

## Investment Update and Net Tangible Assets

### Net Tangible Assets (NTA) per share

NTA before tax*	\$1.0668
NTA after tax	\$1.0515

\* After \$1.8M (1.8 cents per share) of tax payments made relating to FY2016

### June review

Financial markets around the world were roiled during June, as the British public surprised the world by voting to leave the European Union. Leading into the referendum financial markets had heavily priced in the likelihood of the remain vote succeeding. Thus the initial shock of the result exacerbated the normal 'risk-off' market reaction, and in the days immediately following the result most equity markets around the world experienced considerable losses.

Over the month of June as a whole the US share market was essentially unchanged, recovering all of its post "Brexit" losses, however share markets in Europe, Japan and Australia ended the month down 6.2%, 9.5% and 2.5% respectively in local currency terms. The MSCI All Country World Index fell by 3.5% over the month in Australian dollar terms.

Unusually during a month where financial markets sold off heavily, the Australian dollar rose by 3% in value against the US dollar. With Australia's terms of trade dominated by commodity prices, the currency typically rises and falls in tandem with meaningful short-term market movements, and in doing so usually acts as a natural hedge for the GVF portfolio, although this was not the case in June.

The considerable market turmoil immediately following the British referendum result opened up a number of exciting new opportunities for the GVF portfolio. Large swings in both the equity and currency markets led to abnormally wide discounts on many of the closed-end funds that typically form the bulk of our investment universe. Over the month of June new investments totalling 21% of NAV were made for the fund, with most of this new investment taking place in the days immediately following the referendum result, when market dislocations were at their greatest and many fund discounts were at exceptionally wide levels.

Away from the market noise, the fund enjoyed two significant successes during June. The first related to our investment in Pacific Alliance China Land. During the month this investment returned 41% of its outstanding capital at its stated book value, equivalent to a 20% premium to its prevailing market price.

The second success related to another Chinese investment, our holding in HSBC China Dragon Fund. At the start of this year we successfully exited a large portion of our holding in this fund through a tender offer conducted at a price 26% above our carrying value. Since this tender we have repurchased around half of the shares that were sold, once again at a discount to NAV in excess of 20%. During June the fund announced that it would be conducting a second tender offer during July. We again expect to exit a considerable portion of our holding in this fund at a price significantly above our carrying value.

The investment portfolio decreased in value by 3.0% during June. The decrease in value was principally explained by adverse currency movements, which negatively impacted the portfolio by 3.0%.

### Global Value Fund Limited

ASX Code	GVF
Listed	July 2014
Shares on issue	103M
Share price	\$1.05
Market cap	\$107.7M
FY2016 expected yield	5.7% ff

### 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 Ltd 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

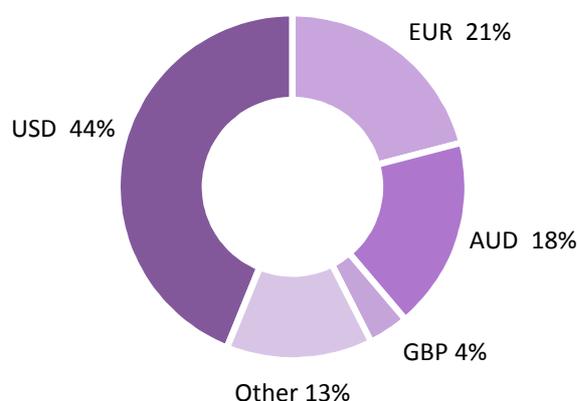
**Miles Staude, CFA**  
Fund Manager, Global Value Fund  
**Metage Capital**  
Investment Team

### Board of Directors

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



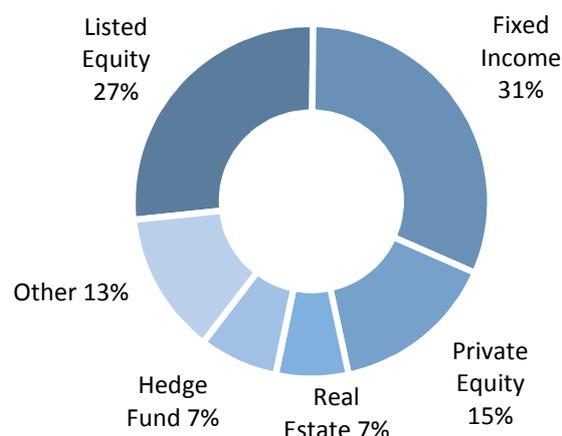
## Underlying currency exposures



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 June.

Including emerging market currencies that are chiefly pegged to the US\$, the fund's US\$ exposure is approximately 57%.

## 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 June.

## Top Five Holdings

Holding	% NTA	Summary
CVC Credit Partners European Opportunities	7.6%	London listed closed-end fund (CEF), which invests predominantly into senior secured loan obligations of companies domiciled, or with material operations, in Western Europe across a variety of industries. The position has been purchased at an attractive discount to the portfolio's underlying value, which we expect to realise through a pending corporate action.
JPM Senior Secured Loan Fund	6.7%	London listed CEF that owns a portfolio of senior secured floating rate loans. The fund has recently announced plans to liquidate the portfolio and return the proceeds to shareholders. Our position was accumulated leading up to the announcement at an attractive discount to NAV.
Boussard & Gavaudan Holdings	5.8%	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.
North American Income Trust	5.5%	London listed CEF that invests predominately in S&P 500 constituents with a bias towards higher dividend paying stocks. The position has been accumulated at an average discount to NAV of 10% and the fund is currently engaged in an ongoing share buyback program which is accretive to net asset value per share.
Morgan Stanley Emerging Market Debt Fund	5.4%	New York listed CEF which invests in US\$-denominated emerging market sovereign and investment grade bonds. The position has been accumulated at a 17% discount to the underlying portfolio value.