



SVM Global Fund plc

Interim Report 31 March 2010

Highlights

- Net asset value (“NAV”) increases by 9.8%
- Substantial store of value with average portfolio discount of 26%
- Fund retains its core themes and overweight positions in emerging markets
- Fund resumes share buybacks as discount remains wide

“The investment objective of the Company is long term capital growth through a diversified multi-strategy portfolio and unique access to specialist funds including hedge and private equity.”

Chairman's Statement

Investor confidence grew over the last six months as signs of an economic recovery emerged. The FTSE World Index rose by 12.5% over the six months to 31 March 2010 with the Fund's asset value increasing by 9.8%. The Fund, having been ahead of the index for the first five months of the period under review, fell behind the sharp index gain experienced in the last two weeks in March. As at the close of business on 7 May 2010, the asset value was 315.38 pence, a fall of 2.0% against the benchmark index fall of 4.6% since the quarter end.

Although in the short term, the results have been disappointing, over the longer term, the Fund has outperformed its benchmark index over five, ten and fifteen years, as well as since launch in 1991. Historically, where there have been periods of short term underperformance, these have been followed by phases of strong out-performance. The Managers believe that the portfolio is well placed to resume its performance.

Portfolio review

During the period, there were strong performances from the Resources and Specialist Fund themes and in particular those funds exposed to emerging markets, specifically Russia and China. In addition, a number of funds announced reconstruction proposals which have and in some cases will crystallise value. Disappointing performances were confined to a small number of funds, principally those in the Property and Hedge section of the portfolio.

The Fund continues to hold a number of investment trusts that trade at extremely wide discounts. There is a substantial store of value within the Fund with the average discount on holdings standing in excess of 26% against a sector average of 11%. The Managers view this as extraordinary value.

Historically, there have been times where asset allocation has been key and other times where there have been opportunities to extract value from the narrowing of discounts. Rarely, in the Managers' experience, have these periods existed concurrently and they believe such an opportunity exists at this point.

Following the initial relatively indiscriminate rises from the lower levels of a year ago, stockmarkets are now seen likely to become more discerning. The Managers believe that countries with higher growth

and sounder finances merit a premium with the weaker economies being less attractive. In contrast with previous cycles, the emerging markets offer this dynamic at relatively attractive valuations. The Fund retains its overweighting in emerging markets and underweighting in the more indebted western economies. In addition, the lower exposure to the US Dollar and Euro remains in place.

There is a continuing increase in corporate activity within the trust sector as shareholders identify value to be unlocked and press for change. This has happened many times in the past. The Managers on behalf of the Fund have been party to a number of trust restructurings, many of which are still work in progress. These offer the opportunity for discounts to narrow materially irrespective of the performance of stockmarkets.

During the period under review, there have been a number of portfolio changes. The most material was the full disposal of the holding in Horseman Global Fund following the retirement of its principal manager. The proceeds were reinvested in a specialist long / short equity fund, Camargue Equity Fund. Other changes include the sale of the holding in Advance UK Trust following its forced liquidation and LMS Capital on its entry into the All Share Index. Additions have been made in specialist fund Quorum Oil & Gas and hedge fund Credaris Credit Fund.

Discount and share transactions

During the period, the Fund bought back 835,000 shares into treasury. These shares may be re-issued at a price above the original purchase price and only at a narrower discount. After a year, any unissued shares will be cancelled. The Board remains vigilant over the rating of the shares and are ready to buy back further shares at a discount or issue them at a premium when it is considered to be 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 the global economy will continue to recover and that emerging economies should lead this. The Fund, with its mixture of relative and absolute return focussed funds, has good prospects of resuming out-performance.

Senator Shane Ross
12 May 2010

Unaudited Accounts

Income Statement	6 months 31 March 2010 £000	6 months 31 March 2009 £000
Revenue Return		
Income	401	866
Interest charge allocated to revenue	(10)	(62)
Expenses allocated to revenue	(122)	(147)
Net revenue return after tax	269	657
Capital return		
Gains/(losses) on investments	17,267	(41,309)
VAT refund	–	1,210
Interest charge allocated to capital	(90)	(560)
Expenses allocated to capital	(571)	(569)
Net capital return after tax	16,606	(41,228)
Total return after tax	16,875	(40,571)
Return per ordinary share		
Revenue	0.47p	1.15p
Capital	29.11p	(72.21p)
Total	29.58p	(71.06p)

Cash Flow Statement	6 months 31 March 2010 £000	6 months 31 March 2009 £000
Net cash flow from operating activities	(160)	1,707
Returns from investment and servicing of finance	(100)	(622)
Purchases of investments	(9,243)	(5,980)
Sales of investments	12,677	22,863
Financing	(2,145)	–
Equity dividends paid	(1,142)	(999)
Movement in cash	(113)	16,969

Unaudited Accounts

Balance Sheet	31 March 2010 £000	30 September 2009 £000	31 March 2008 £000
Fixed asset – investments	173,227	162,751	147,930
Net current liabilities	6,882	3,770	(966)
Shareholders' funds	180,109	166,521	146,964
Net Asset Value per share	320.14p	291.66p	257.40p

Notes

1. These are not full accounts in terms of the Companies Act 1985. Audited accounts for the year to 30 September 2009, which were unqualified, have been lodged with the Registrar of Companies.
2. Investment management fees and bank overdraft interest have been allocated 10% to revenue and 90% to capital (2009 – same).

Investment Portfolio

Company	Valuation £000	Total Assets %
1 Eurovestech	9,225	5.1
2 Firebird Republics Fund	8,981	5.0
3 Black Rock World Mining	7,918	4.4
4 JPMorgan Russian Securities	6,841	3.8
5 China Real Estates Opportunities	6,643	3.7
6 Prosperity Voskhod Fund	6,005	3.3
7 Ceiba Investments	5,755	3.2
8 LIM China Absolute Return Fund	5,354	3.0
9 City Natural Resources Trust	4,886	2.7
10 Jupiter European Opportunities Trust	4,488	2.5
Ten largest investments	66,096	36.7
Other investments	107,131	59.5
Total investments	173,227	96.2

Company Information

Directors

Senator Shane P N Ross (Chairman)
Terence G Arthur
Graham M Fuller
Daniel H Hodson
Peter J Hulse
Colin W McLean

Investment Managers, Secretaries and Registered Office

SVM Asset Management Limited
6th Floor
7 Castle Street
Edinburgh EH2 3AH
Telephone: +44 (0) 131 226 6699
Facsimile: +44 (0) 131 226 7799
E mail: info@svmonline.co.uk
Web: www.svmonline.co.uk

Registrar

Computershare Investor Services plc
Lochside House
7 Lochside Avenue
Edinburgh EH12 9DJ
Telephone: +44 (0) 870 702 0010

Stockbrokers

Matrix Corporate Capital LLP
One Vine Street
London W1J 0AH

Auditors

Ernst & Young LLP
Ten George Street
Edinburgh EH2 2DZ

Bankers

Bank of New York Mellon
One Picadilly Gardens
Manchester M1 1RN

Registered Number

15905