

## Investment Update and Net Tangible Assets

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

NTA before tax <sup>1</sup>	\$1.1792
NTA after tax	\$1.1336

<sup>1</sup> This is after the provision of \$0.87M (1.3 cents per share) in tax payable relating to FY2015.

\* NTA figures are not adjusted for outstanding options. Adjusting for outstanding options the diluted NTA before tax would be \$1.1004/shr and the diluted NTA after tax would be \$1.0749/shr. All figures are cum the 2.0 cents per share fully franked dividend payable 6<sup>th</sup> November.

### September review

September saw global equity markets pick up from where they left off in August, with continued falls around the world. In local currency terms share markets in the US, Europe and Japan fell by 2.5%, 4.5% and 7.3% respectively, while the MSCI All Country World Index fell by 2.3% in Australian dollar terms.

Since May financial markets have had to contend with a renewed debt crisis in Greece, a share market crash in China and much handwringing regarding the timing and pace of the first Fed tightening cycle in 11 years. The result has been a significant compression in risk appetite across most asset classes. Away from the market noise however, one of the key economic themes that continues to develop is that of the underlying strength of the US economy. At the end of August US Q2 GDP growth was revised up from an annualised rate of 2.3% to 3.7%, exceeding all estimates. At the end of September, this figure was revised up further, to a blistering run rate of 3.9% per annum. In contrast, Australian GDP figures released during the month disappointed, with official estimates for Q2 GDP growth reported at an annualised rate of just 2%.

As investors who focus on discounted opportunities the current "risk-off" backdrop has presented a range of new and exciting prospects for us, along with the ability to add to existing positions at favourable levels. There has been considerable turnover in the portfolio during this period and over the past three months the fund has made new investments equivalent to 30% of the net asset value of the fund.

The investment portfolio decreased in value by 0.9% during September. As in August, the diversified nature of the portfolio provided protection against the broader market falls, as did the modest portfolio hedges that have been put in place.

The fund was 98% invested at the end of September. 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.

#### Global Value Fund Limited

ASX Code	GVF
Listed	July 2014
Shares on issue	69M
Share price	\$1.025
Market cap	\$71.0M
Options outstanding	54M
Option exercise price	\$1.00
Options expire	March 2016
Dividend (fully franked)	2.0c
Dividend ex-date	21 Oct 2015

#### 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 fully-franked dividends so long as 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 Management

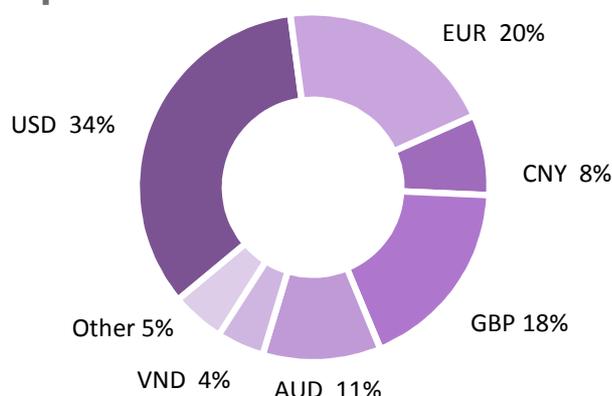
**Miles Staude, CFA**  
Fund Manager, Global Value Fund  
**Metage Capital**  
Investment Team

#### Board of Directors

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



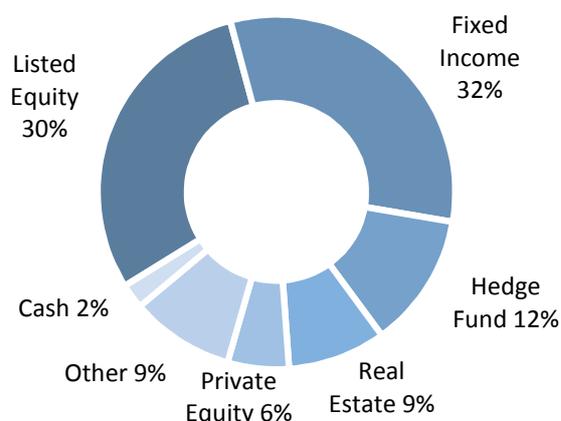
## Underlying currency exposures



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 30<sup>th</sup> of September.

Including emerging market currencies that are chiefly pegged to the US\$, the fund's US\$ exposure is approximately 47%.

## 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 30<sup>th</sup> of September.

While the portfolio currently has a number of investments exposed to the domestic Chinese equity market, the manager has entered into contracts that hedge (or neutralise) most of the underlying equity market exposure associated with these investments. This greatly reduces the risk that a correction in the Chinese share market would have an adverse impact on the GVF portfolio.

The manager estimates that the portfolio's underlying net exposure to the Chinese equity market was 1.7% as at the 30<sup>th</sup> of September.

## Top Five Holdings

Holding	% NTA	Summary
HSBC China Dragon Fund	8.0%	Hong Kong listed closed-end fund (CEF) investing in a diversified portfolio of Chinese equities. The position has been accumulated at an average discount to net asset value of wider than 25%.
Boussard & Gavaudan Holdings	7.4%	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 should serve to reduce the discount.
WA/Claymore Inflation-linked Opp Fund	6.2%	New York listed CEF which holds a portfolio of US Treasury inflation protected notes, arguably one of the lowest risk financial assets in the world. The position has been built at close to a 14% discount to the underlying portfolio value.
Pacific Alliance China Land	5.4%	AIM-listed CEF investing in Chinese property-related assets and loans with significant structural downside protections built into its investment holdings. Recent move into realisation provides catalyst for elimination of discount.
Vinaland Limited ZDP	5.1%	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 possibility of early repayment at an above market price.