

Investment Update and Net Tangible Assets

Net Tangible Assets (NTA) per share

NTA before tax ¹	\$1.0866
NTA after tax ¹	\$1.0810

\$ denotes Australian dollar.

April review

"I used to think if there was reincarnation, I wanted to come back as the president or the pope or a .400 baseball hitter. But now I want to come back as the bond market. You can intimidate everybody." James Carville, former advisor to Bill Clinton.

April provided financial markets with a glimpse into the far-reaching effects that changes to long-entrenched interest rate expectations can bring. During the month, the yield on the benchmark 10-year US government bond breached 3%, reaching its highest level since 2013. The main driver for rising rates has been a growing assessment by investors that the global inflation climate is worsening. The announcement of US trade sanctions, alongside a rising environment of trade protectionism, has seen commodity prices increase and expectations that prices for other traded goods will start to increase soon too.

On the back of increasing US interest rates, the US dollar staged a significant rally, with the US dollar index increasing by 2.1% over the month. With an absence of other macro developments, the large rally in the US dollar was the key driver of global equity market returns during the month. The MSCI All Country World Index increasing by just 1% in aggregate during April. However, this headline figure hides a wide dispersion between the modest returns of the US share market (0.4%), and the much larger gains in Europe, the UK and Japan, with these share markets rising by 4.8%, 6.8% and 4.7% respectively. These large monthly moves in key non-US equity markets were chiefly driven by the significant depreciation of each region's currency during the month, with the Euro and Pound Sterling falling by 1.8% against the US dollar and the Japanese Yen falling by 2.7%.

James Carville's quote is famous in financial markets for ushering in the era of the "bond vigilantes", and for highlighting just how fearsome the effects of rising interest rates can be. Over April, the yield on the US 10-year bond rose by just 0.21%. That such a seemingly small interest rate change could occasion the sorts of moves seen in currency and equity markets during the month is a useful reminder of how far-reaching changes to benchmark interest rates can be.

In April the Company completed a capital raising program which was open to all shareholders and the investment manager has been deploying these funds at a measured pace. Two new positions were opened during the month while a number of existing holdings were added to at favourable levels. The fund was 82.4% invested at the end of April.

The investment portfolio increased in value by 1.6% during April. The fund's discount capture strategy added 1.0% to returns during the month, while the depreciation of the Australian dollar added a further 0.8%. 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	147M
Share price	\$1.065
Market cap	\$156M
FY18 indicated dividend ^{1,2}	6.3 cents
FY18 indicated yield	5.9%
(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

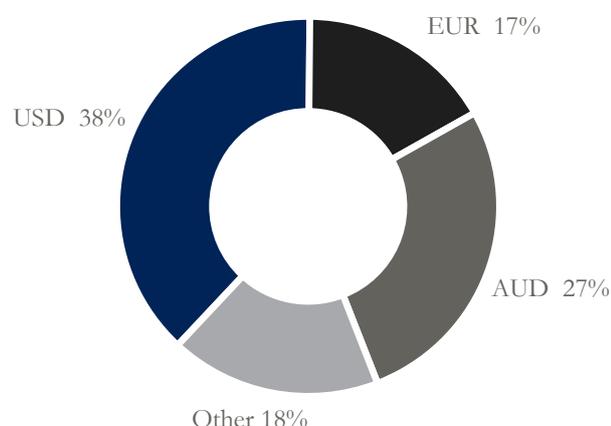
Miles Staude, CFA
Fund Manager, Global Value Fund

Board of Directors

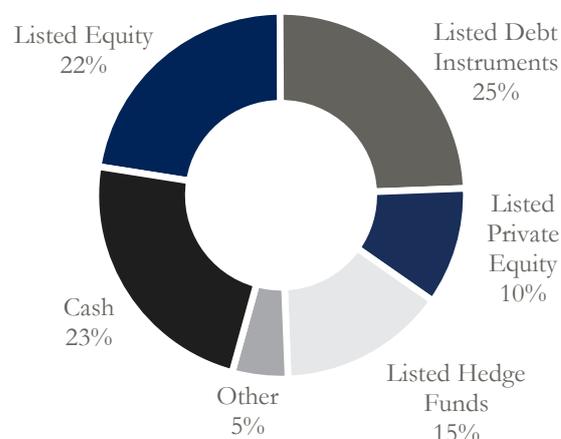
Jonathan Trollip
Chairman
Chris Cuffe
Non-executive Director
Geoff Wilson
Non-executive Director
Miles Staude, CFA
Non-executive Director



Underlying Currency Exposures



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 30th April.

Including emerging market currencies that are chiefly pegged to the US\$, the fund's US\$ exposure is approximately 45%.

The above chart reflects the manager's estimate of the underlying asset classes held through the fund's portfolio of investments as at 30th April.

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
Pershing Square Holdings	7.8%	London-listed CEF managed by a well-known investment manager. The position in this concentrated portfolio of large capitalisation US stocks was accumulated at an average discount to NAV of 23%. The underlying investments can be hedged, to reduce exposure to the manager's performance, at a relatively low cost.
Pacific Alliance China Land Ltd (AIM)	5.0%	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%.
Frontier Market Small Cap SICAV	4.8%	An open-ended fund that invests in a diverse portfolio of Eastern European and Russian small capitalisation companies. The position has been acquired at a level which the manager believes offers a highly compelling risk/return profile.
Undisclosed		The manager does not believe it is in shareholders' interests to disclose this holding at this time.
VPC Specialty Lending Investments	4.1%	A London-listed CEF, managed by a large US investment manager, that lends to middle market financial companies mainly in the US. Since we accumulated a position at an attractive discount to net asset value, the Board and management have initiated a number of policies that are expected to narrow the discount over time.

¹ GVF traded ex-entitlement to a 3.15 cent dividend, 50% franked, on 9 April 2018.

² 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 actual dividend payments may differ to this amount.

Unless otherwise stated, source for all data is Bloomberg LP and data as at 30th April 2018.

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.