

Investment Update and Net Tangible Assets

Net Tangible Assets (NTA) per share*

NTA before tax ¹	\$1.1975
NTA after tax	\$1.1466

¹ This is after the provision of \$0.85M (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 \$1.1070/shr and the diluted NTA after tax would be \$1.0794/shr. All figures are cum the 2.0 cents per share fully franked dividend payable 6th November.

August review

August served as a timely reminder as to just how volatile financial markets can be. Against a backdrop of continued weak economic data emanating from China, a surprise devaluation of the Chinese Renminbi served as a trigger for a substantial stock market correction. The correction began first with the local Chinese equity market, but quickly spread to all major stock markets around the world. By the end of August the broad-based China 300 index had fallen by 11.1%, while in the USA and Europe stock markets fell by 6.0% and 8.2% respectively. In Australia the ASX 200 index fell by 7.8% and in Australian dollar terms the MSCI All Country World index fell by 4.3%.

For individual investors months like August can provide a useful, if somewhat painful, indication as to how well your investment strategy matches your longer-term goals. While the market correction in August was significant, it was not particularly unusual when viewed over the longer-term. Over the past few years investors have enjoyed a period of uncharacteristically low financial market volatility combined with, in general, rising asset prices. It has been a fantastic combination for investors, but not one that should form a basis for longer-term planning. One of our key aims at the Global Value Fund is to protect investors by running a portfolio that has meaningfully less market risk than one invested solely in a portfolio of international shares. We are able to achieve this by seeking to capture value across a range of different asset classes, not just equities, and through the use of modest amounts of hedging in the portfolio. It was these two features that explained the relative outperformance of the fund in August.

The investment portfolio decreased in value by 1.2% during August. As would be expected during a large sell-off, discounts generally widened across the portfolio and our discount capture strategy detracted 1% from performance during the month. However the diversified nature of the portfolio provided considerable protection, with a number of asset classes, like hedge funds and government bonds, rising in value over the month. The fund also generated positive returns from portfolio hedges that are in place and further weakness in the Australian dollar.

The sell-off has presented a number of interesting new opportunities and the fund has been adding to both existing positions and a number of new investments.

Global Value Fund Limited

ASX Code	GVF
Listed	July 2014
Shares on issue	67M
Share price	\$1.015
Market cap	\$68.0M
Options outstanding	57M
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

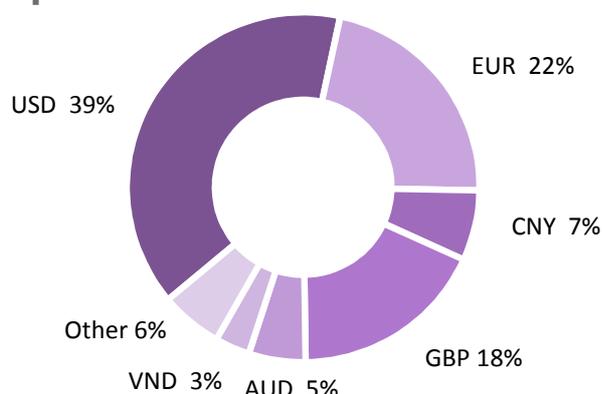
Non-executive Director

Miles Staude, CFA

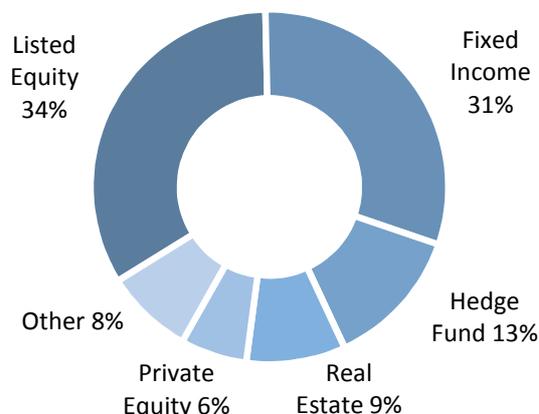
Non-executive Director



Underlying currency exposures



Underlying asset classes



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 31st of August.

Including emerging market currencies that are chiefly pegged to the US\$, the fund's US\$ exposure is approximately 51%.

The above chart reflects the manager's estimate of the underlying asset classes held through the fund's portfolio of investments as at the 31st of August.

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 2.3% as at the 31st of August.

Top Five Holdings

Holding	% NTA	Summary
HSBC China Dragon Fund	8.3%	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	7.6%	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.
Pacific Alliance China Land	5.6%	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	5.2%	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.
WA/Claymore Inflation-linked Opp Fund	5.1%	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.