

Investment Update and Net Tangible Assets

Net Tangible Assets (NTA) per share

NTA before tax	\$1.1162
NTA after tax	\$1.0982

\$ denotes Australian dollar.

January review

January saw global equity markets record some of their strongest ever monthly gains. The MSCI All Country World Index increased by 5.6% in US\$ terms over the month, with particularly strong gains in the US and in emerging market shares, which rose by 5.7% and 8.3% respectively. In Australia, the local equity market fell by 0.4%, while in Australian dollar terms, the MSCI All Country World Index increased by 2.5%.

For investors who endured the sharp correction in global share markets over the first few weeks of February, it is tempting with hindsight to view the strong market gains in January as symptomatic of February's correction. In many ways though, the market movements over the past six weeks (including January and the start of February) are a microcosm of the much larger tug-of-war playing itself out in financial markets.

With the global economy entering a synchronised growth upswing, and congress in the US recently passing a significant tax cut for corporate America, equity market investors are understandably primed for a period of above-trend growth in corporate profitability. The fear however, which has been nagging inside the collective psyche of financial markets for some time, is that at some point inflation, and then bond yields, will return to more normal levels, de-rating share market valuations in the process.

As counter-intuitive as it may seem, if bond yields were to rise far enough, it is entirely possible that share markets could post significant declines at a time when company earnings were greatly increasing. One company that exemplifies these tensions well is Amazon. It began the new year as one of the largest companies in the world, with a market capitalisation of US\$566Bn. After rising by 56% in 2017, in January Amazon's share price rose by another 24%, creating US\$136Bn of new equity value in the process. To put these sorts of moves into context, Amazon created more equity value in the month of January than the entire market capitalisation of the Commonwealth Bank of Australia, a company that is 106 years old. Amazon today trades on a forward price-to-earnings (P/E) multiple of 168 times, underlying just how sensitive it would be to any de-rating in equity market valuations that rising bond yields might imply.

Whether the recent correction in financial markets is a temporary pull-back or the start of something more troubling is, in our view, unknowable. The fund continues to run with low levels of equity market exposure and where possible we have been using the recent market volatility to our advantage, adding to new positions and exiting old ones at levels that we believe are favourable.

The investment portfolio increased in value by 0.7% during January. The fund's discount capture strategy added 0.6% to returns during the month while the rising Australian dollar detracted 1% from performance. The remaining attribution of returns is accounted for by favourable underlying market movements and operating costs.

Global Value Fund Limited

ASX Code	GVF
Listed	July 2014
Shares on issue	122M
Share price	\$1.155
Market cap	\$141M
FY18 indicated dividend ¹	6.3 cents
FY18 indicated yield	5.5%
(50% franked)	

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.

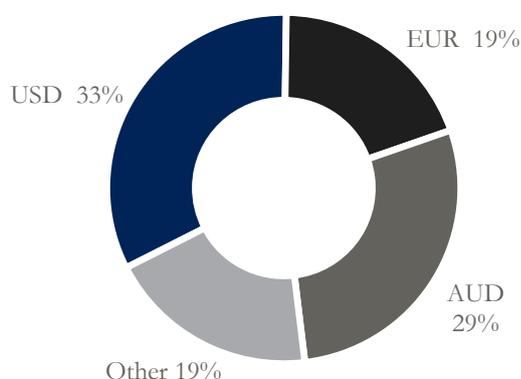
Investment Management

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

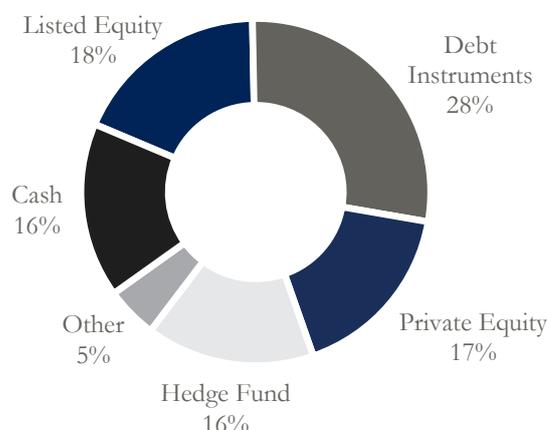
Underlying currency exposures



The above chart reflects the manager's estimate of the currency exposures arising from the portfolio's underlying investments and cash balances as at 31st January.

Including emerging market currencies that are chiefly pegged to the US\$, the fund's US\$ exposure is approximately 42%.

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 31st January.

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	6.8%	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.
Deutsche High-Income Opportunities Fund	6.2%	A New York listed CEF with a diversified corporate bond portfolio, mainly concentrated in the United States. The Fund is in the process of liquidating and expects to return capital to shareholders in March 2018. GVF has accumulated its position at an attractive discount to NAV.
Pacific Alliance China Land Ltd (AIM)	6.0%	London-listed Chinese real-estate CEF in liquidation. All of the Company's real estate assets have been sold and it is now in the process of repatriating its Renminbi cash balances out of China and returning its capital to shareholders. The position has been accumulated at an average discount to NAV of 20.1%.
Carador Income Fund	5.8%	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.

¹ The Board has guided that it anticipates FY18 dividend payments being at least 6.3 cents per share, 50% franked. This guidance is not a formal declaration of dividends for FY18, and whether a FY18 dividend is paid will be subject to the Company having sufficient profit reserves and prudent business practices.

Unless otherwise stated, source for all data is Bloomberg LP and data as at 31st January 2018.

Staude 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 Staude 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.**