SVM Global Fund plc

Annual Report 30 September 2009

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HAWK-EYED STOCKPICKERS

Contents

SVM Global Fund exploits global opportunities to provide long-term growth – providing shareholders with a diversified international multi-strategy portfolio and unique access to specialist funds including hedge and private equity

Highlights

- Net asset value declined by 11.2% in the year
- Portfolio remains focused on high growth countries globally
- Indiscriminate write down of assets, irrespective of quality

Financial Highlights	30 September 2009	30 September 2008	% Change
Total return:			
Net asset value	291.66p	328.46p	–11.2
Share price	259.75p	319.50p	–18.7
FTSE World Index	306.80	282.75	+8.5
Discount/(premium)	10.9%	2.7%	
Total expense ratio:			
Investment management fees	0.72%	0.72%	
Incentive fees	–	0.74%	
Other operating expenses	0.19%	0.14%	

Historical records Year to 30 September	NAV per share (p)	Share price (p)	Revenue return per share (p)	Dividend per share (p)
2003	191.83	166.00	0.42	2.25
2004	221.03	203.50	0.26	2.25
2005	289.50	274.50	0.75	2.25
2006	353.30	355.75	1.05	1.25
2007	426.81	420.00	1.05	1.25
2008	328.46	319.50	2.20	1.75
2009	**291.66**	**259.75**	**2.18**	**2.00**

Performance to 30 September 2009	1 Year	3 Years	5 Years	10 Years	Since Launch
Net asset value	–11.2	–17.4	+30.1	+58.5	+517.6
FTSE World Index	+8.5	–0.7	+28.4	+3.6	+145.4

Chairman's Statement

The results for the year ending 30 September 2009 were disappointing. The short term underperformance of the portfolio reflects the uncertainty in the global economy and the wholesale write-down of assets.

Despite the short-term setback, the Managers are confident that the positioning of the Company and the quality of the holdings will deliver the long-term outperformance to which SVM Global shareholders are accustomed.

The net asset value of the Company fell by 11.2% to 291.66 pence in the year ending 30 September 2009. Over the same period the Company's benchmark index, the FTSE World Index, rose by 8.5%. Since the year end, the net asset value has outperformed, rising to 298.3 pence as at the close of business on 30 November 2009.

Your Company has a proud history. In the past any temporary setbacks have been followed by periods of sustained outperformance partly due to the contrarian approach of the Managers. As the economic situation improves the portfolio offers good upside potential. When more normal market conditions return the Managers believe that investors will recognise the high quality assets held in the Fund and will distinguish them from those with genuine weaknesses. They look forward to a period when the indiscriminate write-down of assets is replaced by more sophisticated judgments.

This year's performance should be seen against the Fund's history of being ahead of its benchmark over five, ten, fifteen years and since its launch in 1991.

Review

The economic outlook remains uncertain, notwithstanding the recent strong recovery in stock markets. Investors are still cautious, as they attempt to separate the true economic position from that generated by the huge financial stimulus packages put in place to protect against a full blown depression. A clearer picture will only emerge once the stimuli have been substantially reduced or removed, which is unlikely to occur in 2010.

In the second half 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. The Company was adversely affected by the marked and indiscriminate widening of investment trust discounts, particularly in the less liquid funds.

The Managers had moved to position the portfolio defensively in the summer of 2008 by increasing weightings in funds less sensitive to market movements and reducing those geared into positive equity markets, however the widening of discounts proved greater than expected. Discounts hit a high in December with investors becoming distressed sellers of funds.

The situation has subsequently improved with discounts narrowing from these extreme levels. The general stockmarket recovery from March onwards has been helpful, stabilising asset values or indeed moving ahead. However, discounts still remain persistently wide in a number of asset classes, principally private equity and property. The Managers believe that in many situations these discounts are unjustified and there remains potential for discounts to narrow significantly in a number of the portfolio companies, irrespective of general market movements.

The Company remains virtually fully invested across a diverse range of global markets with an overweight position in emerging markets and underweight in the more mature markets. In addition, the Company retains its low exposure to the US Dollar, which is now contributing positively to performance.

During the year, 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 sales were made into the market recovery earlier in the year.

There were three new investments in the year and some small additions to existing investments. These transactions allowed for all the outstanding gearing to be repaid and a small amount of liquidity retained. This gives the Company the flexibility to be opportunistic in making further investments as and when appropriate.

While the Board continues to believe that gearing when accompanied by good stock selection can enhance shareholder returns, in the current uncertain environment, it is unlikely that there will be material use of gearing in the short term.

Dividends and Share Transactions

Although the Company's principal objective remains capital growth, it continues to pay a small annual dividend. This year, the Company received a repayment of VAT on previously paid investment management fees. This repayment together with associate interest received will enable a higher than usual dividend to be paid. As it is the Company's policy only to pay dividends sufficient to retain investment trust status, future annual dividends may be lower.

It is proposed that a final dividend of 2.00p share be paid on 9 February 2010 to shareholders on the Register at close of business on 11 December 2009, (ex dividend date 9 December 2009).

There were no share buybacks in the year. The Board and the Managers continue to monitor the Company's discount / premium rating and will act to ensure an active and vibrant market for the shares. At times during the year, the discount has widened to the mid teens only to return quickly to the mean. These moves were not accompanied by any material supply of shares.

The Company currently retains powers to buy back shares for cancellation and/or treasury or to issue shares at a premium. We would like to retain this flexibility and appropriate resolutions will be put to the Annual General Meeting in January.

Annual General Meeting

The Annual General Meeting will again be held in the New Year rather than during the run up to Christmas. The AGM will be held in London on 19 January 2010. This will be preceded by a 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.

Outlook

Emerging markets continue to offer a more attractive investment background with higher growth, strong finances and lower valuations. This differs markedly from a number of the more mature markets. The Company's overweight emerging market exposure combined with the continued narrowing of the underlying portfolio discounts should provide an attractive environment. The Board believes that the Company will resume the outperformance that it has demonstrated over the longer term and deliver above average returns for shareholders.

Senator Shane Ross
Chairman

4 December 2009

Managers' Review

SVM Global Fund Managers

Colin McLean

Fund Manager & Managing Director of SVM Asset Management

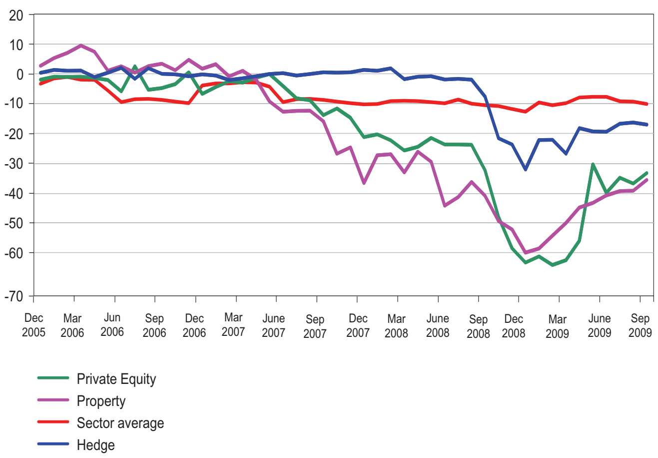
Colin has over 30 years' investment experience and is widely regarded as one of the UK's top stockpicking analysts. Prior to establishing SVM Asset Management in 1990, he held senior positions with three major financial institutions. He was Head of Investment of two UK life assurers, FS Assurance and Scottish Provident, before being Managing Director of Templeton International's European operations.

Donald Robertson

Fund Manager & Finance Director of SVM Asset Management

Donald is a qualified accountant with in excess of 25 years' investment and financial experience. Prior to co-founding SVM, he worked at Ivory & Sime, one of UK's largest independent fund management companies. In addition to the management of SVM's specialist fund of funds products, he manages a number of SVM's specialist funds.

Investment Trust Discounts



Introduction

The principal objective of the Company is to achieve long term capital growth and to outperform the FTSE World Index. The Company is a multi-strategy fund of funds with an underlying diversified portfolio of in excess of 70 funds ranging from those that demonstrate low risk absolute performance to those more geared into equity markets.

The year to 30 September 2009 proved to be extremely challenging, principally in the first quarter. On an absolute basis, the benchmark index, FTSE World Index, recorded seven months of positive performance and five months of negative, the same as the Company's asset value. On a relative basis, the asset value outperformed the benchmark in only four out of the twelve months. With the exception of October 2008, the Company was defensive, outperforming in the negative but lagging in the positive months. This lack of volatility would usually be advantageous in 'normal' markets, however markets have been anything but normal.

The share price fell by 18.7% in the year with the discount widening from 3% to over 10%. Again, the discount widening occurred in the first quarter of the financial year – indeed most of it in December. This corresponded with a material derating of discounts among non mainstream funds that are considered to be esoteric.

To assist with the aim of maintaining an orderly market for the Company's shares, the Company retains the powers both to issue shares and to buy back for cancellation or into treasury should there be an opportunity to enhance shareholder value. While it was tempting to buy back shares when the discount was wide, at that time the Company's discount was not materially wider than its peers and there were few shares on offer.

While the average sector discount has remained around 10% for most of the year, this disguises some extreme movements. As shown in the chart, the end of December saw the nadir in discounts on perceived risky assets as investors, many of whom were distressed or motivated sellers, capitulated and sold. Subsequently, discounts started to narrow even in the first few months of the year in adverse market conditions. This narrowing has continued with the subsequent market recovery. However, what the bare numbers do not show is that a number of these funds have seen very little movement to date. In some cases this is justified but not in many others.

Investment Strategy

While the Company retains a broadly based diversified portfolio, its asset allocation differs materially from that of the benchmark index and the majority of peers. The portfolio has an underweight position in the US equities and US dollar assets with an overweighting in emerging markets. Approximately 20% is invested in funds that do not require positive equity markets to generate returns acts as a counter balance.

This stance has served the Company well for a number of years and intuitively should have offered the best opportunity to protect on the downside while retaining upside exposure. However, traditional relationships broke down in 2008 with asset classes that should have been defensive being caught in the down draught. Indeed, risk aversion proved so strong that these asset classes were derated more than those more exposed to the global economic problems. In addition, the US Dollar benefitted as investors sought safe havens. As markets have recovered, the Dollar has reversed this trend and is likely to continue to be weak, which should benefit the Company.

We view a number of the emerging markets as being particularly good value with attractive dynamics. Many offer higher growth potential with substantial financial reserves and limited borrowings. This contrasts with many developed markets where growth is anaemic at best and debt is reaching unparalleled levels. Paradoxically, emerging markets suffered greater falls in 2008 but have started to outperform in the recent recovery.

Overall, the current themes remain the same as previous years although there have been some changes in the weightings. Most of the realisations were in the Hedge part of the portfolio with additions being concentrated in funds that we deem as being Specialist. The gearing was repaid in two tranches: December and April with the Company currently holding a small amount of liquidity. We have continued to monitor the realised investments and most have made little progress subsequent to sale.

We continue to look for funds that offer diversified non-correlated returns while still retaining an active exposure to global markets.

Specialist Investments

This theme remains the largest part of the portfolio and covers a number of strategies. Although some funds are very sensitive to equity markets, a number have limited market exposure but are not strictly speaking hedge. Historically, it has been this part of the portfolio that has offered the highest relative return potential. This did not materialise in last year but should make a positive contribution going forward. During the year, there were three major realisations and two holdings were reduced. The majority of the these took place in the summer. Two new holdings were introduced with an addition to one of the Company's existing investment.

Resources

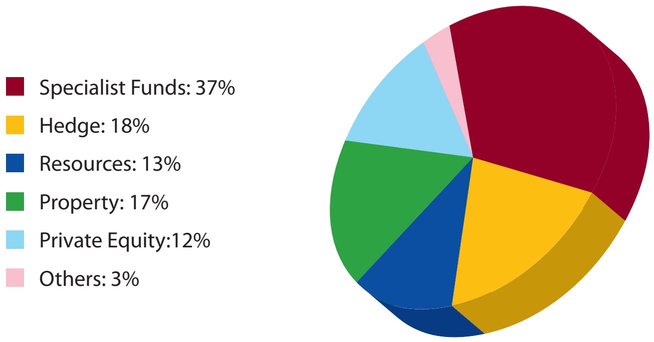
As a theme, we continue to believe in the commodity super cycle with supply / demand imbalance contributing to higher commodity prices over the medium to longer term. This does not preclude periods of short term weakness which occurred at times during the year. At these times, portfolio investments suffered disproportionately but have rallied in the last few months. There were few transactions in the year with small reductions in Firebird New Russia and a full sale of Vostok Nafta Investments. There was a single new investment in Quorum Oil & Gas, a fund specialising on support services to the oil sector.

Property

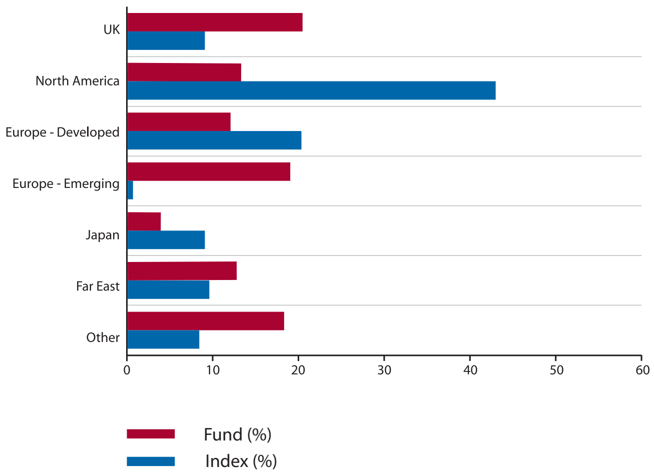
Investments in this theme continues to be concentrated in the higher growth markets globally with no US and a very limited UK and Europe exposure. Unlike many developed markets, property investment in these areas tend to involve much less gearing and, with asset values not suffering major reductions, should have been resilient. This did not stop discounts widening materially. There were no realisations in the year with a few additions to existing investments at attractive levels. To date, there have been a few opportunistic takeovers and a raft of strategic reviews. In time, this should lead to sector re-rating.

Managers' Review

Themes Analysis



Geographic Analysis



Hedge

Hedge investments are a means of generating consistent positive returns with lower or indeed no equity market sensitivity. None of the funds has any material counterparty issues and there is only one fund that has had to suspend redemptions temporarily. This part of the portfolio experienced the greatest portfolio changes in the year. One of last year's top twenty investments, Cadogan Alternative Strategies, was redeemed in its entirety with reductions in four others including Horseman Global Fund, last year's second largest holding. There was a single new investment to a fund specialising in the credit market. Most of the changes took place in the earlier part of the year.

Private Equity

We continue to believe that private equity is a good long term investment theme, although undoubtedly the recent blockage in the debt markets will adversely impact returns and timings. Our preference has always been to invest in mature funds that are at the point of or close to realising their underlying investments rather than buying immature funds. This has meant that there is little exposure to those funds that are suffering from over commitments and lack of finance. There was some small distributions from two of the more mature funds and a single addition in the year.

Others

The balance of the portfolio is invested in companies which do not fit naturally in the above categories. These holdings are being reduced gradually as and when funds are required to invest in the other portfolio themes.

Summary

We continue to maintain a portfolio balance between funds with absolute performance aims and others focussed on relative performance. With the challenging global economic short term, we continue to be defensively positioned and, in the relative section of the portfolio, focus on the higher growth markets globally.

Investment Portfolio *as at 30 September 2009*

	Stock	% of Company	Cost 2009 £000	Valuation 2009 £000	% of Net Assets	Valuation 2008 £000
1	Eurovestech	17.0	3,200	8,493	5.1	9,665
2	Ceiba Investments	7.0	4,607	6,440	3.9	7,678
3	Jupiter Adria	2.6	3,083	6,321	3.8	5,461
4	Black Rock World Mining†	0.7	3,318	6,311	3.8	5,723
5	Firebird Republics Fund*	4.1	1,423	5,953	3.6	5,634
6	Horseman Global Fund*	0.1	1,288	5,645	3.4	9,531
7	DH Russia Arbitrage Fund*	3.1	4,810	5,043	3.0	6,784
8	JPMorgan Russian Securities†	2.0	2,496	4,734	2.8	5,337
9	LIM China Absolute Return Fund*	11.6	2,094	4,639	2.8	3,781
10	Prosperity Voskhod Fund	3.8	4,891	3,941	2.4	5,279
	Ten largest investments		**31,210**	**57,520**	**34.6**	
11	Cambium Global Forestry	4.8	5,000	3,850	2.3	4,350
12	City Natural Resources Trust	3.5	1,532	3,767	2.3	2,813
13	Jupiter European Opportunities Trust	2.6	650	3,641	2.2	3,303
14	Baring Vostok Investments*	3.0	366	3,522	2.1	3,243
15	Value Partners China Greenchip	9.5	1,141	3,404	2.0	5,083
16	Oryx International Growth	9.1	5,078	3,400	2.0	3,536
17	IP Brazil Fund	10.0	2,587	3,383	2.0	2,218
18	Amber Trust*	7.0	1,557	3,294	2.0	3,445
19	Firebird New Russia Fund*	3.8	744	3,226	1.9	5,605
20	Trading Emissions	1.0	3,156	2,885	1.7	2,731
	Twenty largest investments		**53,021**	**91,892**	**55.1**	
21	Metage Emerging Markets Opportunities*	13.9	1,362	2,775	1.7	2,751
22	Advance UK Trust	6.7	2,170	2,714	1.6	3,068
23	Corevest Partners*	3.7	1,293	2,641	1.6	3,189
24	Hamon Asia iTech Fund*	8.4	4,047	2,408	1.4	2,008
25	Century Capital Partners LP IV*	5.2	2,192	2,378	1.4	1,673
26	Ukrainian Investment Fund*	2.9	3,872	2,375	1.4	4,324
27	Japan Opportunities Fund II	12.2	2,511	2,324	1.4	3,242
28	Zouk Solar Opportunities*	10.0	1,953	2,290	1.4	1,979
29	Buena Vista Latin American*	5.0	1,831	2,190	1.3	1,965
30	LMS Capital	1.6	3,328	2,169	1.3	2,581
	Thirty largest investments		**77,580**	**116,156**	**69.6**	
	Other investments		79,053	46,595	28.1	
	Total investments		**156,633**	**162,751**	**97.7**	
	Net current assets			**3,770**	**2.3**	
				166,521	**100.0**	

All investments are equity investments and those marked with an asterisk are unlisted. Contracts for Differences are marked with a †
Further information is given in note 7 on page 28. A full portfolio listing as at 30 September 2009 is detailed on the website.

Shareholder Information

The SVM website remains the best source of information about the Company. Over recent years, there have been a number of initiatives which have been added to improve shareholder access and the quality of reporting and marketing. These initiatives attract new investors and keep existing shareholders informed.

The Company webpage is easy to access within the Manager's website www.svmonline.co.uk and provides detailed information on the Company.

The Company's latest share price is updated daily and gives access to historical share price data since launch in 1991.

An interactive charting tool allows investors to view the performance record over fixed time periods or dates of their choice.

As there is no longer any requirement to post the Company's half yearly report to shareholders, and so it is made available on the website together with all other information we publish for the Company.

Comprehensive monthly factsheets are produced with the Managers' commentary, portfolio analysis, featured stock, fund performance, sector breakdowns and current hedging and gearing status.

In order to improve access to the Managers' views, quarterly video interviews are conducted and posted online together with written transcripts.

The Company distributes monthly updates by email to a number of intermediaries. It is also possible for shareholders and other interested parties to subscribe to this. To do so, please email your request to info@svmonline.co.uk

At SVM, we aim to achieve superior investment performance through careful stockpicking and analysis. Whether we are researching for our long or long/short funds we undertake proprietary, in-depth analysis in order to identify the true value of a company or fund. This strategy has ensured that we have achieved superior investment returns for a broad range of clients – both institutional and private investors. As pure equity specialists, we focus our expertise on investing in UK and European companies as well as global investment funds.

Investing in SVM Global Fund

There are a variety of ways to invest in the Company. Shares can be easily traded on the London Stock Exchange. However, regular savings and tax free wrappers are also available;

- SVM Investment Trust Savings Scheme accepts minimum lump sum investment from £200 and monthly savings from £50. Investments can be made as gifts for children or other adults. Dividends can be reinvested at no dealing cost.
- SVM ISA allows investors to save tax free up to £7,200 per annum. The minimum lump sum investment is £1,000 or regular savings from £50 per month.
- SVM Saving Scheme for Children is a low cost option available to any adult who wants to invest for children. The minimum lump sum accepted is £200 and monthly savings start from as little as £25.

For more information or brochures call 0131 226 7660. Alternatively, application packs can be downloaded from www.svmonline.co.uk

Senator Shane P N Ross (Chairman)

Senator Shane Ross has been an elected member of the Irish Senate (Upper House of Parliament) since 1981. He is chairman of SVM Saltire Fund. He has been chairman of two Dublin stockbroking firms and is currently a director of New Russia Fund and Baring Hedge Select Fund. He is also the business editor of the *Sunday Independent*, Ireland's biggest-selling Sunday newspaper. He was appointed in 2001 and is due for re-election at the AGM in 2011.

Peter J Hulse

Peter Hulse is a consultant to Contiga Capital Management. Previously he was an executive director of Jupiter Asset Management Limited, where he was responsible for managing socially responsible assets in the UK. He has been a professional investment manager since 1969. He was appointed in 2001 and is due for re-election at the forthcoming AGM.

Daniel H Hodson (Senior non-executive Director)

Daniel Hodson was until recently Chairman of the Design and Artists Copyright Society and of the University of Winchester as well as being a director of a number of private companies and not for profit organisations. Previously he was Group Finance Director of Unigate, Finance Director of Nationwide Building Society and Chief Executive of LIFFE. He was appointed in 2004 and is due for re-election at the AGM in 2011.

Colin W McLean

Colin McLean is Managing Director of SVM Asset Management and a director of SVM UK Active Fund. He was previously Managing Director of Templeton's European operations and Assistant General Manager (Investment) of Scottish Provident. He was appointed in 1990 and is due for re-election at the forthcoming AGM.

Terence G Arthur

Terry Arthur left Bacon and Woodrow in 1991 where he was a consulting actuary. He is currently a director and consultant specialising in institutional investment. He is a director of Allianz Dresdner Second Endowment Policy Trust and until recently Executive Chairman of TKM Group Pension Trust. He was appointed in 2001 and is due for re-election at the forthcoming AGM.

Graham Fuller

Graham Fuller, a member of UKSIP, is a founder partner of PSigma Asset Management. He is a Fellow of the Institute of Chartered Accountants and most recently spent 11 years leading the segregated pension fund team at Newton Investment Management. Prior to that, he worked at Credit Suisse and de Zoete and Bevan. He was appointed earlier this year and is due for re-election at the AGM in 2011.

Report of the Directors

The Directors submit their Report and Accounts for the year to 30 September 2009.

Principal activity and status

The Company is an Investment Company as defined in Section 833 of the Companies Act 2006. The Company is not a close company for taxation purposes. The Company has been approved by the HM Revenue & Customs as an investment trust under Section 842 of the Income and Corporation Taxes Act 1988 for the year to 30 September 2008. In the opinion of the Directors, the Company has subsequently conducted its affairs so as to enable it to seek such approval and the Company will continue to seek approval each year.

Results

The post tax total loss for the year to 30 September 2009 of £20,015,000 (2008 – £55,503,000) has been transferred from reserves. A final dividend of 2.00 pence per share (2008 – 1.75 pence) has been declared.

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.

Investment policy

The Company aims to achieve its objective and to diversify risk by investing in shares, investment funds, exchange traded funds, contracts for difference, warrants and related instruments, controlled by a number of limits on exposures. Appropriate guidelines for the management of the investments, gearing and financial instruments have been established by the Board of Directors.

Although the Company's benchmark is a broad global market index, pursuit of the investment objective may involve significant exposure to markets under-represented in the benchmark index. In addition, this may involve exposure to unlisted investments and companies with principal listings overseas. There are no maximum limits imposed in relation to any deviation from the benchmark index or geographical weightings.

The portfolio comprises investments which the Managers believe offer long term growth potential, typically over a three to five year horizon. Investments may include specialist funds, hedge funds, property funds, private equity funds, exchange traded funds, UK and overseas equities and contracts for difference.

A number of portfolio limits address the need for diversification in pursuing the Company's investment objective, including holding a minimum number of 30 investments. No individual investment should normally exceed 12% of the portfolio total and exposure to unlisted shares will not normally exceed 10% of the portfolio. Investments in hedge funds are limited to a maximum of 30% of net assets.

The normal exposure limits described above are expressed in terms of the value of individual holdings and the total portfolio at market value and, accordingly, can move outside the ranges set out above for reasons outwith the control of the Board and Managers. Maximum exposures can potentially be 100%. It is the aim of the risk management process to mitigate the potential risk arising from such extreme events.

The Managers regularly monitor the sectors and themes of the portfolio as described more fully in their Investment Review on pages 4 to 6.

The Company has the ability to borrow money to enhance returns. This gearing can enhance benefits to shareholders, but if the market falls, losses may be greater. The level of gearing is closely monitored and the Board intends that this should not normally exceed 20%, including any effective gearing involved in contracts for difference. Borrowing is normally on a short term basis to ensure maximum flexibility but the Company may also commit to longer term borrowing. The Company may also sell part of the portfolio and hold cash on deposit or invest in other securities or related instruments when the Manager believes it appropriate in certain market conditions.

The Company does not generally invest in fixed rate securities, except where it has substantial cash resources. In this situation, the Company has typically held short dated UK Government Securities.

Business review

A review of the business during the year is set out on pages 4 to 6.

The Company is an investment trust quoted on the London Stock Exchange and is required to comply with the Companies Act, the UK Listing Rules and applicable accounting standards. In addition to the formal annual and interim accounts, the Company publishes weekly asset values and monthly factsheets.

The Company's investment policy is to invest in a diversified unconstrained portfolio of equities and collective investment funds and related investments using a multi-strategy approach. Full details of the portfolio and its management are included in the Manager's Review. Although the objective is for long term growth, the Managers believe that outperformance in the short term is also important for the control of the Company's discount. The performance and the level of the discount, as detailed on page 1, are the two primary key performance indicators for the Company and the Board assesses these on a quarterly basis. The factsheets and the website carry further information on these indicators.

Principal risks

The principal risks facing the Company are market related and include market price, interest, liquidity and credit risk. An explanation of these risks and how they are mitigated is detailed in Note 13 to the Accounts.

Some of the Company's investments are in funds exposed to less developed markets and may be seen as carrying a higher degree of risk. We believe that these risks are mitigated through portfolio diversification, in depth analysis, the experience of the Managers and a rigorous internal control culture. The use of Contracts for Difference can involve counterparty risk exposure. Further information on the internal controls operated for the Company is detailed in the Report of the Directors on page 15. Additional risks faced by the Company are summarised below:

Investment strategy – The performance of the portfolio may not match the performance of the benchmark through inappropriate geographic, sector or stock selection. In addition, the Company may be affected by economic conditions. The Managers have a clearly defined investment philosophy and manage a broadly diversified portfolio to mitigate this risk.

Discount – The level of the discount varies depending upon performance, market sentiment and investor appetite. In addition, the Company has the ability to issue and re-purchase shares which can reduce discount volatility.

Regulatory/Operational – Failure to comply with applicable legal and regulatory requirements could lead to a suspension of the Company's shares, fines or a qualified audit report. A breach of Section 842 could lead to the Company being subject to capital gains tax. Failure of the Managers or third party service providers could prevent accurate reporting and monitoring of the Company's financial position. The Managers have many years of experience in managing investment trusts and have systems in place to reduce the risks to the Company.

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.

The Board believes the Company has a relatively low risk profile as it has a simple capital structure; has a broadly diversified portfolio; does not use derivatives other than CFDs and uses well established counterparties.

Directors

The Directors who held office during the year and their beneficial interests in the Ordinary Shares of the Company were:

	30 September 2009	1 October 2008
S P N Ross	**130,625**	30,625
T G Arthur	**20,840**	20,840
D H Hodson	**22,872**	22,872
P J Hulse	**12,500**	12,500
C W McLean	**589,580**	589,580
G M Fuller	**–**	–

There have been no changes in the Directors' interests between 30 September and 30 November 2009.

Messrs T G Arthur, P J Hulse and C W McLean retire in accordance with the Combined Code and, being eligible, offer themselves for re-election at the Annual General Meeting.

Mr C W McLean as a director and shareholder of SVM Asset Management Limited has an interest in the investment management agreement between SVM Asset Management Limited and the Company and is not regarded as independent. Mr C W McLean brings considerable experience of investment and financial markets. The Board believes that he makes a strong contribution to the Board and a number of aspects of the Company's operations, such as investing in hedge funds and the use of derivatives, merit his full involvement in those activities as a Director. Both Messrs T G Arthur and P J Hulse have extensive and considerable investment management and financial services experience – Mr Arthur as an actuary and Mr Hulse as an investment manager. The Board recommends their re-election to shareholders.

Each Director has a letter of appointment details of which are on page 16.

Disclosure of information to Auditors

Each Director of the Company confirms that:

- so far as each Director is aware, there is no information needed by the Auditors in connection with preparing their audit of which the Auditors are unaware; and
- each Director has taken all the steps that he ought to have taken to make himself aware of any such information and to establish that the Auditors are aware of that information.

Management

SVM Asset Management Limited provides investment management and secretarial services to the Company. These services can be terminated by either party, without compensation, at any time by giving one year's notice of termination or an immediate payment of a year's fee in lieu of notice. They were paid a fee, payable quarterly in advance, equivalent to 0.715% per annum of the Company's total assets less current liabilities (2008 – same). In addition, SVM Asset Management Limited is entitled to an incentive fee of 10 per cent of achieved outperformance of the Company's benchmark index, FTSE World Index, on a six monthly in arrears basis subject to a high water mark. No incentive fee was paid in respect of the year to 30 September 2009 (2008 – £1,586,000).

The Management and Nomination Committee assesses the Managers' performance on an ongoing basis and each year meets to conduct a formal evaluation of the Managers. It assesses the resources made available by the Managers, the results and investment performance in relation to objectives and also the additional services provided by the Managers to the Company.

The Committee reviews the appropriateness of the Managers' contract annually. In carrying out its review, the Committee considered the past investment performance and the Managers' capability and resources to deliver superior future performance. It also considered the length of the notice period of the investment management contract and the fees payable, together with the standard of other services provided which include secretarial, accounting, marketing and risk monitoring.

Following this review, it is the Board's opinion that the continuing appointment of the Managers on the terms agreed is in the best interest of the shareholders.

Financial instruments

The Company's financial instruments comprise the investment portfolio, cash at bank and on deposit, bank overdrafts and debtors and creditors that arise directly from operations. The main risks that the Company faces from its financial instruments are disclosed in Note 13 to the financial statements.

Creditors payment policy

The Company's policy is to agree and make suppliers aware of payment terms prior to the transacting of business. The Company has and will continue to operate this policy. The Company did not have any trade creditors outstanding at the year end.

Substantial shareholdings

At 30 November 2009, the following interests in excess of 3% of the issued Ordinary Shares of the Company had been reported:

Name	Number of Shares	Percentage of Issued Shares
Lloyds Banking Group	4,861,148	8.5%
Rensburg Shepherds Investment Management	3,552,315	6.2%
FPCP Investment Trust	3,273,787	5.8%
Legal & General Group	2,258,620	4.0%

Auditors

Ernst & Young LLP have expressed their willingness to continue in office as the Company's Auditors and a resolution proposing their re-appointment will be put to the forthcoming Annual General Meeting.

Directors' authority to issue shares

The Board are currently authorised to allot ordinary shares up to an aggregate amount of £713,681.

The current proposal to renew this authority is set out in resolutions 8 and 9 of the Notice of the Annual General Meeting.

The Board will only issue new shares pursuant to this authority if they believe it is advantageous to the Company's existing shareholders to do so.

Directors' authority to buy back shares

The current authority of the Company to make market purchases of up to 15 per cent of the issued ordinary shares expires at the end of the Annual General Meeting and Special Resolution 10, as set out in the Notice of the Annual General Meeting, seeks renewal of such authority until the Annual General Meeting in 2011. The price paid for shares will not be less than the nominal value of 25 pence per share nor more than 105 per cent of the average of the market value of the shares for the five business days before the shares are purchased. This power will only be exercised if, in the opinion of the Board, a purchase would be in the best interests of the shareholders as a whole. Any shares purchased under this authority will either be cancelled within 12 months or held in treasury for future re-sale in appropriate market conditions. It is intended that shares will only be re-issued in this way at an absolute profit.

Directors' responsibilities in relation to the Financial Statements

The Directors are responsible for the Report of the Directors and the financial statements in accordance with applicable laws and regulations.

Company law requires directors 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 (United Kingdom Accounting Standards and applicable law). Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the loss of the Company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Directors are responsible for keeping proper accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under applicable law and regulations, the Board are also responsible for preparing a Report of the Directors (including a Business Review), a Directors' Remuneration Report and a Corporate Governance Statement.

Going concern

The Board, having made appropriate enquiries, has a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis of preparing the financial statements. At the Annual General Meeting in 2011 and every five years thereafter, shareholders will be given the opportunity to decide on the future of the Company.

Corporate governance

The Board has had in place throughout the year the procedures necessary to ensure compliance with the Financial Reporting Council Combined Code of Best Practice (''the Combined Code'') except as noted below. In addition, the Company has complied throughout the year with the provisions of the AIC Code of Corporate Governance. Therefore, those issues on which the Company does not report in detail are excluded because the Board deems them to be irrelevant to the Company as explained in the AIC Code.

The Directors confirm that the Company has complied with the requirements to be headed by an effective Board to lead and control the Company. The Company is an investment trust and not a trading company and, as such, there is no requirement for a Chief Executive Officer (Code A.2.1). Mr D H Hodson has acted as senior non-executive Director throughout the year. The Board comprises six non-executive Directors, five of whom are independent of the Managers and free from all business or other relationships that could interfere with the exercise of their independent judgement. Senator Shane Ross is also chairman of SVM Saltire Fund, which is also managed by SVM Asset Management Limited. Mr C W McLean, as a director and shareholder of SVM Asset Management Limited, is not regarded as independent and stands for re-election annually.

Whilst the Directors are not appointed for specific terms, as required by the Combined Code (Code A.7.2), all the Directors must submit themselves for re-election by the shareholders at least every three years and are not entitled to compensation if they are not re-elected to office.

Since all Directors are non-executive, the Company is not required to comply with the principles of the Combined Code in respect of executive Directors' remuneration. Directors may seek independent advice at the expense of the Company.

During the year, there were four Board and four Committee meetings (two Audit and two Management and Nominations). All Directors attended all relevant meetings.

The Directors complete an annual self-assessment of their individual and collective performances by discussion on a range of issues in order to ensure that they are acting in the best interests of the Company and its shareholders. Each Director continues to be regarded as effective and committed to the Company.

The Managers maintain regular contact with the Company's shareholders, particularly institutional shareholders, and report regularly to the Board on shareholder relations. In addition, the Board uses the Annual General Meeting in London as a forum for shareholders to meet and discuss issues with the Board and the Managers.

The Board has defined the scope of the Managers' Responsibilities, including the principal operating issues such as hedging, gearing and share buy backs. Details of the limits set on key areas of risk are set out in the Financial Instruments disclosure in Note 13 to the Financial Statements.

The Managers have adopted the statement of principles set out by the Institutional Shareholders' Committee on The Responsibilities of Institutional Shareholders and Agents.

The Company usually exercises its voting powers at general meetings of investee companies. The Company does not operate a fixed policy when voting but treats each case on merit.

The Board recognises that corporate, social, environmental and ethical responsibility enables good sustainable business growth and can have positive implications for shareholder value. The Board believes that encouraging companies to recognise these responsibilities is best achieved with a dialogue and actively aiming to encourage best practice. The Board believes that long term growth is compatible with ethical behaviour and environmental responsibility in all its forms, as would be recognised by a large majority of the shareholders to whom we are answerable within the law.

Committees

The Board has adopted a schedule of matters specifically reserved to itself for decision and, in relation to certain matters, two Committees have been established. The Chairman of both Committees is Mr D H Hodson. The terms of reference of both Committees are available from the Managers upon request.

Management and Nomination Committee

The Management and Nomination Committee, which comprises all of the independent Directors and for which a quorum is any two of the independent Directors meets at least once a year. Its remit includes such matters as reviewing all contracts for services delivered to the Company (e.g. by the Auditors and the Managers), reviewing and recommending new appointments to the Board and fixing the remuneration of the Directors.

Audit committee

The Audit Committee, which comprises all of the independent Directors, and for which a quorum is any two of the independent Directors meets at least twice a year. Its remit includes the review of the Company's financial position, internal controls, scope and results of the audit and its cost effectiveness and the independence and objectivity of Auditors. The Committee must also satisfy itself that the Company's published financial statements represent a true and fair view of the position. The Company's Auditors are invited to attend the meeting. The Auditors do not provide any non-audit services other than tax services, for which they were paid £3,000 during the year. Notwithstanding these, the Committee has concluded that the Auditors are independent.

The Committee considers annually the need for an internal audit function. It believes such a function is unnecessary as the Company has no employees and subcontracts its business to third parties, the principal one of which is SVM Asset Management Limited.

Internal control and financial reporting

The Board, in conjunction with the Managers, has in place a process for identifying, evaluating and managing the significant risks faced by the Company. This process, which accords with the Turnbull guidance, has been in place for the whole year and up to the date of approval of the financial statements. The Board is responsible for establishing and maintaining the Company's system of internal control and reviewing its effectiveness on an annual basis. Internal control systems are designed to meet the particular needs of the company concerned and the risks to which it is exposed, and by their nature can provide reasonable but not absolute assurance against material misstatement or loss.

The principal elements of the Company's system of internal controls and the process applied by the Board in reviewing its effectiveness are:

- Clearly documented contractual arrangements with service providers
- Annual review by the Board of the internal control reports of service providers
- Consideration by the Board of the latest Review of Internal Controls every six months
- Quarterly Board meetings to review performance, investment policy, strategy and shareholder relations
- Regular updating by the Managers on key risks and control developments.

The Board meets every quarter to review the overall business of the Company and to consider the matters specifically reserved for it to decide upon. At these meetings, the Directors review investment performance of the Company compared to its benchmark index and in relation to comparable investment trusts. The Directors also review the Company's activities over the preceding quarter to ensure it adheres to its investment policy, or if it is considered appropriate, to authorise any change to that policy. The Board is satisfied that it is supplied in a timely manner with information to enable it to discharge its duties.

The Board has engaged external firms to undertake the investment management, secretarial and custodial activities of the Company. There are clearly documented contractual arrangements between the Company and these organisations which define the areas where the Board has delegated authority to them. The Board receives reports on at least an annual basis detailing the internal control objectives and procedures adopted by each organisation. Each report has been reviewed by the respective organisation's auditors. The Board's examination of these reports allows it to assess the effectiveness of the internal systems of financial control which affect the Company.

Compliance statement

Except as noted above, the Company has complied with the applicable provisions of the Combined Code during the year and up to the date of the approval of the financial statements.

VAT on investment management fees

In relation to the action raised against HM Revenue & Customs regarding the charging of VAT on investment management fees, the Managers duly recovered the VAT from HMRC. Subsequently, the Managers paid the Company £1,345,000 which represented VAT due of £995,000 plus accrued interest of £350,000.

By Order of the Board,
SVM Asset Management Limited
Secretaries
Edinburgh

4 December 2009

Directors' Remuneration Report

The Board has prepared this Report in accordance with the requirements of the Companies Act 2006. An ordinary resolution for the approval of this report will be put to the members at the forthcoming Annual General Meeting.

The law requires the Company's auditors to audit certain of the disclosures provided. Where disclosures have been audited, they are indicated as such. The auditors' opinion is included in their report on pages 18 and 19.

Remuneration Committee

The Company had six non-executive Directors, as detailed on page 9, five of whom are independent. The Management and Nomination Committee, comprising the independent non-executive directors, fulfils the function of a Remuneration Committee in addition to its nominations functions. The Board has appointed SVM Asset Management Limited as Company Secretaries to provide advice when the Management and Nomination Committee considers the level of Directors' fees. The Management and Nomination Committee carries out a review of the level of Directors' fees on an annual basis. In addition, SVM Asset Management Limited provides investment management and administration services to the Company.

Policy on Directors' fees

The Board's policy is that the remuneration of non-executive Directors should reflect the experience of the Board as a whole, be fair and comparable to that of other investment trusts that are similar in size, have a similar capital structure, and have similar investment objectives. It is the intention that this policy will continue for the forthcoming year. The fees for the year to 30 September 2009 were £22,500 for the Chairman, £18,000 for the senior non-executive Director and £15,000 for the other Directors. The Board believe that these levels reflect the levels that would attract suitable Directors. These fees were last increased in 2007.

The fees for the non-executive Directors are determined within the limits set out in the Company's Articles of Association and shareholder approval in a general meeting would be required to change these limits. Non-executive Directors are not eligible for bonuses, pension benefits, share options, long-term incentive schemes or other benefits.

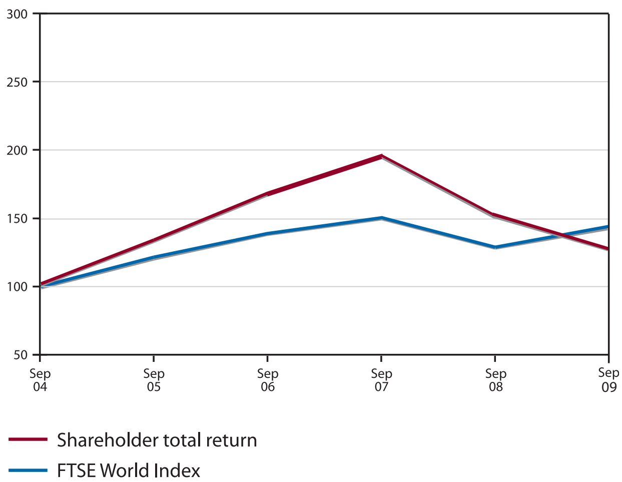
Directors' service contracts

It is the Board's policy that none of the Directors has a service contract. However, the terms of their engagement are set out in letters of appointment. The years of appointment and future re-election of each Director are detailed on page 9. The terms of their appointment provide that a Director shall retire and be subject to re-appointment at the first Annual General Meeting following their appointment. Subsequently, Directors are obliged to retire by rotation, and, if they wish, to offer themselves for re-election, at least every three years thereafter. There is a 3 month notice period and the Company reserves the right to make a payment in lieu of notice.

The Board's policy on tenure is to review actively whether Directors with service of nine years or more should be re-nominated, whilst ensuring that the process of refreshing the Board does not compromise a balance of experience, age, length of service and skills. The Management and Nomination Committee recommends to the Board candidates for nomination as Directors. The Committee selects candidates with the aim of ensuring that the Board comprises a broad spread of experience and knowledge and, where appropriate, actively searches for candidates.

Company performance

The graph below compares the total return (assuming all dividends are reinvested) to Ordinary Shareholders for the last five financial years, to the total shareholder return on a notional investment made up of shares of the same kinds and number as those by reference to which the FTSE World Index is calculated. The Index has been chosen as it represents a comparable broad equity market index and is the Company's benchmark index.



Directors' emoluments for the year (audited)

The Directors who served in the year received the following emoluments in the form of fees:

	Fees 2009 £	Fees 2008 £
S P N Ross	**22,500**	22,500
D H Hodson	**18,000**	18,000
T G Arthur	**15,000**	15,000
G M Fuller	**15,000**	11,250
P J Hulse	**15,000**	15,000
C W McLean	**–**	–
	85,500	81,750

Mr C W McLean is a director and shareholder of SVM Asset Management Limited and has agreed to waive his entitlement to Directors' emoluments.

By Order of the Board,
SVM Asset Management Limited
Secretaries
Edinburgh

4 December 2009

Independent Auditors' Report *to the Members of SVM Global Fund plc*

We have audited the financial statements of SVM Global Fund plc for the year ended 30 September 2009 which comprise the Income Statement, the Balance Sheet, the Cash Flow Statement, the Reconciliation of Movements in Shareholders' Funds and the related notes 1 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Sections 495, 496 and 497 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditors

As explained more fully in the Directors' Responsibilities Statement on page 13, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2009 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following:

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or

- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Under the Listing Rules we are required to review:

- the directors' statement, on page 13, in relation to going concern; and
- the part of the Corporate Governance Statement relating to the company's compliance with the nine provisions of the June 2008 Combined Code specified for our review.

Gordon Coull
Senior statutory auditor

for and on behalf of
Ernst & Young LLP
Statutory auditor
Edinburgh

7 December 2009

Income Statement *for the year to 30 September 2009*

	Notes	Revenue £000	Capital £000	Total £000
Net losses on investments at fair value through profit or loss	7	–	(16,268)	(16,268)
Exchange differences		–	(4,146)	(4,146)
Losses on investments		–	(20,414)	(20,414)
Income	1	1,575	–	1,575
Investment management fees	2	(115)	(1,037)	(1,152)
VAT on investment management fees		164	831	995
Other expenses	3	(311)	(29)	(340)
Return before interest and taxation		1,313	(20,649)	(19,336)
Finance costs – bank overdraft interest		(68)	(611)	(679)
Return on ordinary activities before taxation		1,245	(21,260)	(20,015)
Taxation	4	–	–	–
Return attributable to ordinary shareholders	6	1,245	(21,260)	(20,015)
Return per ordinary share	6	2.18p	(37.23p)	(35.05p)

The Total column of this statement is the profit and loss account of the Company. All revenue and capital items are derived from continuing operations. No operations were acquired or discontinued in the year. 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.

The Accounting Policies and the Notes on pages 25 to 32 form part of these Financial Statements

Income Statement *for the year to 30 September 2008*

	Notes	Revenue £000	Capital £000	Total £000
Net losses on investments at fair value through profit or loss	*7*	–	(49,439)	(49,439)
Exchange differences		–	(2,375)	(2,375)
Losses on investments		–	(51,814)	(51,814)
Income	*1*	1,909	–	1,909
Investment management fees	*2*	(172)	(3,130)	(3,302)
Other expenses	*3*	(298)	(74)	(372)
Return before interest and taxation		1,439	(55,018)	(53,579)
Finance costs – bank overdraft interest		(192)	(1,732)	(1,924)
Return on ordinary activities before taxation		1,247	(56,750)	(55,503)
Taxation	*4*	–	–	–
Return attributable to ordinary shareholders	*6*	1,247	(56,750)	(55,503)
Return per ordinary share	*6*	2.20p	(99.92p)	(97.72p)

The Total column of this statement is the profit and loss account of the Company. All revenue and capital items are derived from continuing operations. No operations were acquired or discontinued in the year. 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.

The Accounting Policies and the Notes on pages 25 to 32 form part of these Financial Statements

Balance Sheet *as at 30 September 2009*

	Notes	2009 £000	2008 £000
Fixed Assets			
Investments at fair value through profit or loss	7	**162,751**	207,762
Current Assets			
Cash at bank		**3,583**	–
Debtors	8	**227**	182
Total current assets		**3,810**	182
Creditors: amounts falling due within one year	9	**(40)**	(20,409)
Net current assets/(liabilities)		**3,770**	(20,227)
Total assets less current liabilities		**166,521**	187,535
Capital and Reserves			
Share capital	10	**14,274**	14,274
Share premium		**10,966**	10,966
Special reserve		**8,251**	8,251
Capital redemption reserve		**4,179**	4,179
Capital reserve		**127,564**	148,824
Revenue reserve		**1,287**	1,041
Equity shareholders' funds		**166,521**	187,535
Net asset value per ordinary share	6	**291.66p**	328.46p

Approved by the Board of Directors and authorised for issue on 4 December 2009
and signed on its behalf by Senator Shane Ross, Chairman

The Accounting Policies and the Notes on pages 25 to 32 form part of these Financial Statements

Reconciliation of Movements in Shareholders Funds *for the year to 30 September 2009*

For the year to 30 September 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	–	–	–	–	**9,097**	–
Transaction costs	–	–	–	–	**(29)**	–
VAT on investment management fees	–	–	–	–	**831**	–
Expenses charged to capital	–	–	–	–	**(1,648)**	–
Exchange differences	–	–	–	–	**(4,146)**	–
Movement in unrealised appreciation on investments	–	–	–	–	**(25,365)**	–
Revenue attributable to shareholders	–	–	–	–	–	**1,245**
Ordinary dividend	–	–	–	–	–	**(999)**
As at 30 September 2009	**14,274**	**10,966**	**8,251**	**4,179**	**127,564**	**1,287**

For the year to 30 September 2008

	Share capital £000	Share premium £000	Special reserve £000	Capital redemption reserve £000	Capital reserve £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	–	–	–	–	14,631	–
Transaction costs	–	–	–	–	(74)	–
Expenses charged to capital	–	–	–	–	(4,862)	–
Exchange differences	–	–	–	–	(2,375)	–
Movement in unrealised appreciation on investments	–	–	–	–	(64,070)	–
Revenue attributable to shareholders	–	–	–	–	–	1,247
Ordinary dividend	–	–	–	–	–	(707)
Share issue	132	2,169	–	–	–	–
As at 30 September 2008	14,274	10,966	8,251	4,179	148,824	1,041

The Accounting Policies and the Notes on pages 25 to 32 form part of these Financial Statements

Cash Flow Statement *for the year to 30 September 2009*

	2009 £000	2008 £000
Reconciliation of revenue before interest and taxation to net cash flows from operating activities		
Return before interest and taxation	**(19,336)**	(53,579)
Losses on investments	**20,414**	51,814
Transaction costs	**29**	74
Movement in creditors	**–**	(207)
Movement in debtors	**(5)**	(131)
Net cash inflow/(outflow) from operating activities	**1,102**	(2,029)
Returns on investment and servicing of finance		
Finance costs	**(679)**	(1,924)
Capital expenditure and financial investment		
Purchases of fixed asset investments	**(7,040)**	(26,993)
Sales of fixed asset investments	**35,714**	33,926
	28,674	6,933
Equity dividends paid	**(999)**	(707)
Net cash inflow before financing	**28,098**	2,273
Financing		
Share issue	**–**	2,301
Increase in cash	**28,098**	4,574
Reconciliation of Net Cash Flow to Movement in Net Debt		
Movement in cash in the year	**28,098**	4,574
Net debt at start of the year	**(20,369)**	(22,568)
Exchange differences	**(4,146)**	(2,375)
Net cash/(debt) at end of the year	**3,583**	(20,369)

Net cash/(debt) comprises bank balances/(overdrafts)

The Accounting Policies and the Notes on pages 25 to 32 form part of these Financial Statements

Basis of Preparation

The accounts are prepared in accordance with UK Generally Accepted Accounting Practice (''GAAP'') and with the 2009 Statement of Recommended Practice ''Financial Statements of Investment Trust Companies'' (''SORP'').

Income

Income is included in the Income Statement on an ex-dividend basis. Deposit interest is included on an accruals basis.

Expenses and Interest

Expenses and interest payable are dealt with on an accruals basis. The VAT refund on investment management fees has been allocated between revenue and capital based on the original allocation. All interest has been allocated to revenue.

Investment Management Fees and Finance Costs

The investment management fee and bank overdraft interest paid have been allocated 10% to revenue and 90% to capital. The 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. The incentive fee, where payable, has been allocated 100% to capital. The terms of the investment management agreement are detailed in the Report of the Directors on page 12.

Taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more or a right to pay less tax in the future have occurred at the balance sheet date measured on an undiscounted basis and based on enacted tax rates. This is subject to deferred tax assets only being recognised if it is considered more likely than not that there will be suitable profits from which the future reversal of the underlying timing differences can be deducted. Timing differences are differences arising between the Company's taxable profits and its results as stated in the accounts which are capable of reversal in one or more subsequent periods.

Investments

The Company's investments have been categorised as ''fair value through profit or loss''.

All investments are held at fair value. For listed investments, this is deemed to be quoted bid prices as at 30 September 2009. Contracts for Differences are synthetic equities and valued with reference to the investment's underlying bid price. Unlisted investments are valued at fair value based on the latest available information and with reference to the International Private Equity and Venture Capital Valuation Guidelines.

All changes in fair value and transaction costs on the acquisition and disposal of portfolio investments are included in the Income Statement as a capital item.

Purchases and sales of investments are accounted for on the trade date.

Foreign Currencies

Assets and liabilities in foreign currencies are converted at the year end exchange rates. Foreign currency transactions are translated at the exchange rate on the transaction date. Exchange differences are dealt with in either the income account or capital reserve depending on the nature of the exchange gain or loss.

Capital Reserve

Gains and losses on realisations of fixed asset investments, and transaction costs, together with appropriate exchange differences, are dealt with in this reserve. All incentive fees, a portion of the investment management fee and finance costs, together with any tax relief, is also taken to this reserve. Increases and decreases in the valuation of fixed asset investments are dealt with in this reserve.

	2009 £000	2008 £000
1. Income		
Income from equity shares and securities –		
UK investment income	**841**	1,239
Overseas income	**369**	621
Interest on short term deposits	**15**	49
Interest received on VAT recovery	**350**	–
	1,575	1,909

2. Investment Management Fees

	2009 £000	2008 £000
Revenue		
Investment management fee	**115**	172
Capital		
Investment management fee	**1,037**	1,544
Incentive fee	**–**	1,586
	1,037	3,130
Total	**1,152**	3,302

3. Other Expenses

	2009 £000	2008 £000
Revenue		
General expenses	**203**	193
Directors' fees	**85**	82
Auditors' remuneration – audit services	**20**	20
Auditors' remuneration – taxation services	**3**	3
	311	298
Capital		
Transaction costs	**29**	74
Total	**340**	372

	2009 £000	2008 £000
4. Taxation		
Return on ordinary activities before taxation	**(20,015)**	(55,503)

The tax assessed for the year is different from the standard rate of corporation tax in the UK.

The differences are noted below:		
Corporation tax (28%, 2008 – 29%)	**(5,604)**	(16,096)
Non-taxable UK dividends	**(175)**	(302)
Income and gains in capital not taxable	**3,587**	15,048
Movement in unutilised management expenses	**2,192**	1,350
Total taxation charge for the year	**–**	–

The Company is subject to taxation on gains arising from the realisation of investments in non-qualifying offshore funds but is otherwise exempt from taxation on capital gains. Excess management expenses are available to be offset against future taxable profits including any profits on the disposal of interests in non-qualifying offshore funds. The position as at the year end is as follows:

Excess management expenses	**23,733**	31,562
Unrealised appreciation on non qualifying offshore funds	**(18,962)**	(24,324)
Net excess management expenses	**4,771**	7,238

No deferred tax asset has been recognised on net excess management expenses as it is unlikely they will be utilised against taxable profits in future periods.

	2009 £000	2008 £000
5. Dividends		
2008 final dividend 1.75p (2007 – 1.25p)	**999**	707

The proposed final dividend of 2.00p per share is subject to shareholder approval at the Annual General Meeting and has not been included as a liability in these financial statements. This dividend of £1,142,000 (2008: £999,000) is the basis on which the requirement of Section 842 of the Income and Corporation Taxes Act 1988 are considered. The revenue available for distribution by way of dividend for the year is £1,245,000 (2008: £1,247,000).

6. Returns per Share

Returns per share are based on a weighted average of 57,094,546 (2008 – 56,796,806) ordinary shares in issue during the year.

Total return per share is based on the total loss for the year of £20,015,000 (2008 – £55,503,000).
Capital return per share is based on net capital loss during the year of £21,260,000 (2008 – £56,750,000).
Revenue return per share is based on revenue after taxation for the year of £1,245,000 (2008 – £1,247,000).

The net asset values per share are based on the net assets of the Company (2009 – £166,521,000; 2008 – £187,535,000) divided by the number of shares in issue at the year end as shown in Note 10.

			2009 £000	2008 £000
7. Fixed Assets – Investments at fair value through profit and loss				
Listed investments			**102,434**	139,009
Unlisted investments			**60,317**	68,753
			162,751	207,762
	Listed	**Unlisted**	**Total**	
Valuation as at 1 October	**139,009**	**68,753**	**207,762**	264,208
Investment holding gains as at 1 October	**3,227**	**28,256**	**31,483**	95,553
Cost as at 1 October	**135,782**	**40,497**	**176,279**	168,655
Purchases of investments at cost	**4,620**	**2,415**	**7,035**	26,948
Proceeds from sale of investments	**(20,923)**	**(14,855)**	**(35,778)**	(33,955)
Net gain on sale of investments	**1,054**	**8,043**	**9,097**	14,631
Cost as at 30 September	**120,533**	**36,100**	**156,633**	176,279
Investment holding gains as at 30 September	**(18,099)**	**24,217**	**6,118**	31,483
Valuation as at 30 September	**102,434**	**60,317**	**162,751**	207,762
Net gain on sale of investments			**9,097**	14,631
Movements in investment holding gains			**(25,365)**	(64,070)
Total gains on investments			**(16,268)**	(49,439)

Transaction costs

Fixed asset investments are now categorised as ''financial assets at fair value through profit or loss''.
Transaction costs on the acquisition and disposal of portfolio investments are charged to Capital reserve – realised.
In the year to 30 September 2009 these costs amounted to £29,000 (acquisitions £5,000 and disposals £24,000).
For the year to 30 September 2008, the comparative costs were £74,000 (acquisitions £45,000 and disposals £29,000).

	2009 £000	2008 £000
8. Debtors		
Dividends due but not received	**185**	180
Due from brokers	**40**	–
Taxation recoverable within one year	**2**	2
	227	182

	2009 £000	2008 £000
9. Creditors: amounts falling due within one year		
Bank overdraft	–	20,369
Other creditors	**40**	40
	40	20,409

The bank overdraft is secured on certain investments of the Company and incurs interest at a variable rate of 1% above base rates.

10. Share Capital

	2009 £000	2008 £000
Authorised		
63,739,320 ordinary 25p shares	**15,935**	15,935
Allotted, issued and fully paid		
57,094,546 ordinary 25p shares	**14,274**	14,274

11. Substantial Interests

Interests of 20% or more of equity share capital (all ordinary shares).

Company	Country of incorporation and operation	Year end	% of class and equity held	Aggregate capital and reserves £000	Post tax losses £000	Dividends received £000	Valuation £000
Armadillo Investments (in liquidation)	Guernsey	31.12.06	25.0	9,827	(41)	–	1,219

12. Financial Information on Significant Unlisted Investments

In accordance with the Listing Rules, the following information is provided for the unlisted investments in the Company's ten largest investments.

Company	Business	Earnings per share p	Dividend per share p	Dividend cover %	Net assets attributable £000
Denholm Hall Russian Arbitrage Fund	Investment Company	1,238.3	–	–	4,694
Firebird Republics Fund	Investment Company	1,456.0	–	–	5,471
Horseman Global Fund	Investment Company	349.8	–	–	7,261
LIM China Absolute Return Fund	Investment Company	29.7	–	–	4,477

The above investments are held at net asset value which is fair value. There is no requirement to provide for any diminution in value.

13. Financial Instruments

Risk Management

The major risks inherent within the Company are market risk, liquidity risk, interest rate risk and credit risk. The Company has an established environment for the management of these risks which are continually monitored by the Managers. Appropriate guidelines for the management of the Company's financial instruments and gearing have been established by the Board of Directors. Specifically, effective gearing and liquidity are targeted to fall between 0 and 20% of total assets. The Company does not use currency hedging or the material use of derivatives within its portfolio.

Market risk exists where there are changes in share prices, equity valuations, interest rates and the liquidity of financial instruments. The Company addresses this risk by owning a diversified portfolio of investments covering a range of market capitalisation, sectors and geographic regions. Market price risk management is part of the fund management process and is typical of equity related investment. The portfolio is managed so as to minimise the effects of adverse price movements and results from detailed and continuing analysis with an objective of maximising overall returns to shareholders.

Liquidity risk exists where the Company is a forced seller of its investments at times where there may not be sufficient demand for these assets. Although some holdings are unlisted or trade on illiquid markets and by their nature less liquid than larger companies, the Company maintains a long term investment view and is rarely required to sell its investments in a forced manner. In addition, the Company maintains an overdraft facility to ensure that the Company is not a forced seller of its investments.

Interest rate risk exists where the returns generated from the investments are less than the cost of borrowing. This risk has been mitigated by operating with a relatively small level of gearing at most times. The level will only be increased where an opportunity exists to add to net asset value performance.

Credit risk exists where a counterparty fails to discharge an obligation or commitment entered into with the Company. The Managers monitor counterparty risk as part of the overall investment management process. This risk is reduced by using counterparties that are substantial, well financed organisations which are reviewed on a regular basis. Most investment transactions are conducted on-market and are delivery versus payment. The Company's principal counterparties are bankers Bank of New York Mellon and CFD provider UBS. The Managers only use for trade execution broker organisations that are authorised by the Financial Services Authority.

Sensitivity analysis

The following table details the impact on returns and net assets of the Company to changes in the principal drivers of performance, namely investment returns, foreign currencies and interest rates. The calculations are based on the balances at the respective balance sheet dates and are not representative of the year as a whole.

	2009 £000	2008 £000
Investment portfolio		
10% increase	**16,275**	20,776
10% decrease	**(16,275)**	(20,776)
Other assets/liabilities		
Interest rate +2%	**75**	(405)
Interest rate –2%	**(75)**	405
Foreign currency		
US Dollar strengthens by 5% against Sterling	**2,998**	2,718
US Dollar weakens by 5% against Sterling	**(2,998)**	(2,718)
Euro strengthens by 5% against Sterling	**1,215**	1,242
Euro weakens by 5% against Sterling	**(1,215)**	(1,242)

13. Financial Instruments (continued)

Financial instruments

The Company's investment policy is to hold investments and cash balances with gearing being provided by a bank overdraft. All financial assets and liabilities are carried at fair value. The fair value is the same as the carrying value of all financial assets and liabilities.

The Company has the following foreign currency exposures.

	2009 £000	2008 £000
Fixed asset investments		
– Sterling	**72,446**	99,989
– US Dollar	**60,833**	72,563
– Euro	**26,698**	30,949
– Yen	**2,774**	4,261
Bank/(overdraft)		
– Sterling	**2,746**	–
– US Dollar	**2,021**	(15,493)
– Euro	**(1,184)**	(4,876)
Exchange rate		
– US Dollar	**1.598**	1.781
– Euro	**1.092**	1.264
– Yen	**143.375**	188.947
Interest rate		
– Sterling	**0.50%**	5.00%
– US Dollar	**0.10%**	2.00%
– Euro	**1.00%**	4.25%

Where appropriate, gearing is utilised in order to enhance net asset value. The Company does not invest in fixed rate securities other than where the Company has substantial cash resources. In this situation, the Company has typically held short dated UK Government Securities. No such securities were held in the year. Investments, which comprise mainly equity investments, are valued as detailed in the Company's accounting policies. Any cash balances are held on a variable rate call account generally yielding a higher rate of interest than that available for fixed interest securities and is based on prevailing interest rates.

The Company only operates short term gearing, which is limited to 20% of gross assets, and is undertaken through an unsecured variable rate bank overdraft with interest being charged based on prevailing interest rates. Short term debtors and creditors are excluded from disclosure except currency disclosures. There were no currency debtors and creditors at the year end. The fair value is not materially different from the carrying value of all financial assets and liabilities as disclosed in notes 8 and 9.

The Board has granted the Managers a limited authority to invest in Contracts for Difference (''CFD'') to achieve some degree of gearing and/or hedging without incurring the gross cost of investment.

The Board requires the Manager to operate within certain risk ranges of normal exposure, as detailed in the Report of the Directors and Managers' Review. The following table details the CFD positions.

	2009 £000	2008 £000
Number of holdings	**2**	–
Net exposure – all long	**11,045,000**	–
Unrealised gains	**5,232,000**	–

13. Financial Instruments (continued)

Contractual maturity analysis

	Due not later than 1 month £000	Due between 1 and 3 months £000	Due between 3 and 12 months £000	2009 Total £000
Bank overdraft	–	–	–	–
Creditors	40	–	–	(40)
Net liquidity	**40**	**–**	**–**	**(40)**

	Due not later than 1 month £000	Due between 1 and 3 months £000	Due between 3 and 12 months £000	2008 Total £000
Bank overdraft	(20,369)	–	–	(20,369)
Creditors	(40)	–	–	(40)
Net liquidity	**(20,409)**	**–**	**–**	**(20,409)**

Cash flows payable under financial liabilities by remaining contractual liabilities are as stated above.

Maximum credit risk analysis

As at the year end the Company's maximum credit risk exposure was as follows:

	2009 £000	2008 £000
Bank	**3,583**	–
Dividends due but not received	**185**	180
Due from brokers	**40**	–
Taxation recoverable	**2**	2
	3,810	182

Capital management policies

The Company's management objectives are to provide shareholders with long term capital growth.

The Company's capital comprises:	**2009 £000**	2008 £000
Capital and reserves:		
Share premium	**14,274**	14,274
Share capital	**10,966**	10,966
Special reserve	**8,251**	8,251
Capital redemption reserve	**4,179**	4,179
Capital reserve	**127,564**	148,824
Revenue reserve	**1,287**	1,041
Total shareholders' funds	**166,521**	187,535

The Company's objectives for managing capital are detailed in the Report of the Directors and have been complied with throughout the year. The Company normally restricts effective gearing to 20% of net assets, maintains a minimum share capital of £50,000 (as a public company) and adheres to the capital restrictions imposed by relevant company and tax legislation.

NOTICE IS HEREBY GIVEN that the Annual General Meeting of SVM Global Fund plc will be held at City of London Club, 19 Old Broad Street, London EC2N 1DS on 19 January 2010 at 12.30 pm (immediately following a presentation to be given by the Managers at 12 noon), for the following purposes:

To consider and, if thought fit, pass the following as ordinary resolutions:

1. That the report and accounts for the year ended 30 September 2009, the Directors' report, the Directors' remuneration report and the independent auditors' report be received.
2. That the Directors' remuneration report for the year ended 30 September 2009 be approved.
3. That a final dividend of 2.00p per share be declared.
4. That Mr T G Arthur be re-elected as a Director.
5. That Mr P J Hulse be re-elected as a Director.
6. That Mr C W McLean be re-elected as a Director.
7. That Ernst & Young LLP be reappointed as auditors of the Company to hold office until the conclusion of the next annual general meeting at which accounts are laid before the Company and that their remuneration be fixed by the Directors.
8. That, in substitution for any existing authority under the Companies Act 2006 (the ''Act'') but without prejudice to the exercise of any such authority prior to the date of this resolution, the Directors be and are hereby generally and unconditionally authorised in accordance with section 551 of the Act to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for shares up to an aggregate nominal amount of £713,681, such authority to expire 15 months from the date on which this resolution is passed or, if earlier, at the conclusion of the annual general meeting of the Company to be held in 2011, unless previously revoked, varied or extended by the Company in general meeting, save that the Company may, at any time prior to the expiry of such authority, make an offer or enter into an agreement which would or might require relevant securities to be allotted after the expiry of such authority and the Directors may allot relevant securities in pursuance of such an offer or agreement as if such authority had not expired.

To consider, and if thought fit, pass the following as Special Resolutions:

9. That, the Directors be given the general power to allot equity securities (as defined by section 560 of the Companies Act 2006 (the ''Act'')) for cash either pursuant to the authority conferred by Resolution 8 above or by way of a sale of treasury shares, as if section 561 (1) of the Act did not apply to such allotment provided that the power shall be limited to the allotment of equity securities up to an aggregate nominal amount of £713,681 representing approximately 5% of the nominal value of the issued share capital of the Company. This power:
    (a) expires at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or on the expiry of 15 months from the passing of this resolution, whichever is the earlier, save that the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement as if the power conferred hereby had not expired; and
    (b) revokes and replaces all unexercised powers previously granted to the Directors to allot equity securities as if either section 89(1) of the Companies Act 1985 or section 561 (1) of the Act did not apply but without prejudice to any allotment of equity securities already made or agreed to be made pursuant to such authorities.
10. That in substitution for any existing authority but without prejudice to the exercise of any such authority prior to the date hereof, the Company be generally and unconditionally authorised in accordance with section 701 of the Act to make market purchases (within the meaning of section

693(4) of the said Act) of ordinary shares of 25 pence each (''Shares'') in the share capital of the Company provided that:

(a) the maximum aggregate number of Shares hereby authorised to be purchased is less than 15 per cent. of the issued share capital as at the date this resolution is passed;

(b) the minimum price which may be paid for a Share shall be 25 pence;

(c) the maximum price (excluding expenses) which may be paid for a Share shall be not more than the higher of:

(i) 5 per cent. above the average closing price on the London Stock Exchange for the Shares over the five business days immediately preceding the date of purchase;

(ii) the higher of the last independent trade and the highest current independent bid on the London Stock Exchange; and

(d) unless renewed, varied or revoked, the authority hereby conferred shall expire at the conclusion of the 2011 annual general meeting of the Company, or 19 April 2011 if earlier, save that the Company may, prior to such expiry, enter into a contract to purchase Shares under such authority which will or may be executed wholly or partly after the expiry of such authority and may make a purchase of Shares pursuant to any such contract.

By order of the Board
SVM Asset Management Limited
Secretaries

4 December 2009

Notes:

1. Under Section 324 of the Companies Act 2006, a member of the Company is entitled to appoint one or more persons as his proxy to exercise all or any of his rights to attend, speak and vote at a meeting of the Company, provided that each proxy is appointed to exercise the rights attached to different shares held by him.
2. A form of proxy for use by shareholders is enclosed with this document. Proxies must be lodged with the Company's registrars, Computershare Investor Services plc at the address noted on the form, not less than 48 hours (excluding non-working days) before the time appointed for the meeting, together with any Power of Attorney or other authority under which the proxy is signed. Completion of the form of proxy will not prevent a shareholder from attending the meeting and voting in person.
3. To be entitled to attend and vote at the Annual General Meeting, shareholders must be registered in the Register of Members two days before the meeting (or any adjournment thereof). Changes to the Register after the relevant deadline shall be disregarded in determining the rights of any persons to attend and vote at the Meeting.
4. To facilitate voting by corporate representatives at the meeting, arrangements will be put in place so that (i) if a corporate shareholder has appointed the Chairman of the meeting as its corporate representative with instructions to vote on a poll in accordance with the directions of all of the other corporate representatives for that shareholder at the meeting, then on a poll those corporate representatives will give voting directions to the Chairman and the Chairman will vote (or withhold a vote) as corporate representative in accordance with those directions; and (ii) if more than one corporate representative for the same corporate shareholder attends the meeting but the corporate shareholder has not appointed the Chairman of the meeting as its corporate representative, a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative.
5. The members of the Company may require the Company to publish, on its website, a statement which is also to be posted to the auditors setting out any matter relating to the audit of the company's accounts, including the auditors report and the conduct of the audit. The Company will be required to do so once it has received such requests from either members representing at least 5% of the total voting rights of the Company or at least 100 members who have a relevant right to vote and hold shares in the Company on which there has been paid up an average sum per member of at least £100.
6. As at 4 December 2009, the latest practicable date prior to the publication of this document, the Company's issued share capital was 57,094,546 Ordinary Shares each carrying one vote per share.
7. Any person holding 3% of the total voting rights in the Company who appoints a person other than the Chairman as his proxy will need to ensure that both he and such third party complies with their respective disclosure obligations under the Disclosure and Transparency Rules.
8. Information regarding the Annual General Meeting, including information required by Section 311A of the Act is available on our website on www.svmonline.co.uk

Corporate Information

Investment Managers, Secretaries and Registered Office

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

Administrators of Savings Scheme/ISA

SVM Asset Management Limited
Block C, Western House
Peterborough Business Park
Lynchwood
Peterborough PE2 6BP
Telephone: +44 (0) 845 358 1108

Registrars

Computershare Investor Services plc
Lochside House
7 Lochside Avenue
Edinburgh Park
Edinburgh EH12 9DJ
Telephone: +44 (0) 870 707 1330

Auditors

Ernst & Young LLP
Ten George Street
Edinburgh EH2 2DZ

Bankers

Bank of New York Limited

Stockbrokers

Matrix Securities Limited

Registered Number

15905

Company Website

www.svmonline.co.uk

MLG Edinburgh 4114

0800 0199 440
www.svmonline.co.uk

SVM Asset Management
7 Castle Street, Edinburgh EH2 3AH

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