

## Investment Update and Net Tangible Assets

### Net Tangible Assets (NTA) per share

NTA before tax*	\$ 1.2307
NTA after tax	\$ 1.1791

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

### July review

The evolving view in the market today is that the US economy has taken the most severe bout of monetary tightening in 40 years comfortably in its stride. Many of those originally forecasting a recession have capitulated on that view, and now see little, if any, in the way of a slowdown on the horizon. Those that are still sticking to their recession forecasts have pushed back their expected start date to 2024, while also downgrading the severity of the anticipated slowdown. The incoming data during July certainly did nothing to dissuade this evolving view. US headline inflation fell to just 3% (albeit the more important 'core' level of inflation remains higher than this), while US job growth slowed more than expected. For a US Fed trying to bring inflation down without tipping the economy into recession, falling inflation alongside falling labour pressure is about as close to a 'goldilocks' scenario as you could ask for.

Against this improving backdrop, riskier financial assets continued their recent strong run. Global share markets<sup>4</sup> rose 3.7% on the month, finishing July just c.4% below their all-time high. In comparison, global debt markets<sup>5</sup> rose a more modest 0.9%. In Australian dollar terms, global share and debt markets rose 2.8% and 0.1% respectively, while the local Australian share market rose 2.9%.

One notable market dynamic recently has been the improving breadth of the current share market rally. While earlier in this calendar year markets were being pulled higher by just a handful of 'artificial intelligence' (AI) focused technology stocks, the more recent moves have been much more broadly based. Given how bearish most fundamentally minded investors were at the start of calendar 2023, the recent moves higher likely also reflect a degree of capitulation from those who have been sitting on the sidelines, waiting for a market pullback.

The most notable development in the GVF portfolio during July was at our holding in Boussard & Gavaudan Holdings (BGHL), a Guernsey domiciled closed-end fund. BGHL invests into a multi-strategy hedge fund run by the well-known French fund manager Boussard & Gavaudan, and the position has been a core long-term holding for GVF. Despite a healthy long-term investment track record, the fund had traded at a deep and persistent discount to its asset backing for many years. Regardless, we had confidence that the manager and the board would ultimately address this issue in the fullness of time, and during July the board brought forward a restructuring proposal. The proposal will see a managed winding down of the portfolio, and allows shareholders to either exit for cash, or to roll into an unlisted version of the fund. The BGHL share price significantly re-rated during July on this news, and the position was one of the key positive contributors for GVF during the month.

The GVF investment portfolio increased by 2.0% during July. The fund's discount capture strategy added 1.4% to performance during the month, while underlying market exposures added a further 1.4%. These returns were offset by adverse currency movements during the month and the Company's 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>	67.0 cents
Profits Reserve <sup>2</sup>	30 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

<b>Miles Staude, CFA</b>
Fund Manager, Global Value Fund
<b>Board of Directors</b>
<b>Jonathan Trollip</b>
Chairman
<b>Chris Cuffe</b>
Non-executive Director
<b>Geoff Wilson</b>
Non-executive Director
<b>Miles Staude, CFA</b>
Non-executive Director



### Portfolio disclosures

Regular readers will notice a change to the format of the monthly report today, with our list of 'Significant Holdings' being replaced by a new list of 'Selected Holdings'. We face a challenge in running our specialist investment strategy inside a publicly listed vehicle. On one hand we naturally want to share with shareholders the enthusiasm we have for the exciting investment opportunities we find around the world. On the other hand, we understand that the information we provide inside a publicly traded company is also read by competitors and opportunists alike (and if that is you, we're flattered).

Having given this trade-off much contemplation in recent years, we have decided that it is necessary to make a few adjustments to the public disclosures we provide around the GVF investment portfolio. Our disclosures will still exceed our regulatory requirements, and we will still maintain our very strong commitment to shareholder engagement and marketing. However, going forward, public disclosures around the GVF portfolio will be more focused on investments that are representative of the types of opportunities we find, as opposed to being prescriptive about what is in the portfolio at any given point in time. We will also be more prone to wait until we have successfully exited important positions before we discuss our investment theses and their ultimate outcomes (whether good or bad).

The point of these changes is to ensure that GVF is the entity that enjoys the greatest possible benefits from the investment manager's specialist ideas - a point that is particularly pertinent in the many smaller and less-liquid securities that the Company trades in. We hope that GVF shareholders will understand the changes we have made and why, but as always, if you have any questions or comments on the decision please don't hesitate to reach out to us.

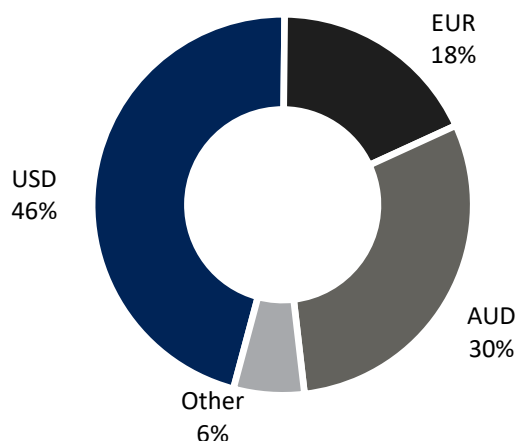
*Authorised for release by Miles Staude, Portfolio Manager and Director.*

Over the life of the Company, GVF's annualised adjusted NTA returns have been 10.8%.

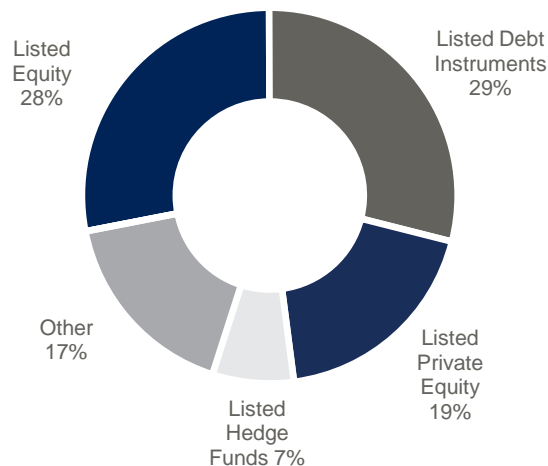
### Adjusted NTA Returns<sup>6</sup>

Financial Year	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	YTD <sup>7</sup>
FY2024	2.0%												2.0%
FY2023	1.5%	2.3%	-0.5%	2.5%	1.0%	1.1%	0.6%	3.4%	-0.9%	2.7%	1.0%	-0.1%	15.5%
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



### Underlying Asset Classes





## Investment Update and Net Tangible Assets. As at 31st July 2023

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

Including emerging market currencies that are chiefly pegged to the US\$, the fund's US\$ exposure is approximately 48%.

The above chart reflects the manager's estimate of the underlying asset classes held through the fund's portfolio of investments as at 31<sup>st</sup> July.

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'.

## Selected Holdings<sup>8</sup>

Holding	Summary
Amedeo Air Four Plus	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 pays a dividend yield of c.15% pa that is more than covered by contractual lease payments from Emirates.
Harbourvest Global Private Equity	London-listed closed-end fund with a diversified portfolio of private equity fund investments. Following last 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.
Magellan Global Fund	Australian-listed closed-end fund which invests into large-cap, blue-chip stocks globally. Currently at a discount to asset backing of 12.2% while the fund has a very active on-market buy-back program in place.
US Masters Residential Property Fund	Deeply discounted ASX-listed fund that owns a portfolio of US residential property in New York and New Jersey. The fund is now focused on realising assets and returning the proceeds to unitholders, while operating a very active buyback program.

<sup>1</sup> Grossed up dividends of 66.67c declared from IPO at \$1 through to 15<sup>th</sup> May 2023, the HY2023 interim dividend payment date.

<sup>2</sup> The profits reserve sits at 29.35c as of 31<sup>st</sup> July 2023.

<sup>3</sup> Based on the end of month share price of \$1.13 and the FY2023 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> Selected holdings are investments within the GVF portfolio that are representative of the types of opportunities the manager finds for the GVF investment portfolio. Holdings are listed in alphabetical order.

Unless otherwise stated, source for all data is Bloomberg LP and data as of 31<sup>st</sup> July 2023.

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