



SVM Global Fund plc

Interim Report 31 March 2009

Highlights

- Net asset value (“NAV”) falls by 21.6%, discount widens
- Second quarter performance helps recover first quarter underperformance
- Gearing substantially reduced in the period
- Retention of core themes and emerging market exposure

“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

Stockmarkets continued to be challenging in the first half of the 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 up to 274.95p as at 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, it is the emerging economies that 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 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

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
12 May 2009

Unaudited Accounts

Income Statement	6 months 31 March 2009 £000	6 months 31 March 2008 £000
Revenue Return		
Income	866	1,216
Interest charge allocated to revenue	(62)	(100)
Expenses allocated to revenue	(147)	(170)
Net revenue return after tax	657	946
Capital return		
Gains/(losses) on investments	(41,309)	(1,893)
VAT refund	1,210	–
Interest charge allocated to capital	(560)	(904)
Expenses allocated to capital	(569)	(2,436)
Net capital return after tax	(41,228)	(5,233)
Total return after tax	(40,571)	(4,287)
Return per ordinary share		
Revenue	1.15p	1.67p
Capital	(72.21p)	(9.25p)
Total	(71.06p)	(7.58p)

Cash Flow Statement	6 months 31 March 2009 £000	6 months 31 March 2008 £000
Net cash flow from operating activities	1,707	315
Returns from investment and servicing of finance	(622)	(1,004)
Purchases of investments	(5,980)	(12,678)
Sales of investments	22,863	15,253
Equity dividends paid	(999)	(707)
Movement in cash	16,969	1,179

Unaudited Accounts

Balance Sheet	31 March 2009 £000	30 September 2008 £000	31 March 2008 £000
Fixed asset – investments	147,930	207,762	260,731
Net current liabilities	(966)	(20,227)	(24,281)
Shareholders' funds	146,964	187,535	236,450
Net Asset Value per share	257.40p	328.46p	417.98p

Notes

1. These are not full accounts in terms of the Companies Act 1985. Audited accounts for the year to 30 September 2008, 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 (2008 – same).

Investment Portfolio

Company	Valuation £000	Total Assets %
1 Horseman Global Fund	10,267	7.0
2 Eurovestech	7,322	5.0
3 Jupiter Adria	6,472	4.4
4 Denholm Hall Russia Arbitrage Fund	6,441	4.4
5 Ceiba Investments	6,067	4.1
6 LIM China Opportunities Fund	4,927	3.4
7 Black Rock World Mining	4,489	3.1
8 Cadogan Alternative Strategies	4,420	3.0
9 Baring Vostok Investments	4,071	2.8
10 Firebird Republics Fund	3,709	2.5
Ten largest investments	58,185	39.7
Other investments	89,745	61.0
Total investments	147,930	100.7

Company Information

Directors

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