

STAUDE CAPITAL

GLOBAL VALUE FUND

Dear fellow shareholders,

On behalf of the directors of Global Value Fund Limited (“Global Value Fund” or “the Company”), I am pleased to present the Company’s full-year results and annual report for the year ended 30 June 2018 (“FY2018”).

After several years of relative calm, the second half of FY2018 saw volatility abruptly return to financial markets. While over the year as a whole, share markets and other higher risk asset classes delivered strong returns, most of these returns were generated in the first half of the year. Markets corrected significantly in February 2018 and have since remained noticeably subdued relative to recent years.

Despite a more volatile backdrop, the Company’s investment portfolio delivered significant positive returns over the year, with adjusted pre-tax NTA increasing by 9.0%¹. Importantly, these returns were generated with a conservatively positioned portfolio that has been designed to offer shareholders protection against significant market corrections. This lower risk profile was evident during the market sell-off in February 2018, where the GVF investment portfolio was unchanged in value, despite large falls in share markets around the world. Please read the Portfolio Manager’s report for further information on the performance of the investment portfolio during FY2018 and the Portfolio Manager’s outlook.

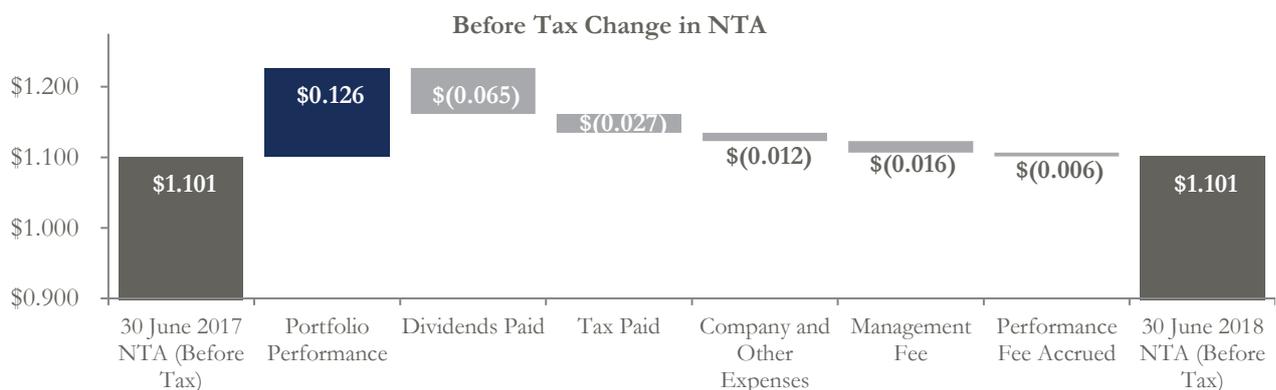
During March and April of this year, the Company successfully completed an Entitlement Offer and Public Offer of the shortfall. The Entitlement Offer was open to all existing shareholders, while the Public Offer was open to new shareholders, once existing shareholders had taken up their entitlements. Together the two offers raised gross proceeds of \$27.6 million and the Company issued new shares equivalent to 20.6% of the pre-offers share capital of the Company. I would like to thank all existing shareholders who participated in the offers and welcome to the Company the new shareholders who joined us at that time.

Investment performance and financial highlights

Over FY2018 the Company’s adjusted pre-tax NTA increased by 9.0%¹. Shareholder total returns over the year were -1.9%², with shareholder total returns impacted by the fact that the Company’s shares began FY2018 at a 5.4% premium to NTA and finished FY2018 at a 3.3% discount. The magnitude of this move in the Company’s premium and discount over the year is distorted to an extent by a particularly strong closing price for the Company’s shares on 30th June 2017.

As the Company is an investment company, its profitability is driven by the returns from its investment portfolio. The Company reported a net profit after tax of \$8.9 million for the year ended 30 June 2018. As at 30 June 2018, the pre-tax NTA backing of the Company was \$1.1012 per share and the post-tax NTA backing was \$1.0957 per share.

The chart below illustrates the movement in the Company’s pre-tax NTA over FY2018.



¹ Adjusted NTA returns are net of all fees and expense. NTA adjusted for dividend and tax payments and the effects of capital management initiatives. Source: Staude Capital Ltd.

² Shareholder total returns include dividend payments and franking credits (ASX share market prices are sourced from Bloomberg LLP).



Dividends

The Board has resolved to pay a final dividend of 3.15 cents per share for FY2018. The FY2018 final dividend will be 70% franked, an increase from the previous 50% level of franking. On a grossed-up basis, the increased rate of franking equates to a 7.1% year-on-year increase in dividend payments to shareholders. The record date for the FY2018 final dividend is 1 October 2018 and the final dividend will be paid on 9 November 2018. GVF shares will trade ex-dividend on 28 September 2018.

FY2019 dividend guidance

The Board currently anticipates that both the interim and final dividend for FY2019 will be 3.15 cents per share, 70% franked. Whether an increase in dividend payments or dividend franking levels is possible will depend on the Company's investment performance during FY2019.

The above dividend guidance is not a formal declaration of dividends for FY2019. The size and payment of any interim or final dividend for FY2019 will be subject to the Company having sufficient profit reserves and the dividend payment being within prudent business practices. If a FY2019 interim dividend is declared, the Board expects that it would be payable during May 2019.

Thank you

Thank you to all our shareholders for their continuing support of the Company. The Company's annual general meeting will be held in Sydney on 20 November 2018, and I look forward to seeing many of you there. I also encourage shareholders to attend the Company's various interstate investment presentations, which will be held during November 2018.

Jonathan Trollip
Chairman
Sydney
30 August 2018

Staupe Capital Limited is an appointed representative of Mirabella Advisers LLP, which is authorised and regulated by the Financial Conduct Authority. Mirabella Financial Services LLP is the investment manager of the Global Value Fund and has seconded the investment team at Staupe Capital to manage the Global Value Fund.