

SVM GLOBAL FUND PLC
ANNUAL FINANCIAL RESULTS
FOR THE YEAR ENDED 30 SEPTEMBER 2008

Investment Objective

The objective of the Company is to achieve long-term growth through a diversified international multi-strategy portfolio and unique access to specialist funds including hedge and private equity. Its aim is to outperform the FTSE World Index on a total return basis.

Highlights

- Net asset value decreases by 23.0% against the benchmark, FTSE World Index fall of 17.4%.
- Company continues to outperform over the longer term.
- Positive relative performance in the first nine months of the year was reversed in the fourth quarter as investors sought safe havens.
- The Company's defensive themes were not strong enough to offset dramatic falls in emerging markets, property and private equity.
- The Company retains these themes for recovery over the medium term.
- Increased proposed final dividend of 1.75 pence per share reflecting higher yields within the portfolio.

End

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Chairman's Statement

After several years of outperformance, it is disappointing to report a below par year. The net asset value of the Company fell by 23.0% to 328.46 pence in the year ending 30 September 2008. Over the same period, the Company's benchmark index, the FTSE World Index, declined by 17.4%. Since the year end, the net asset value has fallen further to 270 pence as at the time of going to press on 24 November 2008. Over the longer term, the Company has comfortably outperformed its benchmark index over three, five and ten years, as well as since its launch in 1991.

REVIEW

As I said at the time of the half year results in May, the Managers believed that markets were in for a rougher ride than any experienced in the last five years. They had positioned the portfolio defensively, investing in funds less dependent on rising markets. They financed these purchases by selling funds with higher market exposure. This worked well until the end of June when the Company was comfortably ahead of the benchmark for that period.

The climate changed dramatically in July. Markets in general and funds in particular suffered severe reversals and bouts of volatility. Even defensive funds were marked down aggressively as investors sought liquidity. There was a flight to perceived quality and an aversion to risk. Funds that specialised in emerging markets, resources and private equity were the main victims. As these are the Company's main themes, performance suffered accordingly. A rally in the fortunes of the US dollar contributed further to a fall in the Company's value, as it is underweight in US dollar exposure. This policy has served us well over a long period, but the sudden flight into a traditionally secure currency hit performance. Although many of the world's economic problems are centred in the US, investors have bought US Dollars in search of a safer haven.

The Managers believe that although these adverse conditions could persist for several months, their investment policy will be justified over the medium to long- term when markets calm down. They point out that despite the global slowdown, several economies are expanding rather than contracting; the main emerging markets (Brazil, Russia, India and China) are still forecast to grow, even if not at the high speed levels of the last few years. This prospect, combined with the superior balance sheets of many emerging market nations, contrast starkly with the over -indebted western economies. The managers are also anticipating a reversal of the dollar's strength, further weakness in sterling and to a lesser extent the Euro.

GEARING

The Board continues to believe that gearing accompanied by good stock selection can enhance shareholder returns. The Company retains banking facilities allowing us to borrow up to 20% of assets, although it was rare that more than half of this was actually used. All the Company's gearing is in the form of bank overdraft which is both flexible and inexpensive. The Company is not charged for any of the unutilised borrowings and it is the Board's intention to retain this facility.

DIVIDENDS AND SHARE TRANSACTIONS

Although the Company's principal objective remains capital growth, we also own income generating investments. During the last twelve months the Company received higher amounts in dividends than in previous years. This year the Board will recommend a higher dividend to ensure that the Company retains its investment trust status. It is the Company's policy only to pay dividends sufficient to rain trust status and it is possible that future annual dividend may be lower.

It is proposed that a final dividend of 1.75p share be paid on 4 February 2009 to shareholders on the Register at close of business on 12 December 2008. (ex dividend date 10 December 2008). The payment is approximately one month later than in previous years because the AGM is being held in January rather than in December.

The Board is happy to report continued active demand for shares especially from private clients and advisers. Although the premium rating of your Company has been principally due to the good investment performance of our managers, their highly successful marketing campaign has capitalised on this record. The number of new shareholders on the register at a difficult time is an encouraging feature in difficult times. As evidence of this it should be noted that the Company's shares traded at a premium to net asset value for much of the year, only dipping to a small discount at the time of the turbulence in September. During the year the Company issued 525,000 new ordinary shares at an average premium in excess of 2.5% of the asset values on the day. The Board is firmly committed to issuing new shares only to investors seen as long term holders and only at levels that increase net asset value.

The Company retains buy back powers to cancel shares or to hold them in treasury, should they trade at an anomalous discount. Such action will be taken when appropriate, but only when the Board considers it in the interests of shareholders. We believe that the retention of the power to issue new shares at a premium or to buy back shares at a discount creates an active and efficient market for shareholders.

ANNUAL GENERAL MEETING

In past years, the Company's Annual General Meeting took place very close to Christmas, sometimes making it difficult for shareholders to attend. This was forced by the statutory notice period, the timing of the annual reporting process and the end of September year end. A recent change in the rules allows the AGM to be held in the New Year.

In the hope of a better attendance from shareholders we have decided to call the AGM on 20 January 2009 at 12.30. This will be preceded by the usual presentation from the managers at 12 noon when they will be open to questions on investment policy from shareholders. Copies of their presentation will be available to interested shareholders and will be posted on the Managers website.

As it has been several years since the Company's Articles of Association have been updated and following recent company law changes, we are recommending a resolution at the forthcoming meeting to adopt new Articles. A summary of the major changes is set out at the end of this report.

OUTLOOK

Despite the current economic and investment environment, the Managers remain cautiously optimistic about the market outlook over the medium term, noting that the global economy continues to grow, especially in emerging markets. Following recent market falls, they see many more attractive opportunities, especially in the less developed regions. The Company has a proud record of long-term outperformance. The Board believes that the management team has the proven ability to resume higher than average returns to shareholders.

Senator Shane Ross
Chairman
24 November 2008

Income Statement

	Year to 30 September 2008			Year to 30 September 2007		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains/Losses on investments	-	(51,814)	(51,814)	-	44,827	44,827
Income	1,909	-	1,909	1,163	-	1,163
Investment management fees	(172)	(3,130)	(3,302)	(164)	(3,046)	(3,210)
Other expenses	(298)	(74)	(372)	(280)	(155)	(435)
Return before interest and taxation	1,439	(55,018)	(53,579)	719	41,626	42,345
Finance costs	(192)	(1,732)	(1,924)	(132)	(1,187)	(1,319)
Return on ordinary activities before taxation	1,247	(56,750)	(55,503)	587	40,439	41,026
Taxation	-	-	-	(5)	-	(5)
Return attributable to ordinary shareholders	1,247	(56,750)	(55,503)	582	40,439	41,021
Return per ordinary Share	2.20p	(99.92p)	(97.72p)	1.05p	72.95p	74.00p

The total column of this statement is the profit and loss account of the Company.
 All revenue and capital items in this statement derive from continuing operations.
 A Statement of Total Recognised Gains and Losses is not required as all gains and losses of the Company have been reflected in the above statement.

Cash Flow Statement

	Year to 30 September 2008 £'000	Year to 30 September 2007 £'000
Net cash outflow from operating activities	(2,029)	(2,770)
Returns on investment and servicing of finance	(1,924)	(1,319)
Taxation	-	(5)
Capital expenditure and net financial investment	6,933	(16,096)
Equity dividends paid	(707)	(684)
Financing – share issues	2,301	9,372
(Decrease) / increase in cash	4,574	(11,502)

Balance Sheet

	As at 30 September 2008	As at 30 September 2007
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	£'000	£'000
Investments at fair value through profit or loss	207,762	264,208
Current assets	182	51
Creditors: amounts falling due within one year	(20,409)	(22,815)
Net current liabilities	(20,227)	(22,764)
Total assets less current liabilities	187,535	241,444
Net asset value per ordinary share	328.46p	426.81p

Reconciliation of Movements in Shareholders Funds

For the year to 30 September 2008

	Share capital £'000	Share premium £'000	Special reserve £'000	Capital redemption reserve £'000	Capital reserve realised £'000	Capital reserve unrealised £'000	Revenue reserve £'000
As at 1 October 2007	14,142	8,797	8,251	4,179	110,021	95,553	501
Net gain on sale of investments	-	-	-	-	14,631	-	-
Transaction costs	-	-	-	-	(74)	-	-
Expenses charged to capital	-	-	-	-	(4,862)	-	-
Exchange differences	-	-	-	-	(2,375)	-	-
Movement in unrealised appreciation on investments	-	-	-	-	-	(64,070)	-
Return on ordinary activities after taxation	-	-	-	-	-	-	1,247
Ordinary dividends	-	-	-	-	-	-	(707)
Shares re-purchased	132	2,169	-	-	-	-	-
As at 30 September 2008	14,274	10,966	8,251	4,179	117,341	31,483	1,041

For the year to 30 September 2007

	Share capital £'000	Share premium £'000	Special reserve £'000	Capital redemption reserve £'000	Capital reserve realised £'000	Capital reserve unrealised £'000	Revenue reserve £'000
As at 1 October 2006	13,567	-	8,251	4,179	94,732	70,403	603
Net gain on sale of investments	-	-	-	-	19,323	-	-
Transaction costs	-	-	-	-	(155)	-	-
Expenses charged to capital	-	-	-	-	(4,233)	-	-
Exchange differences	-	-	-	-	354	-	-
Movement in unrealised appreciation on investments	-	-	-	-	-	25,150	-

Return on ordinary activities after taxation	-	-	-	-	-	-	582
Ordinary dividends	-	-	-	-	-	-	(684)
Shares re-purchased	575	8,797	-	-	-	-	-
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As at 30 September 2007	14,142	8,797	8,251	4,179	110,021	95,553	501
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Directors' Responsibilities for the Financial Statements

The Directors are responsible for preparing the financial statements in accordance with applicable law and regulations. Company law requires the Board to prepare financial statements for each financial year. Under that law, the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (UK Standards and applicable law).

The financial statements are required by law to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the net return of the Company for that year. In preparing these financial statements, the Directors are required to: (a) select suitable accounting policies and then apply them consistently; (b) make judgments and estimates that are reasonable and prudent; and (c) state whether applicable accounting standards have been followed.

The Board is also responsible for the maintenance of proper accounting records which disclose with reasonable accuracy, at any time, the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

To the best of the knowledge of the Board, the financial statements give a true and fair view of assets, liabilities, financial position and profit/loss and the Report of the Directors includes a fair review of the development and performance of the Company and a description of the principal risks that it faces.

Principal Risks & Uncertainties

The principal risks inherent within the Company are market related and have been classified as valuation risk, liquidity risk, interest rate risk and credit risk. Additional risks faced by the Company can be categorised under the following headings; investment strategy, discount, regulatory and operational. The Company has an established environment for the management of these risks which are continually monitored by the Managers. The Board regularly considers the risks associated with the Company and receives both formal and informal reports from the Managers and third party service providers addressing these risks. An explanation of these risks and how they are mitigated is explained in the Annual Report, which will be available on the Manager's website shortly.

Notes

1. The accounts have been prepared in accordance with applicable accounting standards and the 2005 Statement of Recommended Practice (SORP) issued by the Association of Investment Companies.
2. Returns per share are based on a weighted average of 56,796,806 (2007 – 55,437,354) ordinary shares in issue during the year.

Total return per share is based on the post tax total loss for the year of £55,503,000 (2007 – return of £41,021,000).

Capital return per share is based on net capital loss during the year of £56,750,000 (2007 – return of £40,439,000).

Revenue return per share is based on the revenue after taxation for the year of £1,248,000 (2007 - £582,000).

The number of shares in issue at 30 September 2007 was 57,094,546 (2007 - 56,569,546).

3. During the year, the Fund issued 525,000 ordinary shares to the market for a total consideration of £2,301,000.
4. Investment management fees and finance interest have been allocated 10% to revenue and 90% to capital (2006: same). This allocation is in line with the Board's expected long-term split of returns in the form of income and capital gains respectively from the investment portfolio.
5. The above figures do not constitute full accounts in terms of Section 240 of the Companies Act 1985 and are based on the report and accounts for the year to 30 September 2008. The accounts for the year to 30 September 2007, on which the auditors issued an unqualified report under Section 235 of the Companies Act 2005, have been lodged with the Registrar of Companies and did not contain a statement required under Section 237(2) or (3) of the Companies Act 1985.
6. The annual report and accounts will be available on the Managers website www.svmonline.co.uk from the beginning on December 2008. These accounts can be mailed to shareholders on request to the Managers and will be lodged with the Registrar of Companies. Copies are also available for inspection at 7 Castle Street, Edinburgh EH2 3AH, the registered office of the Company.

ENDS

