

## Investment Update and Net Tangible Assets

### Net Tangible Assets (NTA) per share\*

NTA before tax	\$1.0662
NTA after tax	\$1.0418

\* NTA figures are not adjusted for outstanding options. Adjusting for outstanding options the diluted NTA before tax would be A\$1.0331/shr

### December review

Global equity markets were generally softer during December with the MSCI World Index falling by 1.6%. The significant exception to this weaker trend was another remarkably strong month for Chinese equity markets. After gaining 11% in November the Chinese 300 index increased by a further 24% during December. While Chinese equity markets have been relatively cheap for some time, this extraordinary rally has been driven largely by an anticipation of significant amounts of fiscal and monetary stimulus being announced in response to the slowing Chinese economy.

As with previous rallies in the Chinese share market a key feature of this recent rally has been a large influx of domestic retail investors entering into the market. According to Reuters, new stock trading accounts are currently opening at the fastest pace since 2007, rising to an average of 900,000 every week during December 2014, up from an average of 150,000 per week throughout 2012 and 2013.

It is worth highlighting that the Global Value Fund has a meaningful exposure to the domestic Chinese share market. At the end of December 7.5% of the fund's NAV was exposed to the Chinese equity market through a number of investments all purchased at a substantial discount to their underlying intrinsic value.

Away from China, expectations for the need for further monetary stimulus also continue to grow in Europe. A recent Bloomberg survey of economists showed that 90% of respondents now believe that the ECB will cross the Rubicon sometime during 2015 and begin a large-scale government bond buying program. While the legality of such a move is still questioned by many, not least in Germany, expectations for further monetary easing continue to weigh heavily on the Euro.

The Global Value Fund investment portfolio increased by 2.6% during December. The largest driver of returns was the fall in the Australia dollar relative to the US dollar during the month; however the fund's investment portfolio also added positive returns despite generally weaker global markets.

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. As at the end of December the fund was 76% invested.

### Global Value Fund Limited

ASX Code	GVF
Listed	July 2014
Shares on issue	55M
Share price	\$1.045
Market cap	\$57.5M
Options outstanding	55M
Option exercise price	\$1.00
Options expire	March 2016

### 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 a regular fully-franked dividend once the Company is in a position to do so.

### Investment Manager

Metage Capital is a London based investment manager with 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 Team

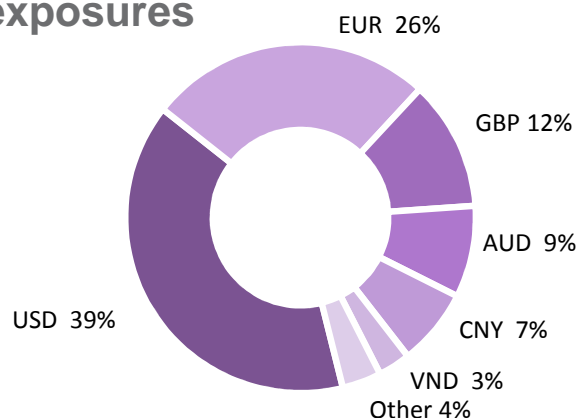
**Miles Staude, CFA**  
Fund Manager, Global Value Fund  
**Richard Webb, CFA**  
Chief Executive Officer, Metage Capital  
**Jeremy Hurt**  
Investment Manager  
**Tom Sharp, CFA**  
Investment Manager

### Board of Directors

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



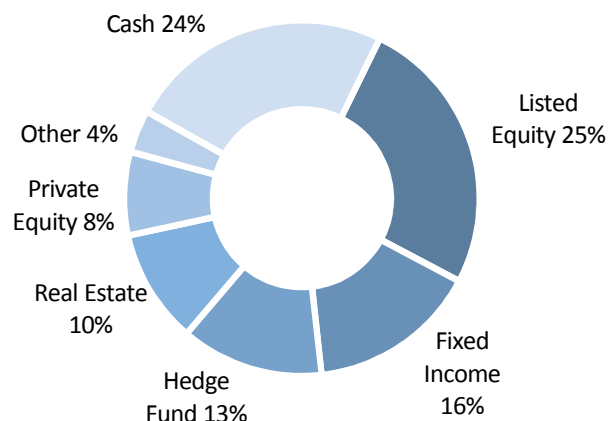
## Underlying currency exposures



The above chart reflects the manager's estimate of the currency exposures arising from the portfolio's underlying investments and cash balances as at the 31<sup>st</sup> of December.

Including emerging market currencies that are chiefly pegged to the US\$ (such as CNY), the fund's US\$ exposure is approximately 50%.

## 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 the 31<sup>st</sup> of December.

## Top Five Holdings

Holding	% NTA	Summary
Boussard & Gavaudan Holdings	6.7%	Amsterdam-listed CEF that acts as a feeder fund into the BG Master Fund, a Europe-focused multi-strategy hedge fund. The BG Master Fund is the flagship fund for Boussard & Gavaudan, a French fund management firm with c. €1.7 billion of FUM. The position was acquired at a discount in excess of 21%. The manager is committed to an active share buyback program which along with other catalysts should serve to reduce the discount.
Pacific Alliance China Land	6.4%	AIM-listed CEF investing in Chinese property-related assets and loans with a conservatively valued portfolio and significant structural downside protections built into its investment holdings. Recent move into realisation provides catalyst for elimination of discount.
Vinaland Limited ZDP	5.8%	A GBP zero-dividend preference share offering an attractive fixed return over the period to December 2016, heavily collateralised by the assets of an AIM-listed CEF. Various mechanisms exist to enhance the credit of the ZDP and there is additional upside from the likelihood of early repayment at an above market price.
Harbourvest Global Private Equity	4.6%	LSE-listed fund which invests in a diversified private equity portfolio. It has underlying exposure to over 6,000 companies, two-thirds of which are based in the USA. The fund trades at a significant discount to its net asset value, which is expected to narrow as the result of improvements in corporate governance and continued good NAV performance as the older companies in its portfolio are realised.
Tri-Continental Corporation	4.5%	NYSE-listed CEF investing primarily in US equities and benchmarked to the S&P 500 Index. The position was acquired at a discount in excess of 14%. Metage has invested previously in this fund, and along with other shareholders put pressure on the manager to address the discount. This resulted in an exit close to NAV via an in-specie tender.