

## Investment Update and Net Tangible Assets

### Net Tangible Assets (NTA) per share

NTA before tax*	\$ 1.1511
NTA after tax	\$ 1.1296

\* This is after the deduction of tax payments totalling \$5.5M which the Company made during November.

\$ denotes Australian dollar.

### November review

Share markets and other higher-risk asset classes continued their move higher during November. Driving the gains, the latest US inflation figures showed a fall in the important core (excluding energy and food) inflation metrics, adding weight to the growing market hope that central banks would soon be able to pull back from their aggressive tightening policies.

In US\$ terms, global share markets<sup>4</sup> were 7.8% higher during the period, with the strongest gains seen in emerging markets, which rallied an eye-catching 14.8% over the month. Global bond markets<sup>5</sup> also saw strong gains, rising by 5.4% in US\$ terms. The softer US inflation data also prompted a large fall in value of the US dollar against most other major currencies. The falling US\$, positive news out of China and a 26% rally in the iron ore price, all culminated to drive the Australian dollar 6.1% higher against the US dollar during November. A particularly large move for the currency in a one-month period.

In Australia, the local share market index increased by 6.6%, while in Australian dollar terms global share markets rose 1.6% and global bond markets fell 0.7%.

Despite the backdrop of strong markets during November, one of the largest contributors to GVF's positive performance during the month was an investment that is relatively uncorrelated to what broader markets might do: New Energy Solar Fund (NEW). We were first drawn to NEW by what appeared to be a good portfolio of assets, but with a share price that was weighed down by the troubles of its investment manager's ultimate parent, E&P, and an overhang of sellers. After the Board had tried various options to tackle the discount, including the sale of Australian assets, a tender offer, and buybacks, it seemed likely to us that the only permanent solution was either a full sale of the portfolio or, possibly, a merger of the company with its UK-listed sister fund, which at that time was trading on a premium to asset backing. As it transpired, in February 2022 the fund announced it would pursue a full sale of the portfolio and a return of capital to shareholders. We used the intervening period to accumulate a large position at an attractive discount to asset backing, even after considering the likely costs of such a transaction, and a potential haircut on the assets to reflect higher interest rates since the last valuation point. We were even able to continue to add to the investment after a sale was announced in August, when exchange rate movements gave us the opportunity to continue to purchase shares on increasingly attractive terms. During November, NEW completed the transaction and distributed 80% of asset value, crystalizing a sizable gain for GVF. We expect to receive the final proceeds from NEW during 2023.

The GVF investment portfolio increased by 1.0% during November. The fund's discount capture strategy added 1.3% to performance during the month, while the fund's underlying market exposures added a further 3.0%. The remaining attribution of returns are explained by the Company's currency exposures and operating costs.

#### Global Value Fund Limited

ASX Code	GVF
Listed	July 2014
Shares on issue	175M
Share price	\$1.13
Market cap	\$198M
Total dividends declared <sup>1</sup>	62.0 cents
Profits Reserve <sup>2</sup>	25 cents
Grossed-up yield <sup>3</sup>	8.3%

#### 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



### Amendment to the use of leverage by the Company

In September 2020, following the significant falls in financial markets related to the Covid-19 pandemic, the investment manager asked the GVF Board to modestly increase the permitted leverage limit for the Company from 15% to 20%. This request was made given the highly attractive opportunity set available for our discount capture strategy during 2020, with the market selloff providing a host of highly compelling opportunities for the fund. The increased flexibility provided the manager with a greater scope to capitalise on the opportunities available at that time and culminated with the best year of performance in GVF's history. At the time, the manager requested that the increase in leverage would be in place for 12-months, after which the board would review its appropriateness again. In September 2021, in consultation with the manager, the board reviewed the leverage limit again and decided to extend the 20% limit for a further 12-months.

At the recent 2022 Annual General Meeting, the investment manager set out that the falls seen in financial markets during calendar 2022 have once again created a highly attractive backdrop for the Company's discount capture strategy. A recording of this presentation can be found [here](#). Considering the current opportunity set as outlined by the manager, and the fact that at times having additional investment flexibility is very advantageous to the Company's investment strategy, the GVF Board resolved to make the temporary increase in leverage permanent at the November 2022 Board meeting. Over the past two years, the investment manager has demonstrated that they can opportunistically utilise this additional flexibility for the benefit of shareholders, and do so in a manner that does not greatly change the overall risk profile of the portfolio. As such, the Board believes it is appropriate to make permanent the leverage limit that has been in operation for the past two years. The Board will continue to monitor the appropriateness of the Company's leverage limit through time, along with the Company's other investment limits.

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

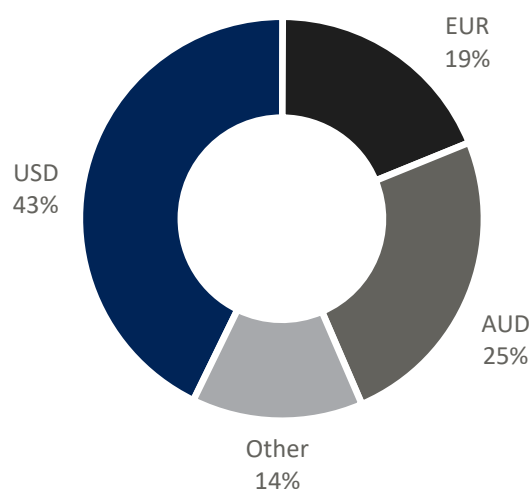
Over the life of the Company, GVF's annualised adjusted NTA returns have been 10.4%.

### Adjusted NTA Returns<sup>6</sup>

Financial Year	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	YTD <sup>7</sup>
FY2023	1.5%	2.3%	-0.5%	2.5%	1.0%								6.9%
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%



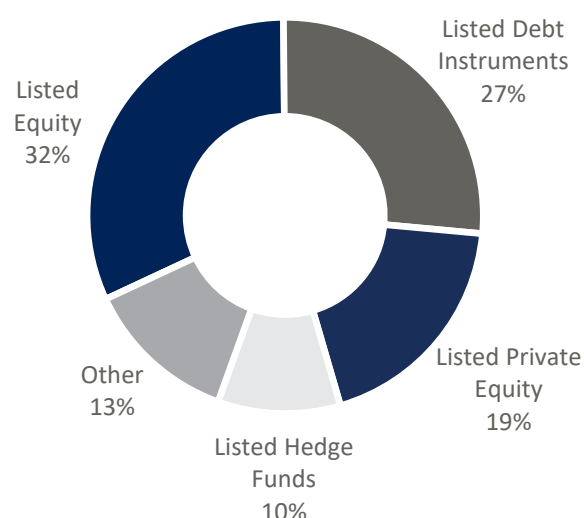
## Underlying Currency Exposures



The above chart reflects the manager's estimate of the currency exposures arising from the portfolio's underlying investments and cash balances as at 30<sup>th</sup> November.

Including emerging market currencies that are chiefly pegged to the US\$, the fund's US\$ exposure is approximately 45%.

## 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 30<sup>th</sup> November.

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 Holdings<sup>8</sup>

Holding	% NTA	Summary
VPC Specialty Lending Investments	6.5%	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 18.4% to NAV. In conjunction with continuation vote in 2020, and following pressure from shareholders (including GVF), the company put in place an opportunity for shareholders to realise some, or all, of their investment at NAV in 2023, if discount or performance targets are not achieved.
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.
Pantheon International Participations	5.8%	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.
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.16% pa that is more than covered by contractual lease payments from Emirates.
Magellan Global Fund	5.5%	Australian-listed CEF which invests into large-cap, blue-chip stocks globally. Currently at a discount to asset backing of 19.4% while the fund has a very active on-market buy-back program in place.



## Investment Update and Net Tangible Assets. As at 30th November 2022

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

<sup>2</sup> The profits reserve sits at 24.82c as of 30<sup>th</sup> November 2022.

<sup>3</sup> Based on the end of month share price of \$1.13 and the FY2022 dividend guidance of 6.6 cents per share, fully franked.

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

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

<sup>6</sup> 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.

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

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

Unless otherwise stated, source for all data is Bloomberg LP and data as of 30<sup>th</sup> November 2022.

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

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