

## Investment Update and Net Tangible Assets

### Net Tangible Assets (NTA) per share

NTA before tax*	\$1.1079
NTA after tax	\$1.1004

\* This is after a \$23k tax payment made during September

\$ denotes Australian dollar

### September review

Global share markets continued their march higher during September. Mounting evidence continues to point to the global economy entering a period of synchronised upswing, with corporate profitability, and thus equity markets, one of the key beneficiaries of the accelerating economic activity. The MSCI All Country World Index increased by 1.9% in US dollar terms during the month, with the US, European and Japanese stock markets increasing by 2.1%, 4.5% and 4.3% respectively. In Australia, the local equity market was unchanged, while in Australian dollar terms, the MSCI All Country World Index rose 3.1%.

During September, the US Federal Reserve released its latest committee member forecasts for the future path of interest rates. These showed 11 members expecting a December rate hike, suggesting a much higher probability of a final interest rate rise this year than markets had previously expected. The US dollar reacted positively to this, as markets moved to price in the increased likelihood of another interest rate rise soon. Despite a robust economic backdrop, the US dollar has arguably been trading with a negative “Trump premium” for much of this year. A refocus by the market back onto the future path of US interest rates, as well as the potential economic gains significant tax reform would bring, may go some way to unwinding this negative US dollar sentiment. On the issue of tax reform, the Trump administration announced the first details of the much-anticipated proposed legislation during September. As currently outlined, economists suggest that tax cuts of the magnitude proposed could raise US growth rates by circa 0.5% a year, at a cost of roughly US\$2 Trillion over a decade.

Away from the Trump headlines, the US economic recovery continues to go from strength to strength. Q2 economic growth was revised up to 3.1% during September, ahead of initial expectations. A similar story of unexpected strength has been unfolding in Europe as the eurozone demonstrates that it is arguably in its best economic shape for a decade. During September, Euro area PMI's surprised on the upside for a second consecutive month, with the composite PMI rising to 56.7. Following this the ECB reported that the Euro area economic confidence index had risen to a decade high during the month.

During September, the fund successfully exited one investment and opened one new position, as well as adding to several existing holdings at favourable levels.

The investment portfolio increased in value by 1.3% during September. The fund's discount capture strategy did not add or subtract to returns during the month while favourable market and currency movements added 0.7% and 0.9% respectively.

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. The fund was 109% invested at the end of September.

### Global Value Fund Limited

ASX Code	GVF
Listed	July 2014
Shares on issue	121M
Share price	\$1.15
Market cap	\$140M
Dividend (50% franked)	3.15 cents
Dividend ex-date	6 Oct 2017
FY2018 indicated yield (50% franked)	5.5%

### 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

The portfolio management team is based in London and has 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

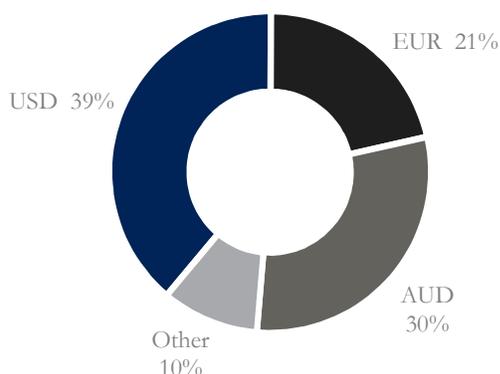
**Miles Staude, CFA**  
Fund Manager, Global Value Fund

### Board of Directors

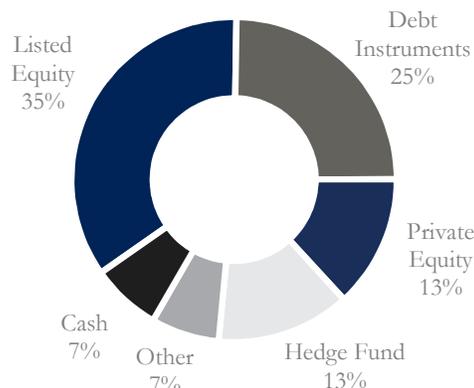
**Jonathan Trollip**  
Chairman  
**Chris Cuffe**  
Non-executive Director  
**Geoff Wilson**  
Non-executive Director  
**Miles Staude, CFA**  
Non-executive Director



### 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 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%.

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.

Exposure to cash represents both cash balances held by the Company and the underlying cash holdings of the fund’s portfolio of investments.

### Top Five Holdings

Holding	% NTA	Summary
DW Catalyst Fund	9.1%	London listed closed-end fund (CEF) that acts as a feeder fund into a US\$2.3bn multi-strategy credit fund spun out from Brevan Howard. The position has been accumulated at an average discount to net asset value of greater than 10%. In August 2017 shareholders voted to wind up the company and return capital progressively throughout 2018.
Jupiter Dividend and Growth	7.1%	London listed CEF investing in FTSE UK All-share securities. The Fund has a fixed life and liquidates in November 2017.
Third Point Offshore Investors	6.3%	London listed CEF that acts as a feeder fund into a global event-driven, value-oriented hedge fund. The position has been accumulated at an average discount to net asset value of greater than 18%.
Carador Income Fund	6.1%	London-listed CEF that holds a diversified portfolio of equity and mezzanine tranches of CLOs, backed by senior secured leveraged loans. We expect to be able to unlock value from this investment via a near-term corporate action.
Undisclosed		The manager does not believe it is in shareholders’ interests to disclose this holding at this time.

Source for all data: Bloomberg LP. All data as at 30<sup>th</sup> September 2017.

Staupe Capital Limited is an appointed representative of Mirabella Advisers LLP, which is authorised and regulated by the Financial Conduct Authority. Mirabella Financial Services LLP is the investment manager of the Global Value Fund and has seconded the investment team at Staupe Capital to manage the Global Value Fund. This information is not an offer to buy or sell, or solicitation of an offer to buy or sell, any security or investment. Investors should read the Fund prospectus before making a decision to invest. Past performance is not an indicator of future returns.