31st March 2020

STAUDE CAPITAL
GLOBAL VALUE FUND

Investment Update and Net Tangible Assets

Net Tangible Assets (NTA) per share

NTA before tax*	$0.9177
NTA after tax	$0.9404

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

March review

And we thought February was a tough month in the markets.

Enter March 2020, which saw unadulterated fear take a hold over all walks of life, as anxiety about the Covid-19 pandemic reached a crescendo. During the month, most western governments conducted abrupt policy U-turns, dropping their initial guidance that the spread of the virus could be 'managed'. In its place, a series of draconian social policies were unveiled around the world which have been designed to dramatically slow the spread of the virus. It is hoped that these actions will provide stretched healthcare systems with the breathing space they need to cope with a mass influx of critically ill people. While the early signs suggest that these new societal restrictions are having some success in controlling the virus, the resulting impact on economic activity has been extreme. In effect, in an effort to save potentially many hundreds of thousands of lives, governments around the world have put their various economies into an induced coma.

Equity markets initially bore the brunt of the severe market corrections that followed these actions, with global share markets falling by as much as 25% in US$ terms at one point during the month. Credit markets, especially the higher yielding, lower-rated, parts of the debt markets then followed share markets lower, as fears over default levels for challenged borrowers started to rise quickly. As March progressed, a series of vast stimulus packages were announced by governments and central banks around the world. These actions helped stabilise markets and pared the worst of the falls, though not enough to stop March going down in history as one of the worst months on record for many asset classes. Global share markets[2] in US$ terms finished the month 14% lower, with European and Australian share markets falling by 17% and 21% respectively in local currency terms. In the debt markets, the US high-yield bond market fell by 11%, while European and US leveraged loan markets fell by 15% and 12% respectively. Other notable falls during the month were a 55% fall in the oil price and a 4% fall in the Australian dollar on a trade-weighted basis.

The job of financial markets is to price the future economic outlook into the value of securities today. Even at the best of times, when the outlook has reasonably well-defined parameters, that process is a messy and imperfect affair. In the current environment, where the range of potential economic outcomes is so wide, effectively pricing the future becomes an almost impossible job. Thus, faced with such a high degree of uncertainty, markets have become highly volatile and trading volumes in the less liquid parts of the market have dried up - meaning even small amounts of distressed selling can drive large, irrational price swings. Most relevantly to our investment strategy, extreme levels of market uncertainty drive a sharp widening across the discounts of closed-ended funds, which forms our staple investing universe. We discussed this phenomenon in detail in our earlier March portfolio update.

Global Value Fund Limited

ASX Code	GVF
Listed	July 2014
Shares on issue	148M
Share price	$0.94
Market cap	$139M
FY20 indicated dividend[1] (fully franked)	5.8 cents
FY20 indicated gross yield (inclusive of franking)	8.8%

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 based in London 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

This announcement is authorised by the Board

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At its core, the GVF investment strategy is quite simple. We look for places around the world where we can buy a $1's worth of assets for only 80 cents. Then, with an active, hands-on strategy, we work to unlock this underlying value for our shareholders. We do this by creating catalysts to unlock the value ourselves, or by using catalysts that we have identified in the market. In simple terms, what happened during March was that the various investments we originally owned at 80 cents on the dollar, rapidly fell to 70 cents on the dollar against a backdrop of unprecedented levels of market turmoil. In the short-term this has created a frustrating mark-to-market loss for us. It is important to note however, that the majority of the losses incurred during March related to discounts widening, not underlying market moves. The fact that the assets we already owned at a discount have become even cheaper, does not change the amount of value we ultimately expect to realise. It is for this reason that we remain confident that over the coming year we will recoup the majority of the now considerable amounts of stored value that sits beneath our existing portfolio. Moreover, we expect to realise this value regardless of whether markets rebound, stay at their current levels, or continue to fall.

While we see an unusually large amount of underlying value within our current portfolio, the current environment has also created a highly compelling investment backdrop for our specialist strategy. Our universe of discounted asset propositions has expanded widely as a result of the severe market dislocations, while the entry prices that are available for new investments today are significantly more attractive than what we normally find. As a result, it has been a very busy period for us. A large number of prospective new investments have appeared on our radar, which we have been actively doing due diligence on. These new opportunities include securities that are trading below cash backing, and securities that are trading at deep discounts to their asset values, but which already have existing catalysts in place to release this value. More broadly, there is also a new universe of high-quality assets that are now trading at previously unheard of discounts, many never having traded at a discount before.

As we are working our way through this new greatly expanded investment universe, our goal, as always, is to find both compelling underlying value *and* a catalyst that will see this value released over time.

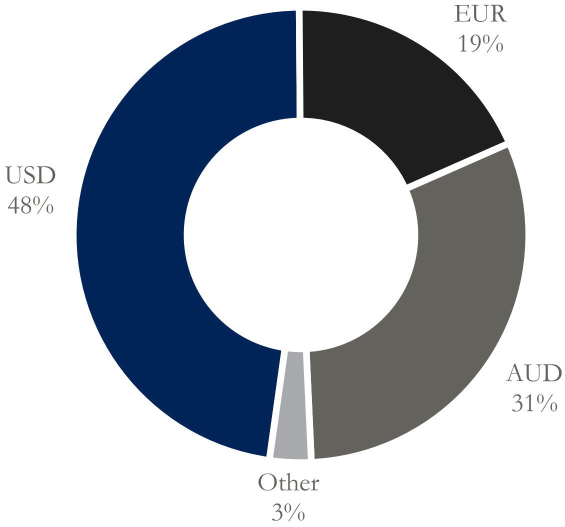
In terms of being able to capitalise on these new opportunities, the short duration of the GVF portfolio means we will soon be recycling our holdings into new investments at significantly more attractive levels. By way of example, over the coming month alone we will receive back 9% of our portfolio through corporate actions that allow us to exit these investments in line with their underlying asset value (i.e. we will realise the underlying $1 we originally bought at a discount). This represents a significant part of the GVF portfolio which we will soon be re-investing into a new and remarkably more exciting investment universe.

Finally, while we can rely on the natural recycling of our portfolio to capitalise on the new opportunities that have arisen, we are also investing considerable amounts of time into stress-testing our existing holdings. We are doing this to ensure that we continue to hold the most exciting portfolio we can at a time like this.

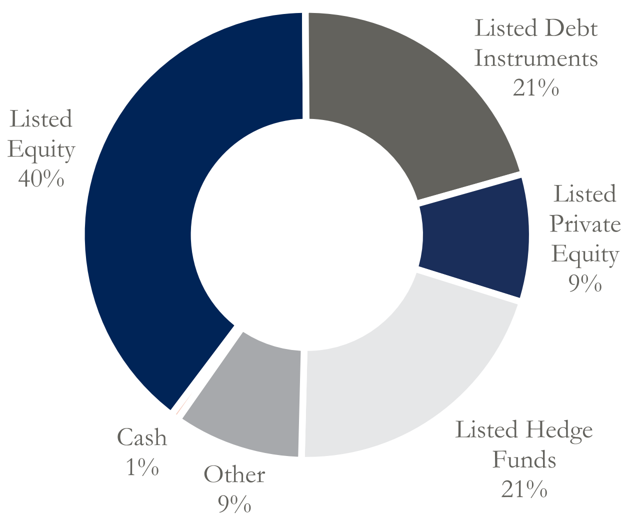
Today's environment is clearly unprecedented, even good businesses in favourable sectors will be severely stretched by the closure of large swathes of the global economy. Thus, as we stress-test our holdings, we are looking to understand the ability for these investments to weather a prolonged period of challenging conditions – both in terms of asset values and cash flow. In the few places where these stress tests have shown a cause for concern, we have used this as an impetus to trim holdings, or seek to exit them entirely, in favour of better opportunities elsewhere.

The GVF investment portfolio decreased in value by 13.6% during March. The fund's discount capture strategy detracted 8.7% to returns during the month, with this move being driven by the rapid widening of discounts across our investment universe discussed earlier. In comparison, the fund's underlying market and currency exposures generated a combined negative return of 5.1%. A list of GVF's top five holdings is shown on the following page, along with a breakdown of the fund's underlying currency and asset class exposures. The fund was 103% invested at the end of March.

Underlying Currency Exposures



Underlying Asset Classes



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 March.

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 31st March.

Exposure to cash represents both cash balances held by the Company and the underlying cash holdings of the fund's portfolio of investments.

Top Five Holdings

Holding	% NTA	Summary
Polar Capital Global Financials	7.6%	London-listed closed-end fund (CEF) that invests into a diversified portfolio of large-cap global financial companies. The CEF was launched in 2013 with a fixed life that expires in May 2020, and GVF has accumulated its position at an attractive discount to NAV. Given the large and liquid shares held by the CEF, we have hedged a substantial portion of the underlying market risk, greatly improving the risk vs. reward characteristics of the investment.
Third Point Offshore USD	7.1%	London-listed CEF that acts as a feeder fund into a global event-driven, value-oriented hedge fund. The CEF currently trades on a 27.0% discount to its NAV and, under pressure from shareholders, the manager has recently enacted several positive initiatives designed to lower this discount, including a $200M share buy-back program.
Pershing Square Holdings	6.3%	London-listed CEF managed by a well-known investment manager that currently trades on a 35.1% discount to its NAV. The fund holds a concentrated portfolio of large capitalisation US stocks. Calendar year-to-date the fund has generated a +3.3% investment return, substantially outperforming the US share market into which PSH invests.
Highbridge Tactical Credit Fund	5.9%	London-listed CEF which acts as a feeder-fund into a market-neutral credit hedge fund run by Highbridge Capital Management, a leading global hedge fund firm based in New York. Calendar year-to-date the fund has returned -1.3%, however the discount on the fund has widened materially recently, and currently sits at 20%. The fund has a discontinuation vote in Q1 2021 at which point shareholders have the right to put the fund into a managed wind-down. Given the size of the current discount, a managed wind-down would represent an exit approximately 25% above the current share price.
Blue Sky Alternatives Access Fund Ltd	5.1%	Australian listed investment company (LIC) that invests into a diverse portfolio of agricultural, private equity and other alternative assets. The position has been accumulated at an attractive discount to asset backing.

[1] The Board has guided that it anticipates FY20 dividend payments being at least 5.8 cents per share, 100% franked. This guidance is not a formal declaration of dividends for FY20 and actual dividend payments may differ to this amount.

[2] All references to global shares markets refer to the total return (price and dividends) of the MSCI All Country World equity index.

Unless otherwise stated, source for all data is Bloomberg LP and data as at 31st March 2020.

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. This information is not an offer to buy or sell, or solicitation of an offer to buy or sell, any security or investment. Investors should read the Fund prospectus before making a decision to invest.

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

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