

## Investment Update and Net Tangible Assets

### Net Tangible Assets (NTA) per share

NTA before tax*	\$1.0780
NTA after tax	\$1.0743

\* This is after the deduction of tax payments of \$0.2M the Company made during October.

\$ denotes Australian dollar.

### October review

'Red October'. Global share markets recorded one of their worst monthly returns on record during October, falling by 7.5% in US\$ terms<sup>2</sup>. No country was immune from the sharp sell-off, with China and Japan fairing the worst among the large economies, dropping 8.7% and 9.0% respectively. In Australia the local equity market fell by 6.1%, while in Australian dollar terms the MSCI All Country World Index fell by 5.5%. October's correction marked the worst month for Australia dollar investors into global share markets since February 2009 and the depths of the global financial crisis.

Whilst there has been no shortage of commentary opining on the reasons for October's sell-off, in truth the 'worry list' for financial markets has not changed for some time. Rising US interest rates, slowing economic indicators in Europe and China, the rising risks of a trade war. These concerns have hung over markets for most of the year. Indeed, despite this worry list, financial markets had been recovering their moxie, with the sharp correction during February - and the brief period of caution following it - largely forgotten in the lead up into October.

At GVF, as ever, we do not pretend to know whether October will turn out to be a major inflection point, or just another correction in an ever-lengthening bull-market. Our base case remains that investing risks in general are rising and this informs our relatively conservative portfolio and our limited underlying exposure to global equity markets.

The fund opened one new position during the month and continued to add to several other names that we have been accumulating for some time, with the sell-off presenting better entry prices in a number of cases. GVF was 109.4% invested at the end of the month, approaching the 15% leverage limit that the fund is permitted to use. We anticipate several significant capital returns via corporate events to occur during November, which should take the fund's investment position back below 100%.

The investment portfolio decreased in value by 1.2% during October. The fund's discount capture strategy added 0.1% to returns during the month, while adverse market movements detracted 2.3%. The Australian dollar fell by 2.1% against the US dollar over the month, which positively impact returns by 0.9%.

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 109.4% invested at the end of October.

#### Global Value Fund Limited

ASX Code	GVF
Listed	July 2014
Shares on issue	147M
Share price	\$1.04
Market cap	\$153M
FY19 indicated dividend <sup>1</sup>	6.3 cents
FY19 indicated yield	6.1%
(70% 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.

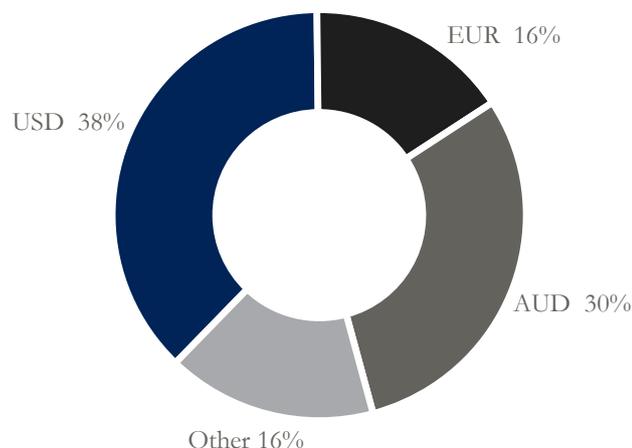
#### Investment Management

**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

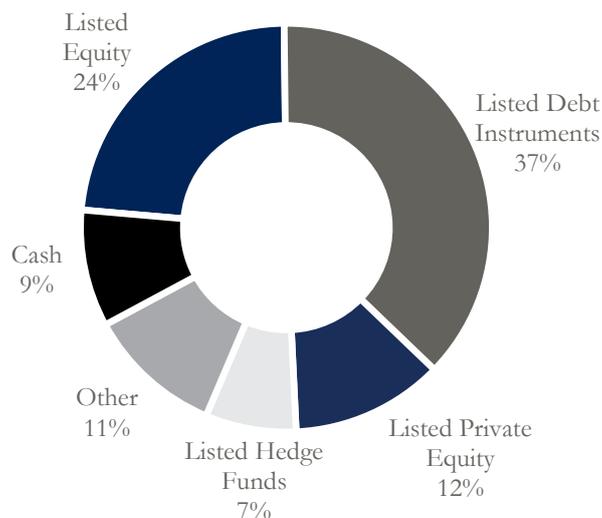
## Underlying Currency Exposures



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

Including emerging market currencies that are chiefly pegged to the US\$, the fund's US\$ exposure is approximately 43%.

## 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 31<sup>st</sup> October.

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
Deutsche Multi-Market Income Trust	8.8%	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 no later than December 2018. GVF has accumulated its position at an attractive discount to NAV.
Pershing Square Holdings	7.7%	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.
Carador Income Fund	7.6%	London-listed CEF that holds a diversified portfolio of equity and mezzanine tranches of CLOs, backed by senior secured leveraged loans. The position has been accumulated at an attractive discount to asset backing and we expect the fund to soon been liquidated, allowing us to unlock the underlying value in our investment.
Blue Capital Global Reinsurance	6.0%	Bermudan incorporated global reinsurance fund. The fund is in liquidation, with the majority of investor capital expected to be returned in the first half of 2019. The position has been accumulated at an average discount to NAV of 11.5%.
Third Point Offshore USD (LSE)	5.3%	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%.

<sup>1</sup> The Board has guided that it anticipates FY19 dividend payments being at least 6.3 cents per share, 70% franked. This guidance is not a formal declaration of dividends for FY19 and actual dividend payments may differ to this amount.

<sup>2</sup> This reference is to a 7.5% fall in the MSCI All Country World Index.

Unless otherwise stated, source for all data is Bloomberg LP and data as at 31<sup>st</sup> October 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.

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