

Global Value Fund Limited

A.C.N. 168 653 521

Annual Report

for the period ended 30 June 2014

GLOBAL VALUE FUND LIMITED

A.C.N. 168 653 521

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GLOBAL VALUE FUND LIMITED

A.C.N. 168 653 521

Company Particulars:

As at the date this report was approved Global Value Fund Limited is a Listed Investment Company and is a reporting entity.

Directors:	Jonathan Trollip	Chairman & Non-Executive Director
	Chris Cuffe	Non-Executive Director
	Geoff Wilson	Non-Executive Director
	Miles Staude	Non-Executive Director

Secretary: Mark Licciardo

Investment Manager: Metage Capital Limited
2nd Floor, 210 High Holborn
London WC1V 7EU
United Kingdom

Auditors: Moore Stephens Sydney

Country of Incorporation: Australia

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

Company Website: Website: www.globalvaluefund.com.au

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

For enquiries relating to shareholdings, dividends (including participation in the Dividend Reinvestment Plan) and related matters, please contact the share registrar.

Australian Securities Exchange: Global Value Fund Ordinary Shares (GVF)
Global Value Fund Options (GVFO)

GLOBAL VALUE FUND LIMITED

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DIRECTORS' REPORT TO SHAREHOLDERS FOR THE PERIOD ENDED 30 JUNE 2014

The Directors present their report together with the financial report of Global Value Fund Limited ('the Company') for the financial period ended 30 June 2014.

The Directors Report and the financial report of Global Value Fund Limited cover the period from incorporation, being 20 March 2014 to 30 June 2014. The Company had no operations during this period.

Principal Activity

The Company has been established with a view 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. The Manager specialises in buying discounted assets and in employing proprietary systems and strategies designed to capture the intrinsic value of its investments.

This proposition gives investors the opportunity to invest in an actively managed portfolio that does not attempt to replicate standard financial indices. Rather, the Company's approach is designed to seek 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.

Operating and Financial Review

The Company was incorporated on 20 March 2014 and did not conduct any operations for the period ended 30 June 2014. For further information please refer to the events subsequent to reporting date disclosures at Note 10.

Financial Position

The net asset value of the Company for the period ended 30 June 2014 was \$1.

Significant changes in State of Affairs

There was no significant change in the state of affairs of the Company during the period ended 30 June 2014.

Dividends Paid or Recommended

There have been no dividends paid by the Company during the period.

Directors

The following persons were Directors of the Company during the whole of the financial period and up to the date of this report:

Jonathan Trollip	Chairman & Non-Executive Director
Chris Cuffe	Non-Executive Director
Geoff Wilson	Non-Executive Director
Miles Staude	Non-Executive Director

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DIRECTORS' REPORT TO SHAREHOLDERS FOR THE PERIOD ENDED 30 JUNE 2014

Information on Directors

Jonathan Trollip (Chairman & Non-Executive)

Experience and expertise

Jonathan Trollip has over 30 years of legal and commercial experience in the international financial sector. He is currently a principal and Director of Sydney-based finance group Meridian International Capital Limited with whom he has worked for the past 20 years. Jonathan is Chairman of ASX-listed Future Generation Investment Fund Limited and holds a number of private company non-executive directorships in the commercial and not-for-profit sectors.

Prior roles include acting as a partner at law firm Herbert Smith Freehills and working as a lawyer with Freshfields in London. Jonathan has a Bachelor of Arts degree in Economics from the University of Cape Town, post graduate degrees in economics and law from the University of Cape Town and the University of London (London School of Economics) and is a Fellow of the Australian Institute of Company Directors.

Interests in shares of the Company

Details of Jonathan Trollip's interests in the Company are included in the Remuneration Report below.

Interests in contracts

Details of Jonathan Trollip's interests in contracts of the Company are included in the Remuneration Report below.

Chris Cuffe (Non-Executive)

Experience and expertise

Chris has more than 25 years of experience in building successful wealth management practices. Most notably he joined Colonial First State in 1988 and became its CEO two years later, leading the company from a start-up operation to Australia's largest investment manager.

In 2003 Chris became the CEO of Challenger Financial Services Group Limited and subsequently headed up Challenger's Wealth Management business. Chris is now involved in a portfolio of activities including a number of directorships, managing public and private investments and in various roles assisting the non-profit sector. He is Chairman of UniSuper (the \$40 billion superannuation scheme servicing the staff of universities and related institutions across Australia), a Non-Executive Director of Fitzpatrick Private Wealth (a national advisory and wealth management firm) and a founder/producer of online weekly financial newsletter Cuffelinks.

Chris holds a Bachelor of Commerce from the University of NSW and a Diploma from the Securities Institute of Australia. He is a Fellow of the Institute of Chartered Accountants in Australia, a Fellow of the Institute of Company Directors and an Associate of the Financial Services Institute of Australasia. In October 2007 Chris was inducted into the Australian Fund Manager's RBS Hall of Fame for services to the investment industry.

Interests in shares of the Company

Details of Chris Cuffe's interests in the Company are included in the Remuneration Report below.

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DIRECTORS' REPORT TO SHAREHOLDERS FOR THE PERIOD ENDED 30 JUNE 2014

Information on Directors (Continued)

Interests in contracts

Details of Chris Cuffe's interests in contracts of the Company are included in the Remuneration Report below.

Geoff Wilson (Non-Executive)

Experience and expertise

Geoff Wilson has had 34 years experience in the Australian and international securities industry. He holds a Bachelor of Science Degree and a Graduate Management Qualification. He is also a Fellow of the Institute of Company Directors and a Fellow of the Securities Institute of Australia.

Geoff Wilson is currently Chairman of WAM Research Limited (appointed June 2003), WAM Capital Limited (March 1999), WAM Active Limited (July 2007) and Australian Stockbrokers Foundation. He is a Director of the Future Generation Investment Fund (appointed July 2014), Australian Leaders Fund Limited (appointed October 2003), Clime Capital Limited (appointed November 2003), Century Australia Investments Limited (appointed September 2014), Incubator Capital Limited (appointed February 2000), the Sporting Chance Cancer Foundation, the Australian Fund Managers Foundation, the Odyssey House McGrath Foundation, the Australian Children's Music Foundation and he is a Member of the Second Bite NSW Advisory Committee. He is also a Director of investment management companies Wilson Asset Management (International) Pty Limited and MAM Pty Limited.

Interests in shares of the Company

Details of Geoffrey Wilson's interests in the Company are included in the Remuneration Report below.

Interests in contracts

Details of Geoffrey Wilson's interests in contracts of the Company are included in the Remuneration Report below.

Miles Staude (Non-Executive)

Experience and expertise

Miles has 14 years' experience in investment management and research covering equity, commodity and currency markets. He has been employed by the Manager for 7 years where he is responsible for closed-end fund and equity trading and is primarily involved in event-driven and activist investments for the firm. Prior to joining the Manager, Miles spent 5 years as a sell-side analyst at RBC Capital Markets based in both Sydney and London. He holds an Economics degree from Sydney University and is a CFA Charterholder.

Interests in shares of the Company

Details of Miles Staude's interests in the Company are included in the Remuneration Report below.

Interests in contracts

Details of Miles Staude's interests in contracts of the Company are included in the Remuneration Report below.

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DIRECTORS' REPORT TO SHAREHOLDERS FOR THE PERIOD ENDED 30 JUNE 2014

Company Secretary

Mark Licciardo B Bus(Acc), GradDip CSP, FGIA, FCIS, GAICD (Company Secretary)

Experience and special responsibilities

Mr Licciardo is Managing Director of Mertons Corporate Services Pty Ltd (Mertons) which provides company secretarial and corporate governance consulting services to ASX listed and unlisted public and private companies. Prior to establishing Mertons, Mr Licciardo was Company Secretary of the Transurban Group (2004-07) and Australian Foundation Investment Company Limited (1997-04). Mark has also had an extensive commercial banking career with the Commonwealth Bank and State Bank Victoria. Mr Licciardo is a former Chairman of the Governance Institute Australia (GIA) in Victoria, current Chairman of the Melbourne Fringe Festival, a fellow of GIA, a graduate member of the Australian Institute of Company Directors (AICD) and a Director of several public and private companies.

Remuneration Report (Audited)

This report details the nature and amount of remuneration for each Director of Global Value Fund Limited.

a) Remuneration of Directors

All Directors of Global Value Fund are non-executive Directors. The Board from time to time determines remuneration of Directors within the maximum amount approved by the shareholders at the Annual General Meeting. Directors are not entitled to any other remuneration.

Fees and payments to Directors reflect the demands that are made on them and their responsibilities. The performance of Directors will be reviewed annually. The Board determines the remuneration levels and ensures they are competitively set to attract and retain appropriately qualified and experienced Directors.

The maximum total remuneration of the Directors of the Company has been set at \$90,000 per annum. Directors do not receive bonuses nor are they issued options on securities as part of their remuneration. Directors' fees cover all main Board activities and membership of committees.

The Directors received no remuneration in respect of the period ended 30 June 2014.

Directors' remuneration is not directly linked to the Company's performance.

b) Director Related Entities Remuneration

All transactions with related entities are made on normal commercial terms and conditions.

Miles Staude, a Director of the Company, is also an employee of the Manager, Metage Capital Limited. The associated fees payable to the Manager are listed below:

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DIRECTORS' REPORT TO SHAREHOLDERS FOR THE PERIOD ENDED 30 JUNE 2014

Remuneration Report (Audited) (Continued)

b) Director Related Entities Remuneration (Continued)

Management fee

In its capacity as Manager, the Manager is entitled to receive a management fee of 0.125% per month (plus GST) (representing an annualised fee of 1.5% per annum (plus GST)) of the net value of the Portfolio. The Management Fee is calculated monthly and payable monthly in arrears.

Performance Fee

In further consideration for the performance of its duties as manager of the Portfolio, the Manager may be entitled to be paid a performance fee (Performance Fee) equal to 15% of any portfolio out performance in excess of a hurdle return being 4% above the 1 year swap rate. Full details of the terms of the performance fee calculation are disclosed in Note 9 to these accounts.

Assignment fee

By an assignment deed dated 16 May 2014, the Manager has assigned all right, title and interest to receive 25% of all management and performance fees payable under the Management Agreement to Boutique Investment Management Pty Limited (BIM), an entity associated with Geoff Wilson.

The Company has acknowledged this assignment and undertaken to the Manager and BIM to pay this amount at the same time as the balance of the management fee and performance fee are payable to the Manager. The Company owes no other obligations to BIM.

The Manager has undertaken to BIM not to terminate or amend the terms of the Management Agreement or waive any of its rights under the Management Agreement without the prior written consent of BIM.

c) Contracts

Other than as stated above, no Director has received or become entitled to receive, a benefit by reason of a contract made by the Company or a related Company with the Director or with a firm of which they are a member or with a Company in which they have substantial financial interest since the inception of the Company.

d) Remuneration of Executives

The Company has no direct employees or paid executives. Metage Capital Limited, the investment manager of the Company is remunerated as outlined above.

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DIRECTORS' REPORT TO SHAREHOLDERS FOR THE PERIOD ENDED 30 JUNE 2014

Remuneration Report (Audited) (Continued)

e) Equity Instruments Disclosures of Directors and Related Parties

As at the date of this report, the Company's Directors and their related parties held the following interests in the Company:

Directors	Ordinary Shares	Options
Jonathan Trollip	200,000	200,000
Chris Cuffe	100,000	100,000
G.J. Wilson	1,000,001	1,000,000
Miles Staude	-	-

Directors and Director related entities acquired ordinary shares and options in the Company on the same terms and conditions available to other shareholders.

Metage Capital Limited, the Investment Manager, subscribed directly for 1,000,000 Shares and 1,000,000 Options under the Initial Public Offering but has disposed of all of its Options since the end of the financial period.

The Directors have not, during or since the end financial period, been granted options over unissued shares or interests in shares of the Company as part of their remuneration.

END OF REMUNERATION REPORT

Directors' Meetings

Director	No. eligible to attend	Attended
Jonathan Trollip	1	1
Chris Cuffe	1	1
G.J. Wilson	1	1
Miles Staude	1	1

After Balance Date Events

Subsequent to the end of the reporting period the Company concluded and closed an Initial Public Offering (IPO) of its shares which it had opened for subscriptions on 2nd June 2014.

Full details of the IPO and the shares subscribed are detailed in Note 10.

Future Developments

The Company will pursue investment activities – primarily investing in listed equities – to achieve the Company's stated objectives.

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DIRECTORS' REPORT TO SHAREHOLDERS FOR THE PERIOD ENDED 30 JUNE 2014

Future Developments (Continued)

The Company's future performance is dependent on the performance of the Company's investments. In turn, the performance of these investments is impacted by company-specific factors and prevailing industry conditions. In addition, a range of external factors including economic growth rates, interest rates, exchange rates and macro-economic conditions impact the overall equity market and these investments.

Environmental Issues

The Company's operations are not regulated by any environmental regulation under a law of the Commonwealth or of a State or Territory.

Indemnification and Insurance of Officers or Auditors

During the financial period the Company entered into a contract insuring the Directors of the Company against liability incurred as such by a Director to the extent permitted by the Corporations Act 2001. The Company paid the premium for this contract after the reporting date.

No indemnities have been given or insurance premiums paid during or since the end of the financial period, for any person who is or has been an auditor of the Company.

Proceedings on behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the period.

Annual General Meeting

At every Annual General Meeting one third of the Directors must retire from office and be eligible for re-election. Any Director appointed by the Board holds office only until the end of the next following general meeting and is eligible for re-election at that meeting. At the Annual General Meeting (AGM) to be held on 28 November 2014 Miles Staude will retire from office in accordance with the Company's constitution and being eligible seeks election by shareholders at this AGM. His biographical details are set out on page 5.

Board's Policy on Dealing in Shares

The Board has established a Share Trading Policy to apply to trading in the Company's shares on the ASX. Subject to them not being in possession of undisclosed price sensitive information, Directors may deal in shares of the Company in accordance with the Share Trading Policy and with due regard to the Company's Insider Trading Policy. As Global Value Fund Limited is an investment company announcing its estimated NTA's and Investments Update on a monthly basis, the Board believes the shareholders are generally fully informed.

GLOBAL VALUE FUND LIMITED
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**DIRECTORS' REPORT TO SHAREHOLDERS
FOR THE PERIOD ENDED 30 JUNE 2014**

Independent Professional Advice and Access to Company Information

Each Director has the right to access all relevant information and subject to prior consultation with the Chairman, may seek independent professional advice at the entity's expense. A copy of advice received by the Director is made available to all other members of the Board.

Conflict of Interest

In accordance with the Corporations Act 2001, the Directors must keep the Board advised, on an ongoing basis, of any interests that could potentially conflict with those of the Company. Where the Board believes that a significant conflict exists the conflicted Director will not receive the relevant Board papers and will not attend meetings at which the relevant matter is considered.

Non-Audit Services

During the period Moore Stephens Sydney, the Company's auditor, did not perform any other services in addition to their statutory duties for the Company. Moore Stephens Sydney Corporate Finance Pty Limited, a related party of the Company's auditor, performed other assurance services for the Company. Details of the amounts paid to the auditors and their related parties are disclosed in Note 2 to the financial statements.

The Board of Directors is satisfied that the provision of other assurance services during the period is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the services disclosed in Note 2 did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the Board prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditory independence in accordance with the APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 11 of this Annual Report.

Signed in accordance with a resolution of the Board of Directors.



Jonathan Trollip, Chairman

Dated in Sydney this Monday, 29 September 2014

Level 15, 135 King Street
Sydney NSW 2000

GPO Box 473
Sydney, NSW 2001

T +61 (0)2 8236 7700

F +61 (0)2 9233 4636

www.moorestephens.com.au

Auditor's Independence Declaration to the Directors of Global Value Fund Limited

As lead auditor for the audit of Global Value Fund Limited for the period ended 30 June 2014, I declare that to the best of my knowledge and belief, there have been:

- a. no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b. no contraventions of any applicable code of professional conduct in relation to the audit.

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



Moore Stephens Sydney
Chartered Accountants



Scott Whiddett
Partner

Dated in Sydney, 29 September 2014

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CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Global Value Fund Limited ('GVF' or 'the Company') is responsible for corporate governance. The Board has chosen to prepare the Corporate Governance Statement ("CGS") in accordance with the third edition of the ASX Corporate Governance Council's Principles and Recommendations under which the CGS may be made available on a Company's website.

Accordingly, a copy of the Company's CGS is available on the Company's website at www.globalvaluefund.com.au under the Publications section.

GLOBAL VALUE FUND LIMITED
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STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2014

	2014
	\$
Total income	-
Total expenses	-
	<hr/>
Profit before income tax	-
Income tax expense	-
	<hr/>
Profit attributable to members of the Company	-
	<hr/> <hr/>
Other comprehensive income	
Other comprehensive income for the period, net of tax	-
Total comprehensive income for the period	-
	<hr/> <hr/>
Basic earnings per share	-
Diluted earnings per share	-
	<hr/> <hr/>

The accompanying notes form part of these financial statements.

GLOBAL VALUE FUND LIMITED

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STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2014

	Note	2014 \$
Assets		
Cash and cash equivalents	4	<u>1</u>
Total Assets		<u>1</u>
Liabilities		
Accrued Expenses	10	<u>-</u>
Total Liabilities		<u>-</u>
Net Assets		<u><u>1</u></u>
Equity		
Issued capital	3	<u>1</u>
Total Equity		<u><u>1</u></u>

The accompanying notes form part of these financial statements.

GLOBAL VALUE FUND LIMITED
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STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2014

	Note	Issued capital	Total equity
		\$	\$
Balance at 20 March 2014		-	-
Profit for the period		-	-
Other comprehensive income for the period		-	-
Shares issued on incorporation date	3	<u>1</u>	<u>1</u>
Balance at 30 June 2014		<u>1</u>	<u>1</u>

The accompanying notes form part of these financial statements.

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STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2014

	Note	2014 \$
Cash flows from operating activities		
Net cash provided by/(used in) operating activities		<u>-</u>
Cash flows from investing activities		
Net cash provided by/(used in) investing activities		<u>-</u>
Cash flows from financing activities		
Proceeds from share issue		<u>1</u>
Net cash provided by financing activities		<u>1</u>
Net increase in cash and cash equivalents held		1
Cash and cash equivalents at beginning of financial period		<u>-</u>
Cash and cash equivalents at end of financial period	4	<u>1</u>

The accompanying notes form part of these financial statements.

GLOBAL VALUE FUND LIMITED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2014

1. Summary of significant accounting policies

Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial report was authorised for issue on Monday, 29 September 2014 by the Board of Directors.

Global Value Fund Limited is a listed public company, incorporated and domiciled in Australia. It was incorporated on 20 March 2014.

Australian Accounting Standards set out accounting policies that the Australian Accounting Standards Board has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures the financial statements and notes also comply with International Financial Reporting Standards (IFRS) as issued by the IASB. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs.

a) Cash and cash equivalents

Cash and cash equivalents include cash on hand.

b) Critical accounting estimates and judgements

There are no estimates or judgements that have a material impact on the financial results of the Company for the period ended 30 June 2014.

2. Auditor's remuneration

Remuneration of the auditor of the Company for:

	2014
	\$
Auditing the financial report	3,850
Other services provided by a related practice of the auditor:	
- Other assurance – Initial Public Offering	38,288
	<hr/>
	42,138

For the period ended 30 June 2014, there were no expenses paid by the Company for audit services. The above remuneration was incurred after balance date. Please refer to Note 10 for further details.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2014

2. Auditor's remuneration (Continued)

The Company's Board oversees the relationship with the Company's external auditors. The Board reviews the scope of the audit and review and the proposed fee. It also reviews the cost and scope of other audit related services provided by a related entity of the audit firm, to ensure that they do not compromise independence.

3. Issued capital

Paid-up capital

	2014 \$
1 ordinary share fully paid	<u>1</u>

Holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at shareholder meetings; otherwise each member present at a meeting or by proxy has one vote on a show of hands. In the event of the winding up of the Company, ordinary shareholders rank after creditors and share in any proceeds on winding up in proportion to the number of shares held.

4. Cash and cash equivalents

Cash at the end of the financial period as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

Cash at bank and on hand	<u>1</u>
--------------------------	----------

As at 30 June 2014, there was \$1 of cash on hand in relation to the initial subscriber share on the Company's incorporation.

5. Expenses

As at 30 June 2014, the Company had committed to certain expenditure in relation to the Initial Public Offering it was undertaking at the time. The expenses have not been recognised in these financial statements on the basis that they were fully underwritten by Boutique Investment Management Pty Limited ("BIM") in the event that the Company did not complete the issue of the shares under the prospectus dated 16 May 2014 (the "Prospectus") within three months of the date of the Prospectus. As the Shares were issued BIM was not liable and the costs were incurred by the Company subsequent to the end of the reporting period. Please refer to Note 10 for further details.

6. Segment reporting

The Company currently operates only in the investment industry. It has no reportable business or geographic segments.

7. Contingencies and Commitments

As at 30 June 2014, the Company was undergoing an Initial Public Offering on the Australian Securities Exchange. Please refer to Note 10 for further details.

GLOBAL VALUE FUND LIMITED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2014

8. Key management personnel compensation

The names and positions held by the Company's key management personnel (including Directors) in office at any time during the financial period are:

Jonathan Trollip	Chairman & Non-Executive Director
Chris Cuffe	Non-Executive Director
Geoff Wilson	Non-Executive Director
Miles Staude	Non-Executive Director

a) Remuneration

The Company has no direct employees or paid executives. Metage Capital Limited, the investment manager of the Company is remunerated as outlined in Note 9. No Directors remuneration was accrued or paid in respect of the period ended 30 June 2014.

b) Share and option holdings

At 30 June 2014, the Company's key management personnel and their related parties held the following interests in the Company:

Ordinary Shares held

Directors	Opening Balance	Acquisitions	Disposals	Balance at 30 June 2014
Jonathan Trollip	-	-	-	-
Chris Cuffe	-	-	-	-
Geoff Wilson	-	1	-	1
Miles Staude	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	-	1	-	1

9. Related party transactions

All transactions with related parties were made on normal commercial terms and conditions and at market rates. For the period ended 30 June 2014, there were no related party transactions entered into by the Company.

Miles Staude, a Director of the Company, is also an employee of the Manager, Metage Capital Limited. The associated fees payable to the Manager and other related entities are listed below:

Management fee

In its capacity as Manager, the Manager is entitled to receive a management fee of 0.125% per month (plus GST) (representing an annualised fee of 1.5% per annum (plus GST)) of the net value of the Portfolio. The Management Fee is calculated monthly and payable monthly in arrears.

GLOBAL VALUE FUND LIMITED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2014

9. Related party transactions (Continued)

Performance Fee

In return for the performance of its duties as manager of the Portfolio, the Manager is entitled to be paid a performance fee (Performance Fee) of 15% of PO where PO for a Performance Calculation Period is calculated in accordance with the following formula:

$$PO = (AGAV) - (NAV \times (1 + (HR \times \text{Day Count})))$$

where:

PO is the portfolio outperformance to be used in calculating the Performance Fee outlined above;

AGAV is the adjusted gross asset value and calculated by adding back to the Gross Asset Value any Australian corporate taxes accrued or paid by the Company in the relevant Performance Calculation Period;

NAV is the Net Asset Value calculated on the last Business Day of the preceding Performance Calculation Period or, if there is no preceding Performance Calculation Period, on the commencement date of the Agreement.

HR is the hurdle rate which is 4 percentage points above the mid-price of the Australian Financial Markets Association 1 year Interest Rate Swap Reference Rate published on the last Business Day prior to the start of the Performance Period, or, if there is no preceding Performance Calculation Period, on the Commencement Date, represented on Bloomberg by the BBSW1MD Index series.

Day count is the number of days which have elapsed in the current Performance Calculation Period divided by 365.

Once a Performance Fee has been paid, no further Performance Fee may be accrued or paid unless and then only to the extent that the Adjusted Gross Asset Value increases above the level at which a Performance Fee was previously paid, or if no Performance Fee has been paid, above the Net Asset Value on the Commencement Date.

If the amount calculated above is a negative number, no Performance Fee is payable in respect of that Performance Calculation Period.

Assignment fee

By an assignment deed dated 16 May 2014, the Manager has assigned all right, title and interest to receive 25% of all management and performance fees payable under the Management Agreement to Boutique Investment Management Pty Limited (BIM), an entity associated with Geoff Wilson, however BIM is not entitled to fees in respect of the period until the net asset value of the Company exceeds \$20 million.

The Company has acknowledged this assignment and undertaken to the Manager and BIM to pay this amount at the same time as the balance of the management fee and performance fee are payable to the Manager. The Company owes no other obligations to BIM.

GLOBAL VALUE FUND LIMITED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2014

9. Related party transactions (Continued)

The Manager has undertaken to BIM not to terminate or amend the terms of the Management Agreement or waive any of its rights under the Management Agreement without the prior written consent of BIM.

10. Events subsequent to reporting date

On 29 May 2014 the Company lodged a prospectus with the Australian Securities & Investments Commission (ASIC) in respect of an invitation to the public to subscribe for up to 100,000,000 of its shares of \$1 each at par value. The Offer opened on 2 June 2014 and closed subsequent to the period end, on 4 July 2014. The Company had also applied for admission to the Official List of the ASX and for its securities to be quoted on the ASX.

At the conclusion of the Offer the Company had received valid subscriptions for 54,961,600 shares, each of which carried with it an entitlement to an option to subscribe for one further share at the original subscription price of \$1 exercisable at any time on or before 17 March 2016. The shares subscribed were issued and allotted on 14 July 2014 and the Company was admitted to the Official List of the ASX Limited on Friday 18 July 2014. Official Quotation of the Company's securities on the ASX commenced on Monday 18 July 2014 under the security codes "GVF" (ordinary shares) and GVFO (options).

On 18 July 2014, the Company also published a pro-forma statement of financial position which showed net assets of \$53,785,527. This infers pre-launch set up costs of \$315,323 being somewhat higher than anticipated in the prospectus. The balance of the costs incurred prior to commencement of operations related to commissions paid to the introducing brokers.

Pre-launch costs were not accrued as at the reporting date because as at that date they remained contingent liabilities of BIM rather than of the Company, on the basis that they were fully underwritten until such time as the IPO closed in excess of the minimum subscription, as disclosed in the prospectus. Pre-launch costs are not capitalised but were written off immediately after the IPO closed.

The Net Tangible Asset value per share as at 18 July 2014 was \$0.979.

GLOBAL VALUE FUND LIMITED

A.C.N. 168 653 521

DIRECTORS' DECLARATION

The Directors of Global Value Fund Limited declare that:

- 1) The financial report as set out in pages 13 to 21 and the additional disclosures included in the Directors' Report designated as "Remuneration Report", as set out on pages 6 and 8, are in accordance with the Corporations Act 2001, including:
 - a. complying with Accounting Standards in Australia and the Corporations Regulations 2001;
 - b. giving a true and fair view of the financial position of the Company as at 30 June 2014 and of its performance, as represented by the results of the operations and the cashflows, for the period ended on that date;
- 2) The Director of the Manager, Metage Capital Limited has declared that:
 - a. the financial records of the Company for the financial period have been properly maintained in accordance with the Section 286 of the Corporations Act 2001;
 - b. the financial statements and notes for the financial period comply with the Accounting Standards;
 - c. the financial statements and notes for the financial period give a true and fair view; and
- 3) At the date of this declaration, 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.

Signed in accordance with a resolution of the Board of Directors.



Jonathan Trollip, Chairman

Dated in Sydney this Monday, 29 September 2014

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Sydney NSW 2000

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**Independent Auditor's Report
To the Members of Global Value Fund Limited
A.C.N. 168 653 521**

Report on the Financial Report

We have audited the accompanying financial report of Global Value Fund Limited (the "Company"), which comprises the statement of financial position as at 30 June 2014, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the Company are responsible for the preparation and fair presentation of the 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 financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state that, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards (IFRS).

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

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

Auditor's Opinion

In our opinion:

- a) the financial report of Global Value Fund Limited is in accordance with the *Corporations Act 2001*, including:
 - i. giving a true and fair view of the Company's financial position as at 30 June 2014 and of its performance for the period ended on that date; and
 - ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 6 to 8 of the directors' report for the period ended 30 June 2014. The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the remuneration report of Global Value Fund Limited for the period ended 30 June 2014 complies with section 300A of the *Corporations Act 2001*.

Matters Relating to the Electronic Publication of the Audited Financial Report

This auditor's report relates to the financial report for the period ended 30 June 2014 included on Global Value Fund Limited's website. The Company's directors are responsible for the integrity of Global Value Fund Limited's website. We have not been engaged to report on the integrity of Global Value Fund Limited's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.



Moore Stephens Sydney
Chartered Accountants



Scott Whiddett
Partner

Dated in Sydney, 29 September 2014

GLOBAL VALUE FUND LIMITED

A.C.N. 168 653 521

ASX ADDITIONAL INFORMATION

Additional information required by the Australian Stock Exchange Limited Listing Rules and not disclosed elsewhere in this report.

Substantial shareholders (as at 12 September 2014)

The Company has not been advised of any shareholder holding a substantial shareholding in Global Value Fund Limited.

Distribution of shareholders (as at 12 September 2014)

Category	No. of Shareholders
1 – 1,000	13
1,001 – 5,000	360
5,001 – 10,000	371
10,001 – 100,000	902
100,001 and over	47
	1,693

The number of shareholdings held in less than marketable parcels is 1.

Twenty largest shareholders - Ordinary shares (as at 12 September 2014)

Name	Number of ordinary shares held	Percentage of issued capital held
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	2,758,571	5.02%
MR VICTOR JOHN PLUMMER	1,095,940	1.99%
DYNASTY PEAK PTY LTD <THE AVOCA SUPER FUND A/C>	1,000,000	1.82%
TAYCOL NOMINEES PTY LTD <CUSTODIAN A/C>	1,000,000	1.82%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	800,000	1.46%
SLO CONCEPTS PTY LTD <OLDHAM SUPER FUND A/C>	600,000	1.09%
BAM CAPITAL PTY LIMITED <THE BAM FAMILY A/C>	500,000	0.91%
CHARANDA NOMINEE COMPANY PTY LTD <GREYCLIFFE SUPER FUND A/C>	500,000	0.91%
EQUITAS NOMINEES PTY LIMITED <PB-600734 A/C>	500,000	0.91%
MITHRA PTY LTD <SUPERANNUATION ACCOUNT>	400,000	0.73%
JEAN PLUMMER	400,000	0.73%
AUSTRALIAN EXECUTOR TRUSTEES LIMITED	300,000	0.55%
YARRANDI INVESTMENTS PTY LIMITED <THE YARRANDI A/C>	300,000	0.55%
MR JOHN HENRY KILIAN BRUNNER	299,310	0.54%
77 ENTERPRISES PTY LIMITED <COWLEY SUPER FUND ACCOUNT>	250,000	0.45%
HOLDREY PTY LTD <THE DON MATHIESON FAMILY A/C>	250,000	0.45%
OTP PTY LTD <OTP SUPER FUND A/C>	250,000	0.45%
AGREG PTY LTD <MINTON SUPER FUND A/C>	200,000	0.36%
BAMMACK PTY LTD <BAMMACK S/F #3 A/C>	200,000	0.36%
BOND STREET CUSTODIANS LIMITED <MIRCH1 - M00576 A/C>	200,000	0.36%
	11,803,821	21.48%