

Investment Update and Net Tangible Assets

Net Tangible Assets (NTA) per share

NTA before tax*	\$ 1.1630
NTA after tax	\$ 1.1391

* There were no substantive tax payments made during December.
\$ denotes Australian dollar.

December review

Financial markets continue to seesaw between fear of the looming damage that rising interest rates will bring, and the hope that they do so much damage that central banks will soon be cutting rates again. To that end, during December, the key focus for markets was the US Fed lifting its forecast for future interest rate rises. Alongside an 0.5% increase to US base rates announced in December, the Fed said it now expects to raise rates to 5.1% by the end of 2023, 0.5% higher than its previous projections. Importantly, from a market pricing point of view, these projections sit in stark contrast to current market expectations. These are for the Fed to be forced to 'pivot' at some point this year and begin cutting interest rates again.

December's messaging from the Fed prompted a sell-off across most higher-risk asset classes. In US\$ terms, global share markets fell 3.9%⁴, with the falls felt hardest in interest rate sensitive sectors, such as FANG stocks, which fell 9.0%⁹ in US\$ terms. Global bond markets rose 0.2%⁵ in US\$ terms over the month, with a minor increase in future interest rate expectations more than offset by coupon income over the period.

A small rise in the Australian dollar over the month amplified the above losses for Australian dollar investors. Global share and bond markets fell 4.3% and 0.2% respectively in A\$ terms, while the local Australian share market fell 3.2%.

Despite the backdrop of falling markets, it is pleasing to be able to report a positive month of performance from the GVF investment portfolio. The main driver of this was success in unlocking value across a number of our positions over the month. No one position on its own dominated returns during the month, rather the success was spread across several holdings, including participation in two corporate actions during December.

While its share price performance in December was fairly muted, one of our strongest contributors to returns in the final quarter of 2022 was VPC Specialty Lending Investments (VSL), up 14% in Sterling-terms. As a reminder, VSL was a high-profile campaign for GVF in 2020, when we felt measures that were introduced around the time of a continuation vote were woefully inadequate to tackle the long-term discount problem. Shareholders' efforts back then were ultimately rewarded with improved terms, as well changes to the composition of the board. Despite these changes in 2020, however, we have remained sceptical for some time that these new measures on their own would be sufficient to solve the long-term challenges faced by the company.

Ahead of a discount-contingent 25% redemption opportunity in 2023, we spent much of 2022 engaging with the board of VSL, fellow shareholders, as well as legal counsel, to find a long-term formula for success for the company. After publishing an [open letter](#) to shareholders on 12 September that was largely ignored, on 6 December we, together with another shareholder, Metage Capital, requisitioned for a shareholder meeting to be held. We published a further public letter alongside this

Global Value Fund Limited

ASX Code	GVF
Listed	July 2014
Shares on issue	175M
Share price	\$1.115
Market cap	\$195M
Total dividends declared ¹	62.0 cents
Profits Reserve ²	26 cents
Grossed-up yield ³	8.5%

Company overview

The Global Value Fund (ASX: GVF) is a listed investment Company that provides shareholders with the opportunity to invest globally through a portfolio of securities purchased at a discount to their underlying asset value. By capturing this discount for its investors, the manager aims to provide an alternative source of market outperformance compared to more common stock selection strategies.

It is the Board's intention to pay regular dividends so long as the Company is in a position to do so.

Investment Manager

The portfolio management team is split between London and Sydney and has considerable experience in finding international assets trading at a discount to their intrinsic value and in identifying, or creating, catalysts to unlock this value.

Investment Management

Miles StauDe, CFA
Fund Manager, Global Value Fund

Board of Directors

Jonathan Trollip

Chairman

Chris Cuffe

Non-executive Director

Geoff Wilson

Non-executive Director

Miles StauDe, CFA

Non-executive Director



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requisition outlining the [reasons why](#). The purpose of our meeting was to provide shareholders with an opportunity to vote on structural changes to the company that, in our view, and the view of many other shareholders, would solve the company's discount problem over the long-term.

In late December, the board of VSL announced that it had decided to propose a managed wind-down of the fund instead of going forward with a vote on our proposals. In conjunction with this we withdrew our requisition. We sincerely believed the challenges at VSL were fixable with time and effort, so in our view it is unfortunate that the manager and the board have instead decided to liquidate the company. That said, the approach the board is putting forward now is welcome news for all investors in so far as it will allow shareholders to exit their investment over the next few years at asset backing— a substantial premium to the current trading price - while continuing to enjoy the high rate of income that the fund earns in the meantime.

The GVF investment portfolio increased by 1.1% during December. The fund's discount capture strategy added 2.1% during the month, more than offsetting the effect of falling markets during December, which detracted 1.2% from performance. The remaining attribution of returns are explained by the Company's currency exposures and operating costs.

Authorised for release by Miles Staude, Portfolio Manager and Director.

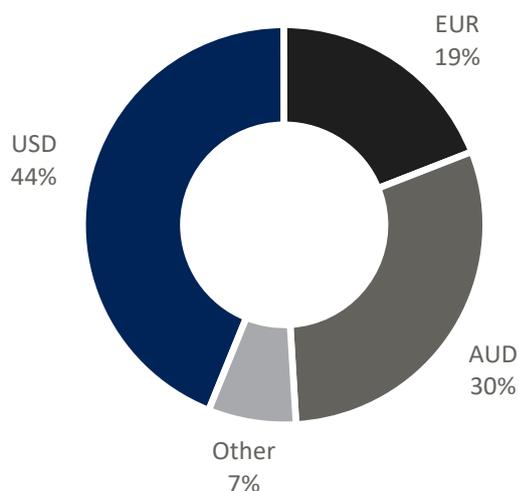
Over the life of the Company, GVF's annualised adjusted NTA returns have been 10.4%.

Adjusted NTA Returns⁶

Financial Year	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	YTD ⁷
FY2023	1.5%	2.3%	-0.5%	2.5%	1.0%	1.1%							8.1%
FY2022	2.8%	2.4%	0.5%	0.0%	2.7%	1.9%	-0.6%	-2.3%	-1.7%	1.3%	-1.7%	-2.2%	2.8%
FY2021	1.6%	1.4%	3.2%	2.7%	5.4%	1.4%	2.7%	0.7%	0.4%	2.9%	2.0%	1.8%	29.3%
FY2020	2.7%	0.2%	1.4%	-0.3%	2.4%	-0.5%	3.7%	-3.5%	-13.5%	2.4%	6.0%	0.8%	0.2%
FY2019	0.8%	2.3%	-0.5%	-1.2%	-2.1%	-1.6%	0.2%	3.2%	-0.4%	1.9%	-0.3%	0.9%	3.2%
FY2018	-0.9%	0.4%	1.3%	2.3%	1.7%	-0.9%	0.7%	0.8%	0.0%	1.6%	-0.5%	2.2%	9.1%
FY2017	2.0%	1.9%	-0.5%	0.7%	2.7%	3.1%	-2.1%	1.1%	1.8%	2.0%	2.1%	-1.0%	14.5%
FY2016	4.6%	-1.0%	-1.0%	2.3%	-1.9%	-0.4%	-1.0%	-0.4%	-1.7%	2.3%	4.0%	-3.0%	2.4%
FY2015	0.3%	-0.3%	4.3%	-1.0%	3.1%	2.6%	3.9%	1.3%	1.8%	-0.6%	5.6%	-1.0%	21.6%



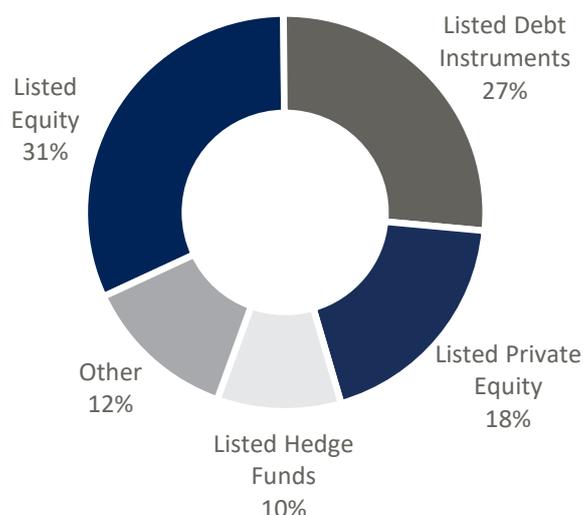
Underlying Currency Exposures



The above chart reflects the manager's estimate of the currency exposures arising from the portfolio's underlying investments and cash balances as at 31st December.

Including emerging market currencies that are chiefly pegged to the US\$, the fund's US\$ exposure is approximately 46%.

Underlying Asset Classes



The above chart reflects the manager's estimate of the underlying asset classes held through the fund's portfolio of investments as at 31st December.

Exposure to cash represents both cash balances held by the Company and the underlying cash holdings of the fund's portfolio of investments. If not separately disclosed above, 'Cash' is included in 'Other'.

Significant Holdings⁸

Holding	% NTA	Summary
VPC Specialty Lending Investments	6.4%	London-listed closed-end fund (CEF) managed by a US investment manager, that predominantly lends to middle market financial companies mainly in the US. The company currently pays a yield of c.9.6% pa based on the current share price, and trades on a discount of 16.7% to NAV. In December 2022, the Board announced it would be putting forward proposals for an orderly wind down of the company. Shareholders will therefore be able to exit their investment over the next few years at asset backing – a substantial premium to the current trading price - while continuing to enjoy the high rate of income that the fund earns in the meantime.
Harbourvest Global Private Equity	5.8%	London-listed CEF with a diversified portfolio of private equity fund investments. Following this year's sell-off in markets, the fund trades on a wide discount to its reported asset backing, as the market has seemingly priced in write-downs that, in our view, are overly pessimistic. Even assuming conservative assumptions about underlying fund performance, we estimate the fund trades on a discount to asset backing that is unsustainable over the medium term.
Amedeo Air Four Plus	5.6%	London-listed investment company that owns twelve widebody aircraft on long term leases. A special situation that GVF first invested into in 2020, Amedeo continues to offer an attractive long-term risk reward proposition. The company currently pays a dividend yield of c.15.9% pa that is more than covered by contractual lease payments from Emirates.
Pantheon International Participations	5.5%	London-listed CEF with a diversified portfolio of private equity fund investments. Following this year's sell-off in markets, Pantheon trades on a wide discount to its reported asset backing as the market has seemingly priced in write-downs that, in our view, are overly pessimistic. Even assuming conservative assumptions about underlying fund performance, we estimate the fund trades on a discount to asset backing that is unsustainable over the medium term.
Magellan Global Fund	5.3%	Australian-listed CEF which invests into large-cap, blue-chip stocks globally. Currently at a discount to asset backing of 17.2% while the fund has a very active on-market buy-back program in place.



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¹ Grossed up dividends of 61.95c declared from IPO at \$1 through to 8th November 2022, the FY2022 final dividend payment date.

² The profits reserve sits at 25.77c as of 31st December 2022.

³ Based on the end of month share price of \$1.115 and the FY2022 dividend guidance of 6.6 cents per share, fully franked.

⁴ All references to global share markets refer to the total return (price and dividends) of the MSCI All Country World Equity Index.

⁵ All references to global credit markets refer to the Bloomberg Barclays Global Credit Total Return Index.

⁶ Adjusted NTA returns are after all fees and expenses and are adjusted for the payment of taxes, dividends, and the effects of capital management initiatives. Performance data is estimated and unaudited. Source: Staude Capital Ltd.

⁷ Refers to the full year returns for a given Financial Year, or the year-to-date returns in the current Financial Year.

⁸ In order to protect the interests of GVF shareholders, certain large holdings may not always be publicly disclosed.

⁹ A well followed share market index of high-growth technology companies.

Unless otherwise stated, source for all data is Bloomberg LP and data as of 31st December 2022.

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Past performance is not an indicator of future returns. This document is not suitable for distribution into the EEA.