

30th August, 2018

GVF outperforms and lifts franking rate on dividends

Highlights

- Operating profit before tax of \$12.5M
- Final FY2018 dividend of 3.15 cents per share declared, franked at 70% (up from 50%)
- Increased franking rate equates to a 7.1% lift to grossed-up dividend payments
- Investment strategy delivers 5% market outperformance

Global Value Fund Limited (ASX: GVF) (“GVF” or the “Company”) announces an operating profit before tax of \$12.5 million and an operating profit after tax of \$8.9 million for the full year ended 30 June 2018. The Company has declared a final dividend for FY2018 of 3.15 cents per share. The final FY2018 dividend will be 70% franked.

For the full year ended 30 June 2018, the Company’s adjusted pre-tax NTA increased by 9.0%¹. The largest contributor to returns was the investment manager’s discount capture strategy, which generated a 5%² (gross) return over FY2018. Positive returns from this strategy represent outperformance over the underlying currency and asset class exposures of the investment portfolio, and the Board believes that the 5.0% generated from the strategy during FY2018 represents significant market outperformance.

Company Chairman Jonathan Trollip said: “After several years of relative calm, the second half of FY2018 saw volatility abruptly return to financial markets. While over the full year, 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 remained noticeably subdued relative to recent years since. 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%. Importantly, these returns were generated with a conservatively positioned portfolio that has been designed to offer shareholders protection against significant market corrections.

Since FY2017 the Company has paid dividends which were 50% franked. Pleasingly, the Board believes that the Company’s franking account is now sufficient for it to raise the level of franking on dividends to 70%. On a grossed-up basis, this is equivalent to a 7.1% increase in the value of dividends paid to our shareholders. The Board currently anticipates that the Company will maintain this level of franking for future dividend payments by the Company.”

FY2018 review and Company outlook

Portfolio Manager Miles Staude said: “The GVF investment portfolio strives to be an all-weather investment proposition. We aim to generate equity market like returns over the long run, while offering our shareholders better protection against market corrections than would be found in a typical portfolio of global shares. After a nine-year uninterrupted equity bull market, our conviction that compelling risk-adjusted returns can be readily found in share markets today is low.

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

² Source: Staude Capital Limited.



Thus, throughout FY2018 we concentrated our efforts on unlocking value from lower risk asset classes, seeing no need to take on meaningful amounts of equity market exposure to deliver on our return targets. This approach showed its worth during February 2018, when equity markets corrected heavily and the GVF investment portfolio suffered no loss.

Looking ahead to FY2019, the Company begins the new financial year with an investment portfolio full of attractive underlying value that the team and I are excited about unlocking. The portfolio continues to run with low levels of general equity market risk and our focus remains on generating the best risk-adjusted returns we can, while seeking to protect shareholder capital from any future market correction”.

FY2018 key dates*

Ex-dividend date	28 September 2018
Dividend record date	1 October 2018
Last election date for DRP	2 October 2018
Dividend payment date	9 November 2018

*These dates may be subject to change

FY2018 final dividend of 3.15 cents per share

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.

Dividend reinvestment plan

The Company's dividend reinvestment plan (DRP) will be in effect for the FY2018 final dividend of 3.15 cents per share.

The DRP has been designed so that participants will always receive the lowest reinvestment price possible, without their reinvestment diluting the post-tax NTA of those shareholders who choose not to participate in the plan. When the Company's share price is greater than or equal to its NTA, dividends are paid as newly issued shares in the Company. The Company's closing share price of \$1.085 per share on 29 August 2018 was below its current NTA. If this situation remains on 28 September 2018, cash available for distribution as dividends on shares subject to the DRP will be used to acquire the Company's shares on-market in accordance with the terms set out in the plan. If the share price for GVF is above the Company's NTA at this time, participating shareholders will be issued new shares at the greater of a 2.5% discount to the volume weighted average share price over the three trading days from the ex-date, or the 28 September 2018 NTA value of the Company.

Shareholders who would like to participate in the DRP can enroll at www.investorserve.com.au, or alternatively please contact the Company's share registrar, Boardroom, on 1300 737 760. The enrolment deadline for participation in the DRP for the FY2018 Final dividend is 5.00 pm (AEDT) Tuesday 2 October 2018. Details of the DRP are available on the Company's website at:

<http://www.globalvaluefund.com.au/wp-content/uploads/2017/11/GVF-Dividend-Reinvestment-Plan-ASX-Release-Nov-2017.pdf>

FY2019 full year 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.

Contact

Shareholders or interested parties who would like to discuss the full year results, or who have general enquires about the Company, are welcome to contact Portfolio Manager, Miles Staude, at miles.staude@globalvaluefund.com.au or 0423 428 972, and Head of Corporate Affairs, Emma Davidson, at emma.davidson@globalvaluefund.com.au or 0401 299 885.

About GVF

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 shareholders, the Company aims to provide an alternative source of market outperformance compared to more common stock selection strategies.

Staude Capital is based in London and its investment team has considerable experience in finding international assets trading at a discount to their intrinsic worth, and in identifying or creating catalysts that will be used to unlock this value. The investment team at Staude Capital has been seconded into Mirabella Financial Services LLP to manage the Global Value Fund portfolio.

For more information, visit www.globalvaluefund.com.au

Staude 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 Staude Capital to manage the Global Value Fund.