

SVM GLOBAL FUND PLC

Half Yearly Statement for the six months to 31 March 2009

Investment Objective

The objective of the Fund 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

- Over the 6 months to 31 March 2009, net asset value decreased by 21.6% against the benchmark, FTSE World Index fall of 14.8%.
- The Fund has outperformed over the longer term.
- Positive relative performance in the first quarter of 2009 helped recover part of the underperformance in the fourth quarter of 2008.
- Gearing substantially reduced in the period and eliminated in April. Cash being retained for opportunistic allocations.
- Substantial discount widening in 2008 begins to reverse in 2009 as investor confidence returns.
- The Fund retains its core themes and emerging markets exposure for recovery over the medium term.

For further information, please contact:

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Chairman's Statement

Stockmarkets continued to be challenging in the first half of the Fund's current accounting period with the FTSE World Index falling 14.8% over the six months to 31 March 2009. It is disappointing to have to report that the Fund underperformed, falling 21.6% to 257.40 pence. However, since the end of March, the asset value has rallied back up to 274.95p as at the close of business on 8 May 2009.

While it is disappointing to have to report underperformance, there have been a number of periods in the past where the Fund has underperformed for a short time. Historically these periods have been followed by phases of strong out-performance. Over the longer term, the Fund has outperformed its benchmark index over five, ten and fifteen years, as well as since its launch in 1991.

PORTFOLIO REVIEW

As I intimated in the Annual Report sent to shareholders in December, the Managers believed that stockmarkets would continue to be difficult as investors and the market have problems digesting the adverse economic and company specific news. However, the scale of the bad news, the increased market volatility and increased investor risk aversion has proved to be much worse than originally feared.

In the fourth quarter of 2008, the combination of investors seeking safe havens, principally US dollar denominated assets, together with wholesale selling of assets that were perceived as being risky, pushed prices down to extreme levels. In particular, investment trust discounts widened markedly particularly in the esoteric and less liquid funds. Even though the Managers had moved to position the portfolio defensively last summer through increased weightings in funds less sensitive to markets, the scale of discount de-rating proved to be unhelpful. This hit a nadir in December with many distressed investors becoming forced sellers of many funds.

The situation has improved in the first quarter of 2009 with discounts beginning to narrow from these extreme levels and markets making up some of their losses. In addition, investors appear to be regaining some confidence and have been more willing to invest in those asset classes that had been badly affected in 2008. This has led to the Fund recovering some of the 2008 under-performance over the quarter.

The Fund remains committed to investing in a wide number of diverse global markets and remains overweight in emerging markets and underweight in the more mature markets. Even in this global downturn, these emerging economies continue to exhibit growth. In addition, many do not suffer from the indebtedness problems of the major economies but have suffered extreme stockmarket declines.

During the period under review, the opportunity was taken to trim a number of the larger holdings, principally in the hedge fund section of the portfolio. In addition to the reductions in Eastern European exposure last summer, further realisations were made into the recent market recovery. There were only two new investments in the period and a few small follow on investments. These transactions allowed for a substantial portion of the gearing to be repaid and, as of the end of April, gearing has been eliminated with a small amount of liquidity being retained. This gives the Fund the flexibility to be opportunistic in making further investments as and when appropriate.

DISCOUNT AND SHARE TRANSACTIONS

Unlike some investment trusts, the Fund's shares continue to be actively traded. Notwithstanding the share price falls and discount widening, there continues to be active demand for shares especially from private clients and advisers. Generally, discounts in the trust sector have widened over the period, the Fund being no exception. We would expect discounts in the main to narrow as markets recover confidence.

No shares were issued or bought back in the period under review. The Fund retains full buy back and issuance powers. The Board remains vigilant over the rating of the shares and are ready to buy back shares at a discount or issue them at a premium when it is in the interests of shareholders. We and the Managers believe that the retention of these powers creates an active and efficient market for shareholders.

OUTLOOK

The Managers are optimistic that global growth will resume in 2010. Emerging economies like China should lead this global economic recovery. The Fund is well positioned for this and, with its mixture of relative and absolute return focussed funds, has good prospects of resuming out-performance.

Senator Shane Ross
Chairman
12 May 2009

Financial Statements (unaudited)

Income Statement

	6 months to 31 March 2009			6 months to 31 March 2008		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Losses / gains on investments	-	(41,309)	(41,309)	-	(1,893)	(1,893)
Income	866	1,210	2,076	1,216	-	1,216
Investment management fees	(62)	(554)	(616)	(88)	(2,374)	(2,462)
Other expenses	(85)	(15)	(100)	(82)	(62)	(144)
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Return before interest and taxation	719	(40,668)	(39,949)	1,046	(4,329)	(3,283)
Finance costs	(62)	(560)	(622)	(100)	(904)	(1,004)
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Net return after taxation	657	(41,228)	(40,571)	946	(5,233)	(4,287)
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Return per ordinary share	1.15p	(72.21p)	(71.06p)	1.67p	(9.25p)	(7.58p)
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The total column of this statement is the profit and loss account of the Fund.

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 Fund have been reflected in the above statement.

Cash Flow Statement

	6 months to	6 months to
	31 March 2009 £'000	31 March 2008 £'000
Net cash outflow from operating activities	1,707	315
Returns on investment and servicing of finance	(622)	(1,004)
Capital expenditure and net financial investment	16,883	2,575

Equity dividends paid	(999)	(707)
(Decrease) / increase in cash	16,969	1,179

Balance Sheet

	as at 31 March 2009 £'000	as at 30 September 2008 £'000	as at 31 March 2008 £'000
Investments at fair value through profit or loss	147,930	207,762	260,731
Current assets	991	182	232
Creditors: amounts falling due within one year	(1,957)	(20,409)	(24,513)
Net current assets / (liabilities)	(966)	(20,2297)	(24,281)
Equity shareholders' funds	146,964	187,535	236,450
Net asset value per ordinary share	257.40p	328.46p	417.98p

Reconciliation of Movements in Shareholders Funds

For the period to 31 March 2009

	Share capital £'000	Share premium £'000	Special reserve £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000
As at 1 October 2008	14,274	10,966	8,251	4,179	148,824	1,041
Net gain on sale of investments	-	-	-	-	6,670	-
Transaction costs	-	-	-	-	(15)	-
Expenses charged to capital	-	-	-	-	(1,114)	-
Exchange differences	-	-	-	-	(3,844)	-
Movement in unrealised appreciation on investments	-	-	-	-	(41,926)	-
Return on ordinary activities after taxation	-	-	-	-	-	657
Ordinary dividends	-	-	-	-	-	(999)
Share issues	-	-	-	-	-	-
As at 31 March 2009	14,274	10,966	8,251	4,179	108,595	699

For the period to 31 March 2008

	Share capital £'000	Share premium £'000	Special reserve £'000	Capital redemption reserve £'000	Capital reserve realised £'000	Revenue reserve £'000
As at 1 October 2007	14,142	8,797	8,251	4,179	205,574	501
Net gain on sale of investments	-	-	-	-	6,410	-

Transaction costs	-	-	-	-	(62)	-
Expenses charged to capital	-	-	-	-	(3,278)	-
Exchange differences	-	-	-	-	(1,054)	-
Movement in unrealised appreciation on investments	-	-	-	-	(7,249)	-
Return on ordinary activities after taxation	-	-	-	-	-	946
Ordinary dividends	-	-	-	-	-	(707)
As at 31 March 2008	14,142	8,797	8,251	4,179	200,341	740

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 Fund at the end of the financial year and of the net return of the Fund 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 Fund 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 Fund and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors confirm that to the best of their knowledge:

- (i) these financial statements have been prepared in accordance with the Accounting Standards Board's statement 'Half-Yearly Financial Reports';
- (ii) the Half-Yearly Report includes a fair review of the information required by Disclosure and Transparency Rules 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and
- (iii) the Half-Yearly Financial Report includes a fair review of the information required by Disclosure and Transparency Rules 4.2.8R (disclosure of related party transactions and changes therein).

Principal Risks & Uncertainties

The principal risks inherent within the Fund are market related and have been classified as valuation risk, liquidity risk, exchange rate risk, interest rate risk and credit risk. Additional risks faced by the Fund can be categorised under the following headings; investment strategy, share price discount, regulatory and operational. The Fund 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 Fund 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 2008 Annual Report, which is available on the Manager's website: www.svmonline.co.uk. These principal risks and uncertainties have not changed from those disclosed in the 2008 Annual Report.

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 57,094,546 (2008 – 56,569,546) ordinary shares in issue during the year.
Total return per share is based on the post tax total loss for the year of £40,571,000 (2008 – £4,287,000).
Capital return per share is based on net capital loss during the year of £41,228,000 (2008 – £5,233,000).
Revenue return per share is based on the revenue after taxation for the year of £657,000 (2008 - £946,000).
The number of shares in issue at 31 March 2009 was 57,094,546 (2008 - 56,569,546).
3. Investment management fees and finance interest have been allocated 10% to revenue and 90% to capital (2008: 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.
4. The above unaudited figures do not constitute full accounts in terms of Section 240 of the Companies Act 1985. The accounts for the year to 30 September 2008, 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. A copy of the half yearly report for the 6 months to 31 March 2009 will be available on the Managers' website: www.svmonline.co.uk towards the end of this week. Copies are also available for inspection at 7 Castle Street, Edinburgh EH2 3AH, the registered office of the Fund.

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