

## Investment Update and Net Tangible Assets

### Net Tangible Assets (NTA) per share

NTA before tax*	\$1.1064
NTA after tax	\$1.0806

\* This is after the provision of \$0.2M (0.2 cents per share) in tax payable relating to FY2016

### August review

Global equity markets were largely unchanged during August, consolidating their year-to-date gains. In local currency terms share markets in the US and Europe rose by 0.1% and 1.3% respectively, while the Australian share market fell by 1.6%. In Australian dollar terms the MSCI All Country World Index rose by 1.2%.

On August the 2<sup>nd</sup> the RBA cut official cash interest rates by 25 basis points, and by the end of the month, the yield on the benchmark ten-year Australian government bond had fallen to a new all-time low of 1.82%. Driven in part by lower domestic interest rates, the Australia dollar fell by 1% against the US dollar during the month.

The fund recorded two noteworthy successes during August. The first related to our investment in CVC Credit Partners European Opportunities, an investment trust holding a diversified portfolio of floating rate loans. We were able to exit half of our position in the investment during the month via a tender offer above the current market price for the shares. The second related to our investment in AMP Capital China Growth Fund. Regular followers of our activities will know that we have been actively engaged with this fund for many years, seeking to hold the trustee to account for what, in our opinion, has been years of poor corporate governance and inadequate performance. While in July the fund had announced that it would wind down and return capital to shareholders, during August, after considerable shareholder pressure, the fund announced that it would immediately liquidate its portfolio, meaningfully drop its management fees, whilst also setting out a realistic timetable for the repatriation of shareholders' funds from China. For the first time in nine years the fund's share price now trades in proximity to its underlying portfolio value.

The investment portfolio increased in value by 1.9% during August. The fund's discount capture strategy added 1.0% to returns during the month, while favourable currency movements added 0.8%. The remaining attribution of returns are accounted for by underlying market movements and operating costs.

The fund was 94.1% invested at the end of August. 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	103M
Share price	\$1.085
Market cap	\$111.3M
Dividend (fully franked)	3.0c
Dividend ex-date	6 Oct 2016
FY2016 yield	5.5% 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 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

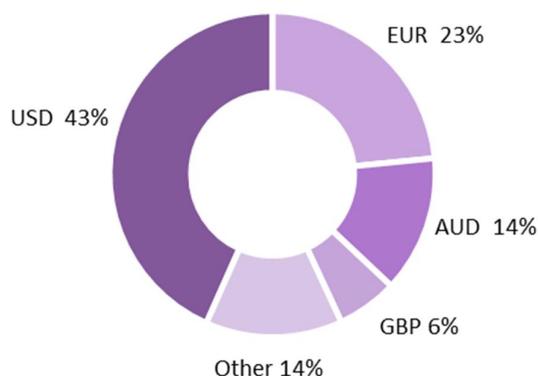
**Miles Staude, CFA**  
Fund Manager, Global Value Fund  
**Metage Capital**  
Investment Team

### Board of Directors

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



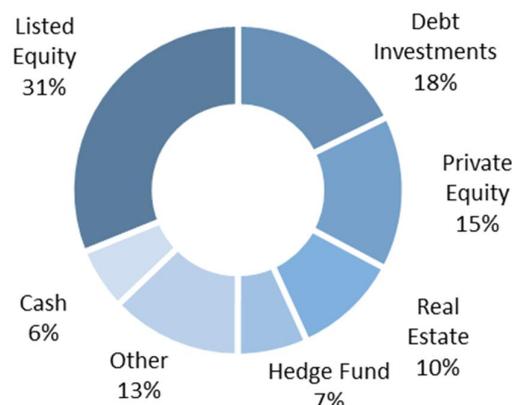
## Underlying currency exposures



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 31<sup>st</sup> of August.

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 31<sup>st</sup> of August.

## Top Five Holdings

Holding	% NTA	Summary
AMP Capital China Growth Fund	6.5%	Australian listed investment trust. The trust previously held a diversified portfolio of Chinese equities, however after a prolonged period of shareholder pressure the trust has agreed to liquidate its holdings and return all capital to shareholders. Shareholder capital will now be returned concurrent with the timeline required to repatriate funds from China.
Boussard & Gavaudan Holdings	5.8%	Amsterdam listed closed-end fund (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.
HarbourVest Global Private Equity	5.7%	London listed CEF with a highly diversified global private equity portfolio, comprising more than 6,000 individual investments. The position has been accumulated at a 30% discount to the underlying portfolio value.
Foreign & Colonial Investment Trust	5.6%	London listed CEF with a market capitalisation of £3Bn which invests into a diversified basket of large-cap global equities. The position was acquired at an average discount to NAV of 14% and the fund is currently engaged in an ongoing share buyback program which should assist in the reduction of the fund's discount.
Morgan Stanley Emerging Market Debt Fund	5.5%	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.