below for more details).

The portfolio held comprises mainly equities and closed ended funds 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.

### **Change in Investment Manager**

On 27 October 2016 the Company announced changes to the investment management arrangements. Miles Staude and the investment personnel at Metage previously responsible for the management of the Company established a new London based investment firm, Staude Capital Limited ("Staude Capital"). Staude Capital in turn appointed Mirabella Financial Services ("Mirabella") to act as its regulatory host. A regulatory host provides its clients with a platform from which they can undertake regulated activities with the appropriate permission from the UK's Financial Conduct Authority without needing to be directly authorised in their own right. In tandem with these changes, the Directors executed a new investment management agreement with Mirabella, pursuant to which the Company's investment portfolio continues to be managed by Miles Staude and his team with an unchanged investment mandate. The new management agreement is on substantially the same terms as the previous agreement with Metage and has the same expiry date and there is no change to the quantum of management fees payable by the Company. The new arrangements took effect on 4 November 2016.

### **Appointment of Joint Company Secretary**

Mr Chris Lobb of Mertons Corporate Services was appointed joint Company Secretary of the Company on 3 October 2016.

### **Review of Operations**

For the half-year ended 31 December 2016, the Company's investment portfolio returned 10.3% after all fees and expenses, significantly outperforming the Company's reference index return of 5.4%<sup>1</sup>. Over this same period of time the ASX 200 accumulation total return index returned 10.6% while the MSCI All Country World Index measured in Australian dollar terms returned 10.0%.

Investment operations over the half-year ended 31 December 2016 resulted in an operating profit before tax of \$10,830,389 (2015: \$1,840,908) and an operating profit after tax of \$7,632,789 (2015: \$1,334,848).

The net tangible asset backing for each ordinary share at 31 December 2016 after tax amounted to \$1.10 (2015: \$1.11). The net tangible asset backing for each ordinary share at 31 December 2016 before tax amounted to \$1.13 (2015: \$1.15).

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<sup>1</sup> The Company's reference index is calculated using a weighting of 50% to the MSCI All Country World Index in Australian dollar terms, and 50% to Australian cash interest rates. Australian cash interest rates are derived from monthly swap rates.

## **Dividend**

The Company declared a fully-franked FY2016 final dividend of 3.0 cents per share that was paid on 4 November 2016.

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

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 the share price for the Company is less than the Company's NTA, 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.

## **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 2017. The interim dividend will be 50% franked. The record date for entitlement to the interim dividend is 10 April 2017.

The Company's DRP will be in effect for the interim FY2017 dividend payment.

The Company has also announced a Share Purchase Plan ("SPP") to existing shareholders at the fixed price of \$1.10 per share. Shareholders on the Company's register at 7.00pm on 10 February 2017 will be entitled to participate in the SPP. The offer will close on 10 March 2017. Shareholders will be offered the opportunity to acquire parcels of shares to the value of \$1,000, \$2,500, \$5,000, \$7,500, \$10,000, \$12,500 or \$15,000.

Other than the dividend declared and the announcement of the SPP, 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 years.

## **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.

## **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  
22 February 2017



**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 2016, 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

22 February 2017

**Global Value Fund Limited**  
**Statement of Profit or Loss and Other Comprehensive Income**  
**For the half-year ended 31 December 2016**

**Statement of Profit or Loss and Other Comprehensive Income**

	Notes	31 December 2016 \$	31 December 2015 \$
<b>Income</b>			
Net realised gains on disposal of investments		7,631,307	5,450,826
Net unrealised gains/ (losses) on market value movement of investments		4,547,412	(4,039,273)
Net realised (losses)/ gains on foreign exchange movement		(839,163)	1,094,532
Net unrealised gains/ (losses) on foreign exchange movement		1,162,866	(393,728)
Interest income received		58,663	14,203
Dividend income received		1,227,250	904,866
<b>Total income</b>		<b>13,788,335</b>	<b>3,031,426</b>
<b>Expenses</b>			
Management fees		(820,621)	(584,928)
Performance fees		(1,355,623)	-
Administration fees		(112,332)	(80,286)
Brokerage expense		(252,353)	(140,505)
Accounting fees		(3,323)	(13,000)
Share registry fees		(39,808)	(34,412)
Interest expense		(251,710)	(184,415)
Directors' fees		(37,500)	(37,500)
Legal fees		(3,750)	(12,232)
Secretarial fees		(17,405)	(16,872)
ASX fees		(28,397)	(24,449)
Audit fees		(12,477)	(23,230)
Other expenses		(22,647)	(38,689)
<b>Total expenses</b>		<b>(2,957,946)</b>	<b>(1,190,518)</b>
<b>Profit before income tax</b>		<b>10,830,389</b>	<b>1,840,908</b>
Income tax expense		(3,197,600)	(506,060)
<b>Profit attributable to members of the Company</b>		<b>7,632,789</b>	<b>1,334,848</b>
Other comprehensive income for the period, net of tax		-	-
<b>Total comprehensive income for the period</b>		<b>7,632,789</b>	<b>1,334,848</b>
<b>Earnings per share for profit attributable to the ordinary equity holders of the Company:</b>		<b>Cents</b>	<b>Cents</b>
Basic earnings per share	7	7.43	1.93
Diluted earnings per share	7	7.43	1.88

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 2016**

**Statement of Financial Position**

	Notes	31 December 2016 \$	30 June 2016 \$
<b>Assets</b>			
Cash and cash equivalents		34,275,313	38,426,642
Trade and other receivables		430,373	258,198
Financial assets at fair value through profit or loss	<b>3</b>	83,274,603	71,042,097
Deferred tax asset		<u>93,351</u>	<u>138,040</u>
<b>Total assets</b>		<b><u>118,073,640</u></b>	<b><u>109,864,977</u></b>
<b>Liabilities</b>			
Trade and other payables		1,651,017	312,385
Current tax liability		1,605,041	1,229,635
Deferred tax liabilities		<u>2,034,970</u>	<u>392,544</u>
<b>Total liabilities</b>		<b><u>5,291,028</u></b>	<b><u>1,934,564</u></b>
<b>Net assets</b>		<b><u>112,782,612</u></b>	<b><u>107,930,413</u></b>
<b>Equity</b>			
Issued capital	<b>5</b>	102,310,958	102,013,197
Profits reserve	<b>6</b>	13,378,034	8,823,596
Accumulated losses	<b>6</b>	<u>(2,906,380)</u>	<u>(2,906,380)</u>
<b>Total equity</b>		<b><u>112,782,612</u></b>	<b><u>107,930,413</u></b>

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

Statement of Changes in Equity

	Notes	Contributed equity \$	Profits reserve \$	Accumulated losses \$	Total equity \$
<b>Balance at 1 July 2016</b>		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	6	-	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)
<b>Balance at 31 December 2016</b>		<b>102,310,958</b>	<b>13,378,034</b>	<b>(2,906,380)</b>	<b>112,782,612</b>
<b>Balance at 1 July 2015</b>		65,019,778	9,098,078	(559,179)	73,558,677
Profit for the period		-	-	1,334,848	1,334,848
Other comprehensive income for the period		-	-	-	-
Transfer of profits during the period	6	-	2,642,735	(2,642,735)	-
<u>Transactions with owners:</u>					
Shares issued on options exercised	5	7,338,228	-	-	7,338,228
Dividends paid		-	(1,454,805)	-	(1,454,805)
<b>Balance at 31 December 2015</b>		<b>72,358,006</b>	<b>10,286,008</b>	<b>(1,867,066)</b>	<b>80,776,948</b>

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

**Statement of Cash Flows**

	<b>31 December 2016 \$</b>	<b>31 December 2015 \$</b>
<b>Cash flows from operating activities</b>		
Proceeds from sale of investments	146,912,279	35,553,983
Payment for investments	(146,909,899)	(38,256,951)
Realised foreign exchange (losses)/ gains	(839,163)	1,094,532
Dividends received	1,238,735	657,833
Interest received	53,178	10,778
Interest paid	(236,967)	(211,011)
Management fees paid	(818,121)	(575,774)
Performance fees paid	-	(1,498,987)
Income tax paid	(1,229,635)	-
Payments for other expenses	(704,012)	(483,837)
<b>Net cash (used in) operating activities</b>	<b><u>(2,533,605)</u></b>	<b><u>(3,709,434)</u></b>
<b>Cash flows from financing activities</b>		
Shares issued on options exercised	-	7,338,228
Dividends paid	(2,780,590)	(1,454,805)
<b>Net cash (used in)/ provided by financing activities</b>	<b><u>(2,780,590)</u></b>	<b><u>5,883,423</u></b>
<b>Net (decrease)/ increase in cash and cash equivalents held</b>	<b>(5,314,195)</b>	<b>2,173,989</b>
Cash and cash equivalents at the beginning of the financial period	38,426,642	26,928,474
Effects of foreign currency exchange rate changes on cash and cash equivalents	1,162,866	(393,728)
<b>Cash and cash equivalents at end of period</b>	<b><u>34,275,313</u></b>	<b><u>28,708,735</u></b>

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 22 February 2017 by the Board of Directors.

**Basis of preparation**

These condensed interim financial statements for the half-year reporting period ended 31 December 2016 have been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standard AASB 134 *Interim Financial Reporting*, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

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 2016 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.

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 2016 Annual Financial Report.

**2 Dividends**

**(a) Dividends paid during the period**

	2016 \$	2015 \$
Final dividend of 3.0 cents per fully paid ordinary share, fully franked based on tax paid at 30%. The aggregate amount of the dividend with an ex date of 6 October 2016 and a record date of 7 October 2016, was paid on 4 November 2016 (2015: 2.0 cents):	<u>3,078,351</u>	<u>1,454,805</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 7 April 2017 and a record date of 10 April 2017, expected to be paid on 10 May 2017 out of the profits reserve at 31 December 2016, but not recognised as a liability at period end, is:	<u>3,241,215</u>	<u>2,188,695</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 FY2017 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. The Company's closing share price of \$1.16 on 10 February 2017 was above its current NTA. If this situation remains on 7 April 2017, participating 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 from the ex-date, or the 7 April 2017 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 2016.

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>At 31 December 2016</b>				
<b>Financial assets at FVTPL</b>				
Australian and overseas listed equity securities	74,070,075	7,973,560	-	82,043,635
Derivative financial instruments <sup>1</sup>	1,230,968	-	-	1,230,968
<b>Total financial assets</b>	<b>75,301,043</b>	<b>7,973,560</b>	<b>-</b>	<b>83,274,603</b>

<sup>1</sup> The aggregate notional value of all derivatives included in Level 1 of the fair value hierarchy is \$22,947,182. The notional value represents the face amount of the underlying instrument referenced in the contract and is the amount at risk.

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>At 30 June 2016</b>				
<b>Financial assets at FVTPL</b>				
Australian and overseas listed equity securities	65,265,034	3,304,209	-	68,569,243
Derivative financial instruments <sup>1</sup>	2,472,854	-	-	2,472,854
<b>Total financial assets</b>	<b>67,737,887</b>	<b>3,304,209</b>	<b>-</b>	<b>71,042,097</b>

<sup>1</sup> The aggregate notional value of all derivatives included in Level 1 of the fair value hierarchy is \$48,150,415. The notional value represents the face amount of the underlying instrument referenced in the contract and is the amount at risk.

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.

Included within Level 2 of the hierarchy are financial assets that are not traded in an active market. The fair value of these financial assets has been based on the use of recent arm's length market transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models of any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

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 2016		30 June 2016	
	No of shares	\$	No of shares	\$
<b>(a) Share capital</b>				
Ordinary shares	<u>102,895,725</u>	<u>102,310,958</u>	<u>102,611,692</u>	<u>102,013,197</u>

**(b) Movements in ordinary share capital**

	Number of shares	Issue price	\$
<b>31 December 2016</b>			
Opening balance	102,611,692		102,013,197
Shares issued to participants in the dividend reinvestment plan	<u>284,033</u>	<u>\$1.05</u>	<u>297,761</u>
<b>Closing balance</b>	<u><b>102,895,725</b></u>		<u><b>102,310,958</b></u>
<b>30 June 2016</b>			
Opening balance	65,618,263		65,019,778
Options exercised for \$1.00 per share	36,993,419	\$1.00	36,993,419
Shares issued to satisfy rounding of shares allocated to participants in the dividend reinvestment plan	<u>10</u>		<u>-</u>
<b>Closing balance</b>	<u>102,611,692</u>		<u>102,013,197</u>

	31 December 2016	30 June 2016
	\$	\$

**6 Profits reserve and accumulated losses**

**(a) Profits reserve**

Profits reserve	<u>13,378,034</u>	<u>8,823,596</u>
<b>Movements:</b>		
Opening balance	8,823,596	9,098,078
Transfer of profits during the period	7,632,789	4,258,673
Dividends paid	<u>(3,078,351)</u>	<u>(4,533,155)</u>
Balance as at the end of the period	<u><b>13,378,034</b></u>	<u><b>8,823,596</b></u>

**(b) Accumulated losses**

Accumulated losses	<u>(2,906,380)</u>	<u>(2,906,380)</u>
<b>Movements:</b>		
Opening balance	(2,906,380)	(559,179)
Net profit for the period	7,632,789	1,911,472
Transfer of profits during the period	<u>(7,632,789)</u>	<u>(4,258,673)</u>
Balance as at the end of the period	<u><b>(2,906,380)</b></u>	<u><b>(2,906,380)</b></u>



	31 December 2016 \$	31 December 2015 \$
<b>7 Earnings per share</b>		
Profit after income tax used in the calculation of earnings per share	<u>7,632,789</u>	<u>1,344,848</u>
	Cents	Cents
<b>(a) Basic earnings per share</b>		
Basic earnings per share attributable to the ordinary equity holders of the Company	<u>7.43</u>	<u>1.93</u>
<b>(b) Diluted earnings per share</b>		
Diluted earnings per share attributable to the ordinary equity holders of the Company	<u>7.43</u>	<u>1.88</u>
<b>(c) Weighted average number of shares used as denominator</b>	No. of shares	No. of shares
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	<u>102,697,904</u>	<u>69,240,446</u>
Weighted average number of ordinary shares used as the denominator in calculating diluted earnings per share	<u>102,697,904</u>	<u>70,876,612</u>
<u>Reconciliation of weighted average number of shares:</u>		
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	<u>102,697,904</u>	<u>69,240,446</u>
Weighted average number of potential ordinary shares used in the Calculation of diluted earnings per share	-	1,636,166
Weighted average number of ordinary shares used as the denominator in calculating diluted earnings per share	<u>102,697,904</u>	<u>70,876,612</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 2016 (30 June 2016: 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 2017. The interim dividend will be 50% franked. The record date for entitlement to the interim dividend is 10 April 2017.

The Company's DRP will be in effect for the interim FY2017 dividend payment.

The Company has also announced a Share Purchase Plan ("SPP") to existing shareholders at the fixed price of \$1.10 per share. Shareholders on the Company's register at 7.00pm (Sydney time) on 10 February 2017 will be entitled to participate in the SPP. The offer will close on 10 March 2017. Shareholders will be offered the opportunity to acquire parcels of shares to the value of \$1,000, \$2,500, \$5,000, \$7,500, \$10,000, \$12,500 or \$15,000.

Other than the dividend declared and announcement of a share purchase plan, 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 years.

**Directors' Declaration**

The Directors 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 2016 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 Directors.

A handwritten signature in dark ink, appearing to read 'Jonathan Trollip', with a long horizontal flourish extending to the right.

Jonathan Trollip  
Chairman

Sydney  
22 February 2017

**INDEPENDENT AUDITOR'S REVIEW REPORT  
TO THE 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 2016, 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 2016 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.

**INDEPENDENT AUDITOR'S REVIEW REPORT  
TO THE GLOBAL VALUE FUND LIMITED  
ABN: 90 168 653 521**

**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 2016 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

22 February 2017



PITCHER PARTNERS  
Sydney