Global Value Fund Limited

A.B.N. 90 168 653 521

Appendix 4E
for the year ended 30 June 2019

Preliminary Report

This preliminary report is for the financial year ended 30 June 2019.

Results for announcement to the market

	2019 $	2018 $	up/down	% mv't
Revenue from ordinary activities	9,906,639	17,677,029	(7,770,390)	(43.96)
Profit before tax for the year	4,961,185	12,517,015	(7,555,830)	(60.36)
Profit from ordinary activities after tax attributable to members	3,836,693	8,929,427	(5,092,734)	(57.03)

All comparisons are to the full year ended 30 June 2018.

FY2019 review

Over FY2019 the Company's adjusted pre-tax NTA increased by 3.2%[1]. Disappointingly, shareholder total returns over the year were -1.2%[2], with the Company's share price moving from a 3.3%[3] discount to pre-tax NTA at the end of FY2018, to an 8.9% discount on 30 June 2019. While the weakness in the Company's share price is a cause of concern - and a situation the Board is monitoring closely - our belief is that it is closely tied to the sectoral de-rating that all Australian listed-investment companies (LICs) have suffered throughout 2019.

Dividends

During the year, the Company declared and paid dividends of 6.30 cents per share. 3.15 cents per share of this related to the FY2018 final dividend payment which was 70% franked. This was paid on 9 November 2018. The remaining 3.15 cents per share related to the FY2019 interim dividend which was 70% franked. This was paid on 15 May 2019.

Since year end the Company has declared a fully-franked final dividend for FY2019 of 2.90 cents per share, to be paid on Monday 11 November 2019. The ex-dividend date is Monday 30 September 2019 and the record date for entitlement to the FY2019 final dividend is Tuesday 1 October 2019.

Dividend reinvestment plan

The Company's dividend reinvestment plan ("DRP") will be in effect for the fully-franked FY2019 final dividend of 2.90 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. If the share price for Global Value Fund Limited ("GVF") is above the Company's NTA on the dividend ex-date, 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 NTA value of the Company on this day. If the share price for GVF is less than its NTA on the ex-date, 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.

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 FY2019 Final dividend is 5.00 pm (AEDT) Wednesday 2 October 2019. Details of the DRP are available on the Company's website, click here.

[1] Source: Staude Capital.
[2] Shareholder total returns include dividend payments and franking credits. Source Bloomberg LLP.
[3] Source: Staude Capital and Bloomberg LLP.

Net tangible assets	**30 June 2019 $**	**30 June 2018 $**
Net tangible asset backing (per share) before tax	1.0646	1.1012
Net tangible asset backing (per share) after tax	1.0587	1.0957

Audit

This report is based on the financial report which has been audited. All the documents comprise the information required by Listing Rule 4.3A.

Annual General Meeting

The Company advises that its Annual General Meeting will be held on Tuesday 12 November 2019. The time and other details relating to the meeting will be advised in the Notice of Meeting to be sent to all shareholders and released to ASX immediately after dispatch.

In accordance with the Company's constitution and ASX Listing Rules, valid nominations for the position of director are required to be lodged at the registered office of the Company by 5:00pm (AEST) Tuesday 24 September 2019.

Jonathan Trollip
Chairman

Sydney
29 August 2019

Global Value Fund Limited

A.B.N. 90 168 653 521

Annual Report
for the year ended 30 June 2019

Directors	Jonathan Trollip *Chairman & Independent Director* Chris Cuffe, AO *Independent Director* Geoffrey Wilson, AO *Director* Miles Staude *Director*
Company Secretary	Mark Licciardo Mertons Corporate Services Pty Ltd Level 7, 330 Collins Street Melbourne Victoria 3000
Investment Manager	Mirabella Financial Services LLP 130 Jermyn Street London SW1Y 4UR United Kingdom
Portfolio Manager	Miles Staude Staude Capital Limited[1] 30 Moorgate London EC2R 6PJ United Kingdom Telephone: (44) 0203 874 2241
Administrator	Citco Fund Services (Australia) Pty Ltd Level 22, 45 Clarence Street Sydney NSW 2000
Auditors	Pitcher Partners Level 16, Tower 2 Darling Park 201 Sussex Street Sydney NSW 2000 Telephone: (02) 9221 2099
Registered Office	Global Value Fund Limited C/- Mertons Corporate Services Pty Ltd Level 7, 330 Collins Street Melbourne Victoria 3000 Telephone: (03) 8689 9997
Share Registrar	Boardroom Pty Limited Level 12, 225 George Street Sydney NSW 2000 Telephone: (02) 9290 9600 Fax: (02) 9279 0664
Stock Exchange	Australian Securities Exchange (ASX) The home exchange is Sydney ASX code: GVF

[1] 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 Global Value Fund Limited and has seconded the investment team at Staude Capital to manage the Company's investment portfolio.

Global Value Fund Limited
A.B.N. 90 168 653 521
Annual Report – 30 June 2019

Contents **Page**

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 2019 ("FY2019").

One of the more notable features of financial markets recently has been a significant increase in the levels of market volatility, a trend that FY2019 demonstrated amply. In US dollar terms, global share markets[2] recorded a monthly gain or loss of more than 5%[3] in five of the twelve months of the year. To put these sorts of market swings into context, between FY2012 and FY2018, share markets rose or fell by more than 5%[4] in a month only seven times in total.

Despite this volatile backdrop, the Company's investment portfolio delivered positive returns over the year, with adjusted pre-tax NTA increasing by 3.2%[5]. FY2019's investment returns, while lower than what shareholders have been accustomed to in recent years, were largely driven by the Portfolio Manager running a lower-risk investment portfolio throughout this period of greatly heightened volatility. The benefits of this lower risk profile were evident during the significant market correction in the December quarter of 2018, when global share markets in Australian dollar terms fell by 14% from the end of September to their low on 24 December 2018. Over this same period, the Company's adjusted NTA fell by 4.0%[6]. Please read the Portfolio Manager's report for further information on the performance of the investment portfolio during FY2019 and the Portfolio Manager's outlook.

Investment performance and financial highlights

Over FY2019 the Company's adjusted pre-tax NTA increased by 3.2%[5]. Disappointingly, shareholder total returns over the year were -1.2%[7], with the Company's share price moving from a 3.3%[8] discount to pre-tax NTA at the end of FY2018, to an 8.9% discount on 30 June 2019. While the weakness in the Company's share price is a cause of concern - and a situation the Board is monitoring closely - our belief is that it is closely tied to the sectoral de-rating that all Australian listed-investment companies (LICs) have suffered throughout 2019.

In the run up to the Australian Federal election, the ability of investors to reclaim franking credits under the current Australian taxation system became a touchstone electoral issue. Without being drawn into the arguments for or against the new tax policies that the ALP campaigned on, the consequences of its implementation would have been negative for many of the investors who use LICs. Against this backdrop, the entire Australian LIC sector has de-rated this year, a function, we believe, of a broad-based 'buyers strike', with investors and financial advisors refrained from using LICs given the environment of uncertainty. At the end of December 2018, the average discount to pre-tax NTA for the LIC sector was 4.8%[8]. By the end of June 2019, this discount had widened to 11.4%, or 12.6% for LICs with a market capitalisation of less than $500M.

The LIC is an excellent corporate structure for longer-term investors. With the franking debate now behind us, we believe the sector de-rating seen this year should begin to unwind during the year ahead.

As Global Value Fund is an investment company, its profitability it driven by the returns from its investment portfolio. The Company reported a net profit after tax of $3.8 million for the year ended 30 June 2019. As at 30 June 2019, the pre-tax NTA backing of the Company was $1.0646 per share and the post-tax NTA backing was $1.0587 per share.

Dividends

The Board has resolved to pay a fully-franked final dividend of 2.90 cents per share for FY2019. The record date for the FY2019 final dividend is 1 October 2019 and the final dividend will be paid on 11 November 2019. The Company's shares will trade ex-dividend on 30 September 2019.

FY2020 dividend guidance

The Board currently anticipates that both the interim and final dividend for FY2020 will be 2.9 cents per share, 100% franked. Whether an increase in dividend payments is possible will depend on the Company's investment performance during FY2020.

The above dividend guidance is not a formal declaration of dividends for FY2020. The size and payment of any interim or final dividend for FY2020 will be subject to the Company having sufficient profit reserves and the dividend payment being within prudent business practices. If a FY2020 interim dividend is declared, the Board expects that it would be payable during May 2020.

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[2] Global share market returns refer to the MSCI All Country World Index.
[3] All market returns quoted are total returns, including net dividends. Source: Bloomberg LLP.
[4] In US dollar terms.
[5] 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.
[6] Source: Staude Capital.
[7] Shareholder total returns include dividend payments and franking credits. Source Bloomberg LLP.
[8] Source: Staude Capital and Bloomberg LLP.

Conclusion

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 the 12 November 2019, 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 2019.

Jonathan Trollip
Chairman

Sydney
29 August 2019

Financial Year in Review

Compared to recent years, global share market returns[9] were relatively subdued across FY2019, rising by 5.7%[10] in US dollar terms. What this benign headline return figure hides however, is just how badly all financial markets were punctured during the December quarter of 2018. At its September 2018 meeting, the US Federal Reserve raised interest rates for the third time in 2018 and, crucially, guided that it expected to raise rates both for a fourth time in December, and then a further three times during 2019. Having already digested seven interest rate hikes over the previous twenty-two months and facing a further four rate hikes in the months to come, financial markets – supported for years by low rates and easy money - capitulated. From the end of September through to Christmas eve, global share markets fell by 16.2% in US dollar terms. Higher risk and growth sensitive assets classes fared the worst over this period. In the US, small cap stocks fell by 25.1%, while the 'FAANG' basket of technology stocks, a key driver of overall market returns in recent years, fell by 25.5%.

In the face of collapsing markets, vocal criticism from President Trump, and some signs of weakness in the future economic outlook, the US Fed pivoted substantially at its December meeting. While it raised interest rates as previously indicated, it adopted a much more dovish tone regarding the outlook. This swing in the Fed's future positioning was the catalyst for a sharp market rebound. Further, as 2019 has progressed, this dovish tone from the US Fed has become accompanied by a more broad-based darkening of the global growth outlook. In the US, growth had already begun to slow back towards more sustainable levels, with the effects of the one-time stimulus boost from the Trump administration's tax cuts fading. Outside of the US however, global growth in 2019 has begun to slow noticeably. In the European Union, growth rates, already falling over 2018, have slowed markedly as 2019 has progressed. Having recorded a brisk (for EU standards) growth rate of 2.4% in 2017, growth fell to 1.9% in 2018 and is projected to now fall to just 1.4% in 2019. Worryingly, much of the slow-down in the EU this year is attributed to a stalling German economy, with Germany historically acting as the key growth powerhouse for the region. In Asia, though expected, Chinese economic growth rates continue to fall, hitting a 27 year low in the June quarter of 2019. While in Japan - an economy heavily reliant on exports – the incoming data has shown exports falling every month of 2019 so far.

In the face of a worsening economic outlook, financial markets have primed themselves for considerable monetary easing over the second half of 2019. Between September 2018 and June 2019, the US Fed's original guidance of three interest rate hikes during 2019 was completely unwound, with the Fed delivering a 0.25% cut at its July meeting and markets now anticipating two more cuts before year end. Likewise, markets currently expect both further interest rate cuts and/or additional rounds of quantitative easing in both the EU and Japan.

Thus, having capitulated in the face of rising interest rates at the end of 2018, risk assets staged a stunning rebound in 2019, propelled higher by the prospect of falling interest rates, and potentially, further quantitative easing. The deteriorating global economy has therefore re-ignited a version of the 'Goldilocks' narrative that has made frequent market appearances in recent years. The current version of the 'Goldilocks' theme is one where bad economic news equates to good market news and it runs along the following lines: as inflation continues to run well below target, central banks have latitude to cut interest rates and/or engage in further rounds of quantitative easing. Further, while the growth outlook has begun to deteriorate, it has not yet become bad enough to be truly concerning. Markets can thus enjoy the sugar-rush of lower interest rates today, without having to worry too greatly about the more troubling scenario of a future economic recession.

Absent the risk of recession, further rounds of monetary policy easing should, in the near-term, continue to create a supportive backdrop for risker assets like shares. It should be remembered however, that the reasons that central banks are poised to once again embark on more rounds of monetary easing are hardly positive when looking out over the longer-term. They are based on a bleak assessment of the prospects for heavily indebted rich-world economies in a low growth, low inflationary world.

Performance of the Portfolio

The foundation of the Global Value Fund is to invest into a diversified global portfolio of financial assets, all purchased at attractive discounts to their intrinsic value. This approach is then paired with an active strategy designed to capture the value presented by these discounts. In doing so, GVF aims to offer investors two sources of return: the see-through investment return from a lower-risk portfolio of financial assets, and then an additional source of return from the successful application of the Company's discount capture strategy.

Our approach allows us to aim to generate equity market like returns over the long run, but with a portfolio that offers a much greater level of downside protection than a typical portfolio of global shares. GVF thus has two equally important aims for its investors. To generate healthy investment returns over the long-term, and to preserve shareholder capital come what may in financial markets.

We have stated for some time now that, after a ten-year equity bull market, our conviction that compelling risk-adjusted returns can be readily found in share markets today is low. While we have never pretended to be able to call what broader markets will do next, given the building risks in markets today, we have, in recent times, believed it prudent to focus our attention on unlocking value from lower-risk asset classes. In doing so, the absolute returns generated by the fund have relied more heavily on the successful application of our discount capture strategy than the see-through returns from the Company's investment portfolio. In line with this approach the fund's see-through equity market exposure averaged 28%[11] during FY2019, towards the lower end of the range the fund has run with since its launch in 2014.

[9] Global share market returns refer to the MSCI All Country World Index.
[10] All market returns quoted are total returns, including net dividends. Source: Bloomberg LLP.
[11] Source: Staude Capital Limited.

Performance of the Portfolio (continued)

Our focus on risk-management and a lower risk portfolio of assets served the Company well through the dramatic market sell-off in the December quarter of 2018. From the end of September, through to the market low on the 24th of December, global share markets fell by 14% in Australian dollar terms. Over this same period the GVF investment portfolio fell by 4.0%[12].

While we were pleased with our success in protecting shareholder capital during one of the largest market sell-offs in recent years, our absolute investment returns did not participate in the dramatic rebound in higher-risk asset classes that followed. Financial markets this calendar year have been propelled higher by the world's major central banks guiding that substantial amounts of monetary stimulus are once again in the works. This is the 'bad news is good news' narrative discussed earlier, with a weaker economic outlook prompting central banks to cut interest rates (the US) and/or embark on further rounds of Quantitative Easing (EU and Japan).

Over FY2019, the Company's adjusted pre-tax NTA increased by 3.2%[12] with the successful application of our discount capture strategy adding 2.1%[12] (gross) to performance. Positive returns from this strategy represent outperformance (or alpha) over the fund's underlying market and currency exposures. While it is pleasing to report a fifth consecutive year of positive returns from our discount capture strategy, in absolute terms FY2019's performance was below the targets that we set for ourselves, and our historical success in pursing this approach.

Notable winners and detractors in FY2019

One of the inherently attractive features of the Company's investment strategy is the margin of safety that typically comes from investing into assets which are trading below their intrinsic value. Historically, this combination of a margin of safety - and our hands-on approach to unlocking discounts - has enabled the Company to achieve a very high win versus loss ratio across the investment portfolio. Since inception, through to the end of June 2019, GVF has generated positive returns on 84%[12,13] of all the investments it has made. While FY2019 still benefited from a very favorable ratio, 76% of investments held over the year generated positive returns, several high-conviction holdings detracted from performance during the year which merit discussion.

In our FY2018 review we quipped that GVF 'strives to be a to be an all-weather investment proposition'. There is therefore a degree of poetic justice that adverse weather events were one of the notable detractors to the Company's returns in FY2019. We wrote about our investment in Blue Capital Alternative Income Fund in our January 2019 monthly update. Blue Capital held a portfolio of weather-related reinsurance investments, and we had accumulated our position in this fund at an average discount to asset value of 11.4%. After running a hard-fought public activist campaign during the first half of calendar 2018, the fund was put into liquidation ahead of a return of capital to shareholders, scheduled for 2019. However, the six-month period between the end of our activist campaign, and the return of shareholder capital, proved to be one of the worst periods on record for weather-related natural disasters. These events, notably a series of hurricanes through the Gulf of Mexico, weighed heavily on the reinsurance industry and resulted in a 23% write-down in the carry value of Blue Capital's investment portfolio. Having run a successful activist campaign that unlocked value, it was frustrating to shoulder a fall in asset value that was greater than the 11.4% margin of safety we enjoyed from buying these assets at a discount.

Events like Blue Capital are, thankfully, relatively rare for the Company. Typically, when positions go against us, the value we are seeking to unlock remains intact and is just stored for another day. In such cases the near-term loss can represent a longer-term opportunity, allowing us to add to a high-conviction name at more favorable levels.

Two examples like this from FY2019 are worth discussing. The first is Third Point Offshore Investors Limited (TPOU), a London-listed hedge-fund with an impressive long-term track record. While the discount on this fund widened over FY2019, detracting from GVF's returns, our belief that the underlying value within this fund will ultimately be realized was strengthened greatly over the course of the year. A number of TPOU shareholders, including GVF, have been actively engaged with the fund. In response, the Board has brought forward several major initiatives, which we believe will be greatly beneficial in unlocking value for shareholders. Probably the most important of these was the appointment of a new independent Chairman, Steve Bates, in February 2019. Steve is a robust independent director who understands the existential problem that the fund's current excessive discount represents, and who appears determined to tackle this head-on. In addition to a new independent Chairman, the Board has also renegotiated lower the management fees being paid to Third Point and has begun an aggressive capital management program. This program has seen over 15% of the outstanding shares on issue bought back and cancelled since December of last year. It has also added 4% to the fund's returns due to the accretion of buying back shares so cheaply. The fund ended FY2019 trading on a 25% discount to asset value and GVF added to its position during the year at these new cheaper levels. Fundamentally, we believe the current discount is unsustainable over the long-run.

[12] All market returns quoted are total returns, including net dividends. Source: Bloomberg LLP.
[13] This win versus loss ratio refers to active investments the Company has made, including, where relevant, market hedges. This metric excludes the impact of the Company's underlying currency exposures.

Notable winners and detractors in FY2019 (continued)

The second example of 'stored value' that we believe FY2019 generated for us was our investment in VPC Specialty Lending Investments (VSL), a London listed closed-end fund that lends to middle-market financial companies, mainly in the USA. VSL was originally a turn-around story for GVF. The managers investment strategy, while still generating positive returns, hadn't lived up to its stated targets during 2016 and 2017. 2018 heralded a re-focusing on the managers very attractive core lending business and the divestment of a newer, less successful, lending book. After undertaking extensive due-diligence on the new re-focused approach, GVF built a position in the fund at an attractive discount to asset backing. Our thesis being that a significant turn-around in investment performance would re-rate the shares. Pleasingly, the re-focused investment strategy has been a great success, with the fund's underlying lending portfolio generating net returns of 10.9% over FY2019, by far its best year on record, and representing a new sustainable run-rate for the company, in our view. While our original investment thesis was proved, unfortunately in the final months of FY2019, VSL's share came under significant selling pressure for reasons unrelated to the medium-term value story we see. The first of these was that one of its largest shareholders was Woodford Investment Management. The fall from grace of Neil Woodford, one of most famous investment managers in Britain, has dominated the financial press this year. Sadly, his travails have forced the gating of his main investment funds and large scale forced-selling across many of his holdings. In the case of VSL, this meant that the final months of FY2019 saw considerable selling as Woodford offloaded its 18% stake in the fund. Further adding to this selling pressure dynamic, VSL was also erroneously removed from the important FTSE All-Share Index in June 2019, resulting in a considerable amount of technical selling pressure, as index funds removed it from their holdings. GVF took advantage of these market dynamics, adding to its position at highly attractive levels. Notably in July, the FTSE index service announced that it had incorrectly removed VSL from the All-Share Index and re-instated the company. This resulted in considerable index buying during July, which has helped re-rate the share price since year-end.

Away from the short-term market related noise, we remain very constructive on our holding in VSL, which we have carried into FY2020 at a 20% discount to asset value. We are actively engaged with both the manager and the Board and believe that the actions they are taking will serve to greatly reduce the discount during the year ahead. Failing this, the fund is subject to a continuation vote in 2020, at which point shareholders will have the right to vote to put the company into liquidation. Further, the improved investment performance and deep discount means that GVF is currently earning a running yield of over 10% pa while we work to see the underlying value unlocked.

Moving away from those investments that have not yet panned out as expected, the Company also recorded several notable successes during FY2019. One of GVF's largest positions throughout the year was its holding in Pershing Square Holdings, a Dutch listed closed-end fund managed by Bill Ackman, a famous wall-street activist investor. Our investment thesis with Pershing was relatively straight-forward, after several years of poor performance the fund had begun trading on a very wide discount to its underlying asset backing, enabling GVF to accumulate a position at a 23.5% discount to NTA. In the coming years our belief was that either Bill's investment performance would improve, or that investors in his fund (including ourselves) would demand action to address such a wide and unjustifiable discount to asset backing. Pleasingly, the former of these outcomes prevailed. The Pershing investment portfolio increased by 21.6% over FY2019, greatly outpacing general share market returns and thus meaningfully contributing to GVF's total investment performance over the year.

Another of GVF's larger holdings in FY2019 was its position in Carador Income Fund Plc (CIFU). CIFU is a closed-end investment company domiciled in Ireland and listed on the London Stock Exchange. It primarily invests into the equity and mezzanine tranches of collateralised loan obligations (CLOs), which are debt securities backed by diversified pools of bank loans. The CIFU investment portfolio is managed by GSO/Blackstone, one the largest alternative asset managers in the world.

CLOs are an often-misunderstood asset class, resulting perhaps from being too easily confused with 'CDOs', a much broader form of debt securitisation. Infamously, CDOs were used to finance the excesses of the US mortgage market in the run-up to the 2008 financial crisis. CLOs in contrast are backed by corporate credit in the heavily regulated bank loan market. For this reason, CLOs, unlike CDOs, have exhibited very low levels of default.

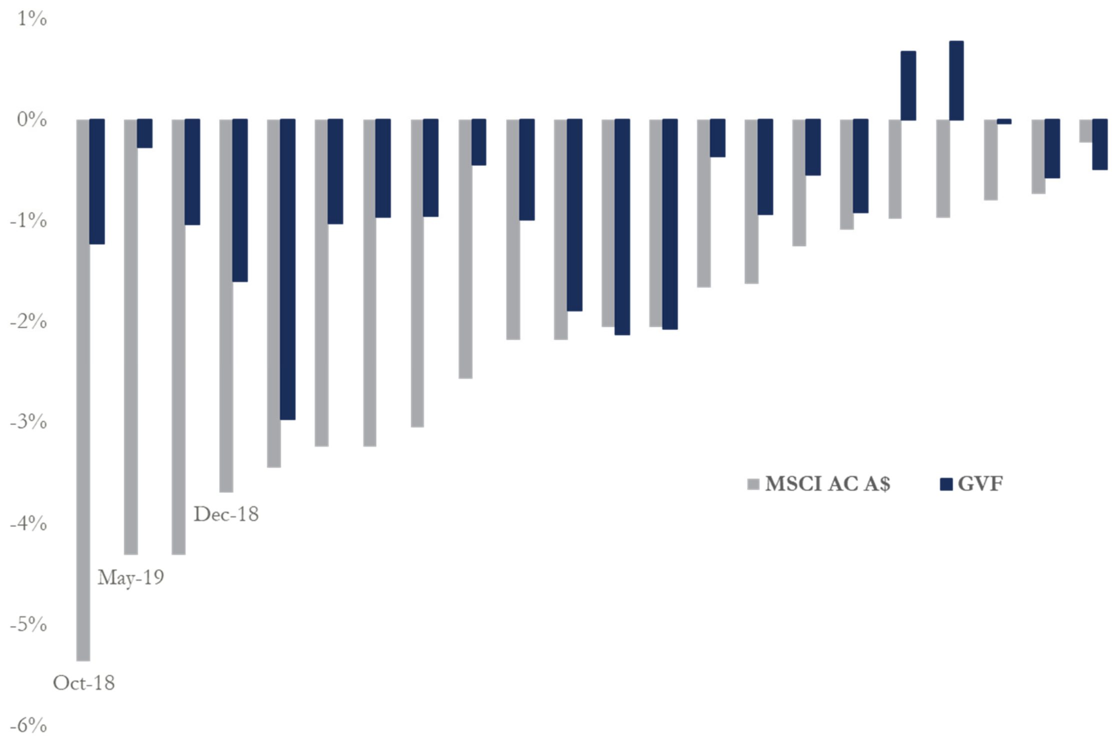
Whilst CLOs are not CDOs, they are still multifaceted debt instruments that require reasonable amounts of due diligence to fully understand. What attracted us to the CIFU investment was that, in our view, the fund had largely been sold to an investor base that did not properly appreciate the unique risk and return attributes of the underlying portfolio. As a result, the fund continually traded at an excessive discount to its asset backing. We built a meaningful position in CIFU at an attractive discount to NAV and engaged with the company. Not long after this the Board brought forward proposals to liquidate the CLO portfolio, offering investors a cash exit. The bulk of CIFU's CLO portfolio was realised progressively over the course of FY2019, at prices that were in-line with the fund's asset backing, allowing us to realise the majority of the underlying discount during the year. The resulting uplift from these cash realisations made CIFU one of GVF's best performing investments in FY2019. We currently expect to receive the small remaining balance of the CIFU investment portfolio, again at asset backing, over the course of FY2020.

The final notable success to discuss for FY2019 was GVF's investment in DW Catalyst Fund Ltd (DWCG). DWCG, listed on the London Stock Exchange, was a feeder fund into a large credit hedge fund run by DW partners. The master fund that DWCG invested into had a long-track record of delivering reasonable returns with low levels of risk and limited correlation to overall market movements. Despite this success, DWCG had suffered from a broader sector de-rating which has affected most of the London listed hedge fund universe in recent years. The fund had shrunk considerably and was continually contending with a large and persistent discount to asset backing. Like with CIFU, GVF built a large stake in DWCG at an attractive discount to NAV and began engaging with the company. Following this, the Board of DWCG brought forward plans to liquidate the fund and return capital to its shareholders. Over the course of FY2019 GVF realised its entire holding in DWCG at asset backing, thus allowing us to unlock the considerable underlying value within our investment.

Risk Management

We wrote last year that the virtue of managing risk can be easily overlooked when markets are rallying strongly. Over time however, we believe it is a practice that will ultimately benefit investors greatly. It is our belief that the drivers behind the current 'bad news is good news' narrative must, at some point, turn. Either the economic outlook will continue to deteriorate, at which point markets will begin to price in the building risks of a rich-world recession. Or, alternatively, an improving economic outlook must turn the 'bad is good' logic back on its head, with central banks needing to move once again towards a tightening bias. After being carried higher for a decade on the back of extraordinary levels of central bank monetary support, the December quarter of 2018 illustrates well how sensitive higher-risk assets are today to even modest levels of future tightening.

The chart below shows the draw-down history of the investment portfolio since the Company's IPO. The first column in grey shows months where global equity markets have fallen in Australian dollar terms, with the three worst months of FY2019 annotated on the chart. Beside the grey, in blue, is the corresponding net investment return of the Global Value Fund portfolio in the same month.



Despite managing a significantly lower risk portfolio than one invested solely in international share markets, the fund has generated annualised adjusted NTA returns of 9.6%[14] since IPO.

Outlook

It is said that happiness equals outcome minus expectation. In US dollar terms, global share markets rallied 17% over the first six months of 2019. This rally has come in the face of a deteriorating growth outlook and falling 2019 company earnings estimates in the US, Europe, Japan and China. Accordingly, much is riding on the delivery of the significant levels of central bank easing that markets are anticipating over the second half of this calendar year. Somewhat perversely therefore, any brightening of the economic outlook in the near-term is likely to weigh heavily on share markets, given the risk that this would lead to less than expected levels of future easing.

Regardless of how the current iteration of the Goldilocks thesis unfolds, GVF will continue to keep its head below the parapet and focus on unlocking value across a range of different asset classes. One of the consequences of releasing less value than we hoped for from our portfolio in FY2019, is that the Company begins FY2020 with higher than usual targets across many of the positions in the fund. Importantly, our ability to unlock this value is independent of what broader markets might do, while the lower risk nature of our portfolio should offer an important level of protection against any significant market corrections ahead.

The team and I would like to thank all our shareholders for their continuing support throughout FY2019 and especially for the many kind messages that we received during the year.

Miles Staude
Director and Portfolio Manager

29 August 2019

[14] All market returns quoted are total returns, including net dividends. Source: Bloomberg LLP.

Investment Portfolio Composition
As at 30 June 2019

Total Portfolio at 30 June 2019

Long Equity Positions – Fair Value through Profit or Loss	**Fair Value $**
Polar Capital Global Financials	14,518,228
Martin Currie Asia Unconstrained Trust	10,480,185
Third Point Offshore Investors	9,733,451
Pershing Square Holdings Limited	9,144,560
VPC Specialty Lending Investments	8,877,690
Blue Sky Alternative Investments	8,259,789
Empiric Student Property	6,397,244
JPEL Private Equity PRF	6,343,695
Blackrock Greater Europe Investment Trust	6,212,198
MVC Capital	5,832,545
JPMorgan Global Convertibles	5,642,844
National Australia Bank Convertible Preference Shares	4,776,669
Carador Income Fund	4,436,836
Highbridge Multi-Strategy Fund	4,131,482
Miton UK Microcap Trust	3,903,492
Betashares Australian High Interest Cash Exchange Traded Fund	3,875,937
East Capital Eastern Europe Small Cap Fund	3,796,814
SQN Secured Income Fund	3,670,716
Ruffer Investment Company	3,661,260
Sherborne Investors Guernsey	3,260,114
Alcentra European Floating Rate Income Fund	2,923,876
Blue Capital Alternative Income Fund	2,655,989
Barings BDC Inc.	2,418,840
Establishment Investment Trust	2,185,021
Monash Absolute Investment Company	2,085,898
Fat Prophets Global Contra Fund	2,000,812
Mexico Equity and Income	1,718,420
Ellerston Global Investments Limited	1,241,024
HSBC China Dragon Fund	1,169,273
Pacific Alliance China Land	963,519
Vietnam Phoenix Fund	955,190
Life Settlement Assets	826,925
Advance Frontier Markets Fund Limited	749,140
CATCo Reinsurance Opportunites Fund Limited	676,236
Diverse Income Trust	512,168
Carador Income Fund Repurchase Pool	433,368
AMP Capital China Growth Fund	288,774
Candover Investments	255,336
Lazard World Trust Fund	123,097
Highbridge Multi-Strategy Fund	18,492
Aberdeen Private Equity	18,128
NB Private Equity Partners	10,254
	151,185,529

Investment Portfolio Composition (continued)
As at 30 June 2019

Total Portfolio at 30 June 2019

	Fair Value $	Notional Value[1] $
Short Equity Positions – Fair Value through Profit or Loss		
IShares MSCI All Count ASA EX JP	(3,499,940)	
IShares MSCI Europe Financials	(2,655,656)	
Barclays PLC	(2,573,907)	
Automatic Data Processing	(1,248,396)	
Restaurant Brands International	(973,401)	
Chipotle Mexican Grill	(897,958)	
Mastercard Inc.	(670,841)	
Wells Fargo & Co	(668,103)	
JPMorgan Chase	(656,242)	
Chubb Limited	(651,568)	
Bank of America	(646,602)	
Hilton Worldwide Holdings	(589,030)	
Starbucks Corporation	(571,487)	
Lowe's Companies, Inc.	(495,996)	
Howard Hughes Corp	(345,813)	
United Technologies Corp	(180,859)	
	(17,325,799)	
Convertible and Corporate Bonds		
Crown Subordinated Notes II	2,435,080	
PSHNA REGS 5.5000% 2022-07-15	1,639,092	
CAMAU 6.2500% 2021-11-30	635,980	
URFAU III 0.0000% 2021-12-24	168,266	
URFAU II 7.7500% 2020-12-24 "18	111,955	
	4,990,373	
Derivative Financial Instruments – Fair Value through Profit or Loss		
Long Equity Swaps		
Highbridge Multi-Strategy Fund	(12)	2,640
AMP Capital China Growth Fund	(1,688)	1,177
SVG Capital	-	1
	(1,700)	**3,818**
Total fair value investment portfolio	138,848,403	
Aggregate notional value of all derivatives		3,818

[1] The aggregate notional value of all derivatives is $3,818. The notional value represents the face amount of the underlying instrument referenced in the contract and is the amount at risk - refer note 3 (a)(i).

Corporate Governance Statement

The Board of Directors of the Company is responsible for corporate governance. The Board has chosen to prepare the Corporate Governance Statement ("CGS") in accordance with the third edition of the ASX Corporate Governance Council's Principles and Recommendations under which the CGS may be made available on a Company's website.

Accordingly, a copy of the Company's CGS is available on the Company website www.globalvaluefund.com.au under the Company Summary/ Company Policies section.

Directors' Report

The Directors of Global Value Fund Limited ("the Company") present their report together with the financial report of the Company for the year ended 30 June 2019.

Global Value Fund Limited is a company limited by shares and is incorporated in Australia.

Directors

The following persons held office as Directors of the Company during the financial year:

Jonathan Trollip	Chairman & Independent Director
Chris Cuffe	Independent Director
Geoffrey Wilson	Director
Miles Staude	Director

Directors have been in office since the start of the financial year to the date of this report.

Principal Activity

The Company was established to provide investors with the opportunity to invest in global financial markets through a carefully constructed investment portfolio of financial assets trading at a discount to their underlying value.

To achieve its objective, the Company appoints Mirabella Financial Services LLP ("Mirabella") to act as Investment Manager and Mirabella has seconded the investment team at Staude Capital to manage the Global Value Fund investment portfolio. 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 portfolio held comprises mainly equities and closed ended funds that are listed on various international exchanges as well as cash deposits denominated in domestic and foreign currencies.

The Company's approach is designed to provide superior risk-adjusted returns compared to more traditional forms of international equity investing.

No change in this activity is anticipated in the future.

Resignation of Joint Company Secretary

On 7 May 2019, Mr Adam Sutherland of Mertons Corporate Services Pty Limited ("Mertons") resigned as Joint Company Secretary. Mr Mark Licciardo (also of Mertons) remained as the Company Secretary.

Dividends

During the year, the Company declared and paid dividends of 6.30 cents per share. 3.15 cents per share of this related to the FY2018 final dividend payment which was 70% franked. This was paid on 9 November 2018. The remaining 3.15 cents per share related to the FY2019 interim dividend which was 70% franked. This was paid on 15 May 2019.

Since year end the Company has declared a fully-franked final dividend for FY2019 of 2.90 cents per share to be paid on Monday 11 November 2019. The ex-dividend date is Monday 30 September 2019 and the record date for entitlement to the FY2019 final dividend is Tuesday 1 October 2019.

The Company's dividend reinvestment plan ("DRP") will be in effect for the fully-franked FY2019 final dividend of 2.90 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. If the share price for Global Value Fund Limited ("GVF") is above the Company's NTA on the dividend ex-date, 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 NTA value of the Company on this day. If the share price for GVF is less than its NTA on the ex-date, 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.

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 FY2019 Final dividend is 5.00 pm (AEDT) Wednesday 2 October 2019. Details of the DRP are available on the Company's website, click here.

Review of operations

For the full year ended 30 June 2019, the Company's investment portfolio generated a 3.2% (2018: 9.0%) increase in adjusted pre-tax NTA, with the fund's discount capture strategy generating a 2.1% (gross) (2018: 5.0%) return over the year. Positive returns from this strategy represent outperformance (or alpha) over the fund's underlying market and currency exposures.

Investment operations for the year ended 30 June 2019 resulted in an operating profit before tax of $4,961,185 (2018: $12,517,015) and an operating profit after tax of $3,836,693 (2018: $8,929,427).

The net tangible asset backing for each ordinary share at 30 June 2019 after tax amounted to $1.0587 (2018: $1.0957) per share. The net tangible asset backing for each ordinary share at 30 June 2019 before tax amounted to $1.0646 (2018: $1.1012) per share.

Further information regarding the company performance is contained in the Portfolio Manager's Report.

Matters subsequent to the end of the financial year

Since year end the Company has declared a fully-franked final dividend for FY2019 of 2.90 cents per share to be paid on Monday 11 November 2019. The ex-dividend date is Monday 30 September 2019 and the record date for entitlement to the FY2019 final dividend is Tuesday 1 October 2019.

Other than the dividend declared after year end, no other matter or circumstance has occurred subsequent to year end that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

Likely developments and expected results of operations

The Company will continue to pursue its investment objectives for the long term benefit of shareholders. This will require continual review of the investment strategies that are currently in place and may require changes to these strategies to maximise returns.

The underlying holdings of the Company consist of an investment portfolio of carefully selected global assets, trading at significant discounts to their intrinsic value. The Portfolio Manager is optimistic about the outlook for the Company's discount capture strategy given the opportunity set available. Further, given the recent volatility in financial markets, the Portfolio Manager expects to be able to capitalise on new opportunities as they arise whilst seeking to protect shareholders through running an investment portfolio with meaningfully less market risk than one invested solely in an investment portfolio of international shares.

Environmental regulation

The Company is not affected by any significant environmental regulation in respect of its operations.

To the extent that any environmental regulations may have an incidental impact on the Company's operations, the Directors of the Company are not aware of any breach by the Company of those regulations.

Information on directors

Jonathan Trollip Chairman and Independent Director

Experience and expertise

Jonathan Trollip is an experienced Director with over 32 years of commercial, corporate, governance, legal and transaction experience. Jonathan has a Bachelor of Arts degree in Economics from the University of Cape Town, post graduate degrees in Economics and Law from the University of Cape Town and the University of London (London School of Economics) and is a Fellow of the Australian Institute of Company Directors.

Other current directorships

Jonathan Trollip is Chairman of ASX-listed Future Generation Investment Company Limited, Antipodes Global Investment Company Limited, Spheria Emerging Companies Limited and Plato Income Maximiser Limited and a non-executive Director of ASX listed Propel Funeral Partners Limited and ASX, AIM and JSE listed Kore Potash plc . Jonathan holds commercial private company directorships with Meridian International Capital Limited, Jonathan is involved in the not for profit sector as Chairman of Science for Wildlife Limited, and a Director of the Watarrka Foundation Limited and the University of Cape Town Australia Alumni Trust.

Former directorships in last 3 years

Jonathan Trollip was a former director of Spicers Limited.

Special responsibilities

Chairman of the Board

Interests in shares and options

Details of Jonathan Trollip's interests in shares of the Company are included in the Remuneration Report.

Interests in contracts

Jonathan Trollip has no interests in contracts of the Company.

Chris Cuffe AO Independent Director

Experience and expertise

Chris has many years of experience in building successful wealth management practices. Most notably he joined Colonial First State in 1988 and became its CEO two years later, leading the company from a start-up operation to Australia's largest investment manager. In 2003 Chris became the CEO of Challenger Financial Services Group Limited and subsequently headed up Challenger's Wealth Management business.

Chris is now involved in a portfolio of activities including a number of directorships, managing public and private investments and in various roles assisting the non-profit sector.

Chris holds a Bachelor of Commerce from the University of NSW and a Diploma from the Securities Institute of Australia. He is a Fellow of Chartered Accountants Australia and New Zealand, a Fellow of the Institute of Company Directors and an Associate of the Financial Services Institute of Australasia. In October 2007 Chris was inducted into the Australian Fund Manager's RBS Hall of Fame for services to the investment industry.

Other current directorships

Chris Cuffe is Chairman of Atrium Investment Management (a wealth management firm) and Hearts and Minds Investments Limited, a director of listed investment companies Argo Investments Limited and Antipodes Global Investment Company Limited, a director of Class Limited (a listed software company), Chairman of Australian Philanthropic Services (a non-profit organisation assisting philanthropists), and a director of Third Link Investment Managers (the manager of an Australian equities fund known as Third Link Growth Fund).

Former directorships in last 3 years

Chris Cuffe was formerly a Chairman of UniSuper (the $70 billion superannuation scheme servicing the staff of universities and higher education sector across Australia).

Interests in shares and options

Details of Chris Cuffe's interests in shares of the Company are included in the Remuneration Report.

Interests in contracts

Chris Cuffe has no interests in contracts of the Company.

Information on directors (continued)

Geoffrey Wilson AO Non-Independent Director

Experience and expertise

Geoff Wilson has over 39 years' direct experience in investment markets having held a variety of senior investment roles in Australia, the UK and the US. Geoff founded Wilson Asset Management in 1997. Geoff created Australia's first listed philanthropic wealth creation vehicles, the Future Generation companies.

Geoff holds a Bachelor of Science, a Graduate Management Qualification and is a Fellow of the Financial Services Institute of Australia and the Australian Institute of Company Directors.

Other current directorships

Geoffrey Wilson is currently Chairman of WAM Capital Limited, WAM Research Limited, WAM Active Limited, WAM Leaders Limited, WAM Microcap Limited, WAM Global Limited and the Australian Stockbrokers Foundation. He is the Founder and a Director of Future Generation Global Investment Company Limited and Future Generation Investment Company Limited and a Director of Australian Leaders Fund Limited, Century Australia Investments Pty Limited, 8IP Emerging Companies Limited, Incubator Capital Limited, Hearts and Minds Investments Limited, Wealth Defender Equities Pty Limited, Wollongong 2022 Limited, Sporting Chance Cancer Foundation, the Australian Fund Managers Foundation, and the Australian Children's Music Foundation. He is also founder and Director of investment management companies Wilson Asset Management (International) Pty Limited and MAM Pty Limited.

Former directorships in last 3 years

Geoffrey Wilson is a former Director of Clime Capital Limited.

Interests in shares and options

Details of Geoffrey Wilson's interests in shares of the Company are included in the Remuneration Report.

Interests in contracts

Details of Geoffrey Wilson's interests in contracts of the Company are included in the Remuneration Report.

Miles Staude Non-Independent Director

Experience and expertise

Miles has over 19 years' of experience in trading, investment management and research, covering a wide range of financial markets. He is the Portfolio Manager of the Global Value Fund ("GVF") and under Mirabella's regulatory licences, Miles has overall responsibility for the GVF portfolio management teams trading and investment management activities.

Prior to founding Staude Capital, Miles spent ten years as a Portfolio Manager and Investment Analyst at Metage Capital, a London based investment management firm. Before joining Metage he spent 5 years as a sell-side equity analyst at RBC Capital Markets, based in both Sydney and London. Miles holds an economics degree from the University of Sydney and is a CFA Charterholder.

Other current directorships

Miles is currently a Director of Staude Capital Limited (UK), Staude Capital Pty Limited (Australia) and a Non-Executive Director of Blue Sky Alternatives Access Funds Limited.

Former directorships in last 3 years

Miles Staude has not held any other directorships of listed companies within the last 3 years.

Special responsibilities

Portfolio Manager

Interests in shares and options

Details of Miles Staude's interests in shares of the Company are included in the Remuneration Report.

Interests in contracts

Details of Miles Staude's interests in contracts of the Company are included in the Remuneration Report.

Company secretaries

Mark Licciardo B Bus(Acc), GradDip CSP, FGIA, FCIS, FAICD (Company Secretary)

Experience and special responsibilities

Mark Licciardo is Managing Director of Mertons Corporate Services Pty Ltd (Mertons) which provides company secretarial and corporate governance consulting services to ASX listed and unlisted public and private companies.

Prior to establishing Mertons, Mark Licciardo was Company Secretary of the Transurban Group and Australian Foundation Investment Company Limited. Mark has also had an extensive commercial banking career with the Commonwealth Bank and State Bank Victoria. Mark Licciardo is a former Chairman of the Governance Institute Australia (GIA) in Victoria and the Melbourne Fringe Festival, a fellow of GIA, the Institute of Chartered Secretaries (CIS) and the Australian Institute of Company Directors (AICD) and a Director of ASX listed Frontier Digital Ventures Limited, iCar Asia Limited and Mobilicom Limited as well as several other public and private companies.

Meetings of directors

The number of meetings of the Company's Board of Directors held during the year ended 30 June 2019, and the number of meetings attended by each Director were:

	Directors' Meetings	
	A	**B**
Jonathan Trollip	3	3
Chris Cuffe	3	3
Geoffrey Wilson	3	3
Miles Staude	3	3

A = Number of meetings attended
B = Number of meetings held during the time the Director held office during the year

Remuneration report (audited)

This report details the nature and amount of remuneration for each Director of Global Value Fund Limited ("the Company") in accordance with the Corporations Act 2001. The Company Secretaries are remunerated under a service agreement with Mertons Corporate Services Pty Ltd.

Details of remuneration

All Directors of the Company are non-executive Directors. The Board from time-to-time determines remuneration of Directors within the maximum amount approved by the shareholders at the Annual General Meeting. Directors are not entitled to any other remuneration.

Fees and payments to Directors reflect the demands that are made on them and their responsibilities. The performance of Directors is reviewed annually. The Board determines the remuneration levels and ensures they are competitively set to attract and retain appropriately qualified and experienced Directors.

The maximum total remuneration of the Directors of the Company has been set at $90,000 per annum. Directors do not receive bonuses nor are they issued options on securities as part of their remuneration. Directors' fees cover all main Board activities.

Directors' remuneration is not directly linked to the Company's performance.

Remuneration report (audited) (continued)

The following tables show details of the remuneration received by the Directors of the Company for the current and prior financial year.

	Short term Employee benefits	Post-employment benefits	Total
2019	**Salary and fees**	**Superannuation**	
Name	**$**	**$**	**$**
Jonathan Trollip	36,530	3,470	40,000
Chris Cuffe	31,963	3,037	35,000
Geoffrey Wilson	9,132	868	10,000
Miles Staude	-	-	-
Total director remuneration	**77,625**	**7,375**	**85,000**
2018			
Name			
Jonathan Trollip	31,964	3,036	35,000
Chris Cuffe	27,397	2,603	30,000
Geoffrey Wilson	9,132	868	10,000
Miles Staude	-	-	-
Total director remuneration	68,493	6,507	75,000

The Company has no employees other than Non-Executive Directors and therefore does not have a remuneration policy for employees.

The Directors are the only people considered to be key management personnel of the Company.

Director related entity remuneration

All transactions with related entities are made on normal commercial terms and conditions.

Miles Staude, a Director of the Company, was an employee of Metage Capital Limited ("Metage") until 4 November 2016. With effect from 4 November 2016, Mirabella Financial Services LLP ("Mirabella") replaced Metage Capital Limited ("Metage") as Manager. Mirabella in turn entered into legal agreements with Staude Capital Limited, an entity associated with Miles Staude and the investment personnel at Metage previously responsible for the management of the investment portfolio, pursuant to which certain individuals from Staude Capital Limited are seconded into Mirabella to perform portfolio management services for the Company. The Company's investment portfolio continues to be managed by Miles Staude and his team in their capacity as secondees to Mirabella, with an unchanged investment mandate. Miles Staude benefits from the manager fees payable to Mirabella.

The associated fees payable to the current and former managers are listed below:

Assignment fee

By an assignment deed dated 16 May 2014, the former manager Metage had assigned all right, title and interest to receive 25% of all management and performance fees payable under its management agreement to Boutique Investment Management Pty Limited ("BIM"), an entity associated with Geoffrey Wilson. As part of the legal arrangement to replace Metage with Mirabella as manager, a replacement assignment deed effective 4 November 2016 was entered into between Mirabella and BIM.

The Company has acknowledged this replacement assignment and undertaken to Mirabella and BIM to pay this amount at the same time as the balance of the management fee and performance fee are payable to Mirabella. The Company owes no other obligations to BIM.

Mirabella has undertaken to BIM not to terminate or amend the terms of the Management Agreement or waive any of its rights under the Management Agreement without the prior written consent of BIM.

The assignment deed in place with the current manager has the same terms and conditions as the previous assignment deed.

Management fee

In its capacity as manager, the manager is entitled to receive a management fee of 0.125% per month (representing an annualised fee of 1.5% per annum) of the net value of the investment portfolio. The management fee is calculated monthly and payable monthly in arrears. For the year ended 30 June 2019 the manager, Mirabella, was entitled to a management fee of $2,366,652 (2018: $2,078,407), of which $591,663 was paid to BIM. As at 30 June 2019, the balance payable was $48,464 (2018: $198,343).

Remuneration report (audited) (continued)

Director related entity remuneration (continued)

Performance fee

In further consideration for the performance of its duties as manager of the investment portfolio, the manager may be entitled to be paid a performance fee equal to 15% of any portfolio out performance in excess of a hurdle return being 4% above the 1 year interest rate swap rate. Further details of the terms of the performance fee calculation are disclosed in Note 16 to the financial statements.

For the financial year ended 30 June 2019, no performance fee was payable to the manager (2018: $735,231). As at 30 June 2019, the balance payable was $nil (2018: $735,231).

Contracts

Other than as stated above, no Director has received or become entitled to receive, a benefit by reason of a contract made by the Company or a related company with the Director of with a firm of which they are a member or with a company in which they have substantial financial interest since the inception of the Company.

Equity instrument disclosures relating to directors

As at the date of this report, the Company's Directors and their related parties held the following interests in the Company:

Ordinary shares held

2019 **Director**	**Balance as at 1 July 2018**	**Acquisitions**	**Disposals**	**Balance as at 29 August 2019**
Jonathan Trollip [1]	425,000	-	-	425,000
Chris Cuffe [2]	1,001,230	686,011	312,272	1,374,969
Geoffrey Wilson [3]	1,346,590	33,991	-	1,380,581
Miles Staude [4]	115,000	30,000	-	145,000
	2,887,820	**750,002**	**312,272**	**3,325,550**

[1] 425,000 shares beneficially held by Piaster Pty Limited ATF Trollip Family Superfund A/C

[2] 322,063 shares beneficially held by Cherryoak Investments Pty Limited ATF C & N Family Trust, 1,014,667 shares beneficially held by Australian Philanthropic Services Pty Limited ATF Australian Philanthropic Services Foundation and 38,239 shares beneficially held by Mr Christopher Cuffe ATF Matthew Patrick Cuffe

[3] 1,380,581 shares beneficially held by GW Holdings Pty Limited <Edwina A/C>

[4] 145,000 shares beneficially held by Staude Capital Pty Limited

2018 **Director**	**Balance as at 1 July 2017**	**Acquisitions**	**Disposals**	**Balance as at 30 August 2018**
Jonathan Trollip [5]	340,000	85,000	-	425,000
Chris Cuffe [6]	286,578	914,652	-	1,201,230
Geoffrey Wilson [7]	1,077,273	269,317	-	1,346,590
Miles Staude [8]	-	115,000	-	115,000
	1,703,851	1,383,969	-	3,087,820

[5] 425,000 shares beneficially held by Piaster Pty Limited ATF Trollip Family Superfund A/C

[6] 303,436 shares beneficially held by Thank Keating Pty Limited ATF C & N Cuffe Family Superannuation Fund, 861,766 shares beneficially held by Australian Philanthropic Services Pty Limited ATF Australian Philanthropic Services Foundation and 36,028 shares beneficially held by Mr Christopher Cuffe ATF Matthew Patrick Cuffe

[7] 1,346,590 shares beneficially held by GW Holdings Pty Limited <Edwina A/C>

[8] 115,000 shares beneficially held by Staude Capital Pty Limited

End of remuneration report

Insurance and indemnification of officers and auditors

During or since the end of the financial year the Company has given an indemnity or entered into an agreement to indemnify, or paid or agreed to pay insurance premiums.

The Company has paid premiums to insure each of the Directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of Director of the Company, other than conduct involving a wilful breach of duty in relation to the Company or the improper use by the Directors of their position.

The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

No indemnities have been given or insurance premiums paid during or since the end of the financial year, for any person who is or has been an auditor of the Company.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001.*

Non-audit services

During the year Pitcher Partners, the Company's auditor, did not perform any other services in addition to their statutory duties for the Company except as disclosed in Note 14 to the financial statements.

The Board of Directors is satisfied that the provision of other services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the services disclosed in Note 14 did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the Board prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to the auditor independence in accordance with the APES 110 *Code of Ethics for Professional Accountants* set by the Accounting Professional and Ethical Standards Board.

Rounding of amounts to nearest dollar

In accordance with ASIC Corporations (rounding in Directors' Reports) Instrument 2016/191, the amounts in the Directors' Report have been rounded to the nearest dollar.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 18.

This report is made in accordance with a resolution of Directors.

Jonathan Trollip
Chairman

Sydney
29 August 2019

PITCHER PARTNERS

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Auditor's Independence Declaration
To the Directors of Global Value Fund Limited
ABN 90 168 653 521

In relation to the independent audit of Global Value Fund Limited for the year ended 30 June 2019, I declare that to the best of my knowledge and belief there have been:

(i) no contraventions of the auditor's independence requirements of the *Corporations Act 2001*; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

S M Whiddett
Partner

Pitcher Partners
Sydney

29 August 2019

Statement of Profit or Loss and Other Comprehensive Income

	Note	2019 $	2018 $
Income			
Net realised gains on disposal of investments		6,405,074	15,044,255
Net unrealised (losses) on fair value movement of investments		(3,440,417)	(1,101,202)
Net realised gains/ (losses) on foreign exchange movement		12,303	(265,325)
Net unrealised gains on foreign exchange movement		206,361	91,983
Interest income		466,438	245,979
Other income		9,983	116,369
Dividend income		6,246,897	3,544,970
Total income		**9,906,639**	17,677,029
Expenses			
Management fees		(2,366,652)	(2,078,407)
Performance fees		-	(735,231)
Administration fees		(266,571)	(286,471)
Brokerage and Clearing expenses		(637,714)	(558,069)
Accounting fees		(68,202)	(36,251)
Share registry fees		(64,305)	(63,655)
Dividends paid on borrowed stock		(289,739)	(209,066)
Interest expense		(903,092)	(864,129)
Tax fees		(21,130)	(13,200)
Directors' fees		(85,000)	(75,000)
Legal fees		(65,667)	(66,183)
Secretarial fees		(34,770)	(38,257)
ASX fees		(75,500)	(71,398)
Audit fees		(47,708)	(35,000)
Other expenses		(19,404)	(29,697)
Total expenses		**(4,945,454)**	(5,160,014)
Profit before income tax		**4,961,185**	12,517,015
Income tax expense	**5**	(1,124,492)	(3,587,588)
Profit attributable to members of the Company		**3,836,693**	8,929,427
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		**3,836,693**	8,929,427
		Cents	**Cents**
Earnings per share for profit attributable to the ordinary equity holders of the Company:			
Basic and diluted earnings per share	**19**	2.60	6.98

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes

Statement of Financial Position

	Note	2019 $	2018 $
Assets			
Cash and cash equivalents	**6**	18,239,672	7,821,378
Trade and other receivables	**7**	381,999	75,200
Financial assets at fair value through profit or loss	**8**	156,174,202	167,908,502
Current tax asset	**5**	-	62,278
Deferred tax asset	**5**	137,963	214,988
Total assets		**174,933,836**	176,082,346
Liabilities			
Trade and other payables	**9**	236,390	1,145,241
Financial liabilities at fair value through profit or loss	**8**	17,325,799	12,501,215
Deferred tax liabilities	**5**	1,007,154	1,085,970
Total liabilities		**18,569,343**	14,732,426
Net Assets		**156,364,493**	161,349,920
Equity			
Issued capital	**10**	151,227,208	150,758,155
Profits reserve	**11**	8,974,562	14,429,042
Accumulated losses	**11**	(3,837,277)	(3,837,277)
Total equity		**156,364,493**	161,349,920

The above Statement of Financial Position should be read in conjunction with the accompanying notes

Statement of Changes in Equity

	Note	Issued capital $	(Accumulated losses) $	Profits reserve $	Total $
Balance at 30 June 2017		122,583,961	(3,837,277)	13,945,930	132,692,614
Profit for the year	**11**	-	8,929,427	-	8,929,427
Other comprehensive income for the year		-	-	-	-
Transfer of profits during the year	**11**	-	(8,929,427)	8,929,427	-
Transactions with owners:					
Dividends paid	**12**	-	-	(8,446,315)	(8,446,315)
Shares issued on entitlement and public offers, net of transaction costs	**10**	27,240,538	-	-	27,240,538
Shares issued on dividends reinvested	**10**	933,656	-	-	933,656
Balance at 30 June 2018		150,758,155	(3,837,277)	14,429,042	161,349,920
Profit for the year	**11**	-	3,836,693	-	3,836,693
Other comprehensive income for the year		-	-	-	-
Transfer of profits during the year	**11**	-	(3,836,693)	3,836,693	-
Transactions with owners:					
Dividends paid	**12**	-	-	(9,291,173)	(9,291,173)
Shares issued on dividends reinvested	**10**	469,053	-	-	469,053
Balance at 30 June 2019		**151,227,208**	**(3,837,277)**	**8,974,562**	**156,364,493**

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes

Statement of Cash Flows

	Note	2019 $	2018 $
Cash flows from operating activities			
Proceeds from sale of investments		230,888,000	175,639,527
Payment for investments		(216,943,678)	(224,562,862)
Realised foreign exchange (losses)/ gains		12,303	(265,325)
Other income received		9,983	116,369
Interest received		329,512	266,289
Dividends received		6,187,426	3,650,770
Proceeds from return of capital on investments		5,579,220	2,224,399
Interest paid		(919,465)	(844,294)
Management fees paid		(2,516,532)	(2,088,080)
Performance fees paid		(735,231)	(1,643,821)
Dividends paid on borrowed stock		(322,581)	(159,942)
Income tax paid		(1,207,896)	(3,564,944)
Payment for other expenses		(1,327,006)	(1,217,252)
Net cash provided by/ (used in) operating activities	**18(a)**	**19,034,055**	(52,449,166)
Cash flows from financing activities			
Shares issued on entitlement and public offers, gross of transaction costs		-	27,575,796
Capital raising costs		-	(485,653)
Dividends paid		(8,822,122)	(7,512,658)
Net cash (used in)/ provided by financing activities		**(8,822,122)**	19,577,485
Net (decrease)/ increase in cash and cash equivalents held		10,211,933	(32,871,681)
Cash and cash equivalents at beginning of financial year		7,821,378	40,601,076
Effect of foreign currency exchange rate changes on cash & cash equivalents		206,361	91,983
Cash and cash equivalents at end of financial year	**6**	**18,239,672**	7,821,378
Non cash financing activities			
Dividends reinvested	**18(b)**	**469,053**	933,656

The above Statement of Cash Flows should be read in conjunction with the accompanying notes

1 General information

Global Value Fund Limited (the "Company") is a listed public company domiciled in Australia. The address of the Company's registered office is C/- Merton's Corporate Services Pty Limited, Level 7, 330 Collins Street, Melbourne.

The financial statements were authorised for issue on 29 August 2019 by the Directors of the Company.

2 Significant accounting policies

In accordance with ASIC Corporations (rounding in Financial/ Directors' Reports) Instrument 2016/191, the amounts in the financial statements have been rounded to the nearest dollar unless otherwise stated.

The principal accounting policies adopted in the preparation of these financial statements are set out below.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with the *Corporations Act 2001,* Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board. The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected financial assets and financial liabilities.

(b) Financial instruments

(i) Initial recognition and measurement
Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. For financial assets, trade date accounting is adopted, which is equivalent to the date that the Company commits to purchase or sell the assets. Financial instruments are initially measured at fair value. Transaction costs related to instruments classified "at fair value through profit or loss" are expensed to the profit or loss immediately.

(ii) Classification and subsequent measurement
Investments such as shares in publicly listed and unlisted companies, exchange traded call and put options and investments in fixed interest securities are subsequently measured at fair value and are presented in the profit or loss on a liquidity basis. The Company may short sell securities. Short sales or borrowed stock are classified as a financial liability and are measured at fair value through profit or loss.

(iii) Financial assets at fair value through profit or loss
Financial assets are classified "at fair value through the profit or loss" when they are held for trading for the purpose of short-term profit taking. Realised and unrealised gains and losses arising from changes in fair value are included in the profit or loss in the period in which they arise.

(iv) Derivative Instruments
Derivative instruments are measured at fair value. Gains and losses arising from changes in fair value are taken to the profit or loss.

(v) Fair value
Fair value is determined based on current market prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions and reference to similar instruments.

(vi) Derecognition
Financial assets are derecognised on a first-in first-out ("FIFO") basis where the contractual rights to receipt of cash flows expires or the asset is transferred to another party, whereby the Company no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in the profit or loss.

2 Significant accounting policies (continued)

(c) Revenue recognition

Dividend income is recognised in the profit or loss on the day on which the relevant investment is first quoted on an "ex-dividend" basis and is presented net of any unrecoverable withholding taxes.

Interest revenue is recognised as it accrues, taking into account the effective yield on the financial asset net of any withholding taxes.

(d) Foreign currency

The financial statements of the Company are presented in Australian Dollars (A$), which is the Company's functional and presentation currency.

Foreign currency transactions during the year are translated into Australian Dollars at the exchange rate at the transaction date. At each reporting date, assets and liabilities denominated in foreign currency are retranslated at the rates prevailing at the reporting date. Foreign exchange gains or losses resulting from the settlement of foreign denominated assets and liabilities will be recognised in profit and loss. Net exchange gains and losses arising on the revaluation of investments will be included in net gains or losses on investments.

(e) Income tax

The income tax expense/(benefit) for the period comprises current income tax expense/(benefit) and deferred tax expense/(benefit).

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities/(assets) are measured at the amounts expected to be paid to/(recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the period as well as unused tax losses.

Current and deferred income tax expense/(benefit) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(f) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), unless GST incurred is not recoverable from the Australian Taxation Office (ATO). In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the Statement of Financial Position.

(g) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2 Significant accounting policies (continued)

(h) Trade and other receivables

Trade and other receivables relate to outstanding settlement as well as accrued income in relation to interest and dividends receivable. Trade receivables are generally due for settlement within 30 days.

(i) Trade and other payables

These amounts represent liabilities for outstanding settlements as well as services provided to the Company prior to the end of the financial year and which are unpaid. Due to their short-term nature, they are measured at amortised costs and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

(j) Impairment of assets

The company applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables from initial recognition (this has replaced the incurred loss model). All the trade receivables of the company share the same credit risk characteristics. Indicators that there is no reasonable expectation of recovery include, amongst others, the Standard & Poor's credit risk rating of a debtor, and a failure to make contractual payments for a period of greater than 30 days past due.

Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item. As at 30 June 2019, there are no expected credit losses recognised (30 June 2018: nil).

(k) Issued capital

Ordinary shares will be classified as equity. Costs directly attributable to the issue of ordinary shares will be recognised as a deduction from equity, net of any tax effects.

(l) Profits reserve

A profits reserve has been created representing an amount allocated from retained earnings that is preserved for future dividend payments.

(m) Dividends

Dividends are recognised when declared during the financial year.

(n) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial period, adjusted for bonus elements in ordinary shares issued during the period and excluding treasury shares.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(o) Operating segments

The Company has only one reportable segment. The Company is engaged solely in investment activities, deriving revenue from dividend income, interest income and from the sale of its investments.

The Company continues to have foreign exposure as it invests in companies which operate internationally.

(p) Critical accounting estimates and judgements

The Directors evaluate the estimates and judgements incorporated into the financial statements based on historical knowledge and the best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data.

Most material financial assets are valued by reference to quoted prices. However some assets are valued using valuation methods which the Directors believe are appropriate. This is explained in more detail on Note 4 (a)(i) to the financial statements.

2 Significant accounting policies (continued)

(q) New accounting standards adopted

In accordance with its application requirements, the Company adopted AASB 9 from 1 July 2018. All of the Company's investments in financial assets continued to be accounted for at fair value through profit or loss under AASB 9. Accordingly, first time application of AASB 9 had no impact on the Company's accounting for its investments in financial assets. On initial application of AASB 9, the Company also adopted the expected credit loss impairment model. The adoption had no material impact on the carrying amounts of the Company's receivables.

(r) New accounting standards and interpretations not yet adopted

The Australian Accounting Standards Board has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Company will not early adopt the new and amended pronouncements at this point in time.

No new accounting standards and interpretations that are available for early adoption but not yet adopted at 30 June 2019, will result in any material change in relation to the financial statements of the Company.

3 Financial risk management

The Company's financial instruments consist mainly of deposits with banks, trading portfolios, trade and other receivables and trade and other payables.

The Company's activities expose it to a variety of financial risks: market risk (including interest rate risk, foreign exchange risk and price risk), credit risk and liquidity risk. The Board of the Company, with the Portfolio Manager has implemented a risk management framework to mitigate these risks.

(a) Market risk

The standard defines this as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

(i) Foreign exchange risk

The Company invests in global listed securities and enters into transactions that are denominated in currencies other than its functional currency. Consequently, the Company is exposed to the movements in exchange rates that may have an adverse affect on the fair value of future cash flows of the Company's financial assets denominated in currencies other than Australian dollars.

The Portfolio Manager identifies measures and manages exchange rate risk by examining each component in the investment portfolio in a way that looks beyond the currency of denomination to the underlying exposures presented by each investment. These exposures are then aggregated across the investment portfolio so that overall currency risk can be assessed and managed as appropriate in accordance with the investment mandate.

The Company's main exposure to foreign currency risk at the reporting date was as follows:

	2019 $	2018 $
Financial assets		
Cash and cash equivalents		
United States Dollar	19,116,294	(7,569,794)
Euro	17,312,448	23,770,952
Pound Sterling	(40,900,285)	(16,732,223)
Other Currencies	(374,927)	2,693,507
	(4,846,470)	2,162,442
Financial assets at fair value through profit or loss		
United States Dollar	51,575,481	86,600,048
Pound Sterling	77,550,954	34,497,392
Other Currencies	1,169,273	5,385,978
Total financial assets exposure to foreign exchange	**130,295,708**	126,483,418
Financial liabilities		
Financial liabilities at fair value through profit or loss		
United States Dollar	(14,751,892)	(10,923,796)
Pound Sterling	(2,573,907)	-
Total financial liabilities exposure to foreign exchange	**(17,325,799)**	(10,923,796)

3 Financial risk management (continued)

(a) Market risk (continued)

(ii) Price risk

The Company is exposed to price risk. This arises from investments held by the Company and classified in the Statement of Financial Position as financial assets and financial liabilities at fair value through profit or loss.

The Company's investment portfolio gives rise to price risk as follows:

	2019 $	2018 $
Australian and overseas equities	136,294,810	154,640,009
Convertible and corporate bonds	2,555,293	-
Derivative financial instruments [1]	3,818	(4,420,543)
	138,853,921	150,219,466

[1] This represents the aggregate notional value of all derivatives.

A detailed analysis of the Company's investment portfolio is presented on page 7. The sensitivity of derivative instruments to changes in price depends upon the notional value of the underlying instrument as this will determine the value of the contractual commitments as at the reporting date. The fair value of derivative instruments is derived from the movement in notional value since inception.

In view of the interrelationship between price risk, interest rate risk and currency risk, as well as the complexities of measuring the impact of price changes on a partially hedged portfolio, the Directors do not consider it possible or meaningful to provide a simple analysis of the sensitivity of the portfolio to general changes in price.

(iii) Cash flow and fair value interest rate risk

Interest rate risk arises from the effects of fluctuations in the prevailing levels of market interest rates on the fair value of financial assets and liabilities as defined by their future cash flows. Whilst the Company does not invest to any significant extent directly into fixed income securities, the Company does have some exposure to interest rates through the underlying exposures of its investments. The Portfolio Manager and the Board of Directors have estimated that the aggregate impact of these exposures on the broader investment portfolio is minimal. The Directors, therefore, do not consider it necessary, or meaningful, to provide an analysis of the sensitivity of the investment portfolio to changes in interest rates.

The table below summarises the Company's exposure to interest rate risks. It includes the Company's assets and liabilities at fair values, categorised by the earlier of contractual repricing or maturity dates.

	Floating interest rate $	Non-interest bearing $	Total $
At 30 June 2019			
Financial assets			
Cash and cash equivalents	18,239,672	-	18,239,672
Trade and other receivables	-	381,999	381,999
Current tax assets	-	-	-
Financial assets held at fair value through profit or loss	-	156,174,202	156,174,202
	18,239,672	**156,556,201**	**174,795,873**
Financial liabilities			
Trade and other payables	-	(236,390)	(236,390)
Financial liabilities held at fair value through profit or loss	-	(17,325,799)	(17,325,799)
	-	**(17,562,189)**	**(17,562,189)**
Net exposure to interest rate risk	**18,239,672**	**138,994,012**	**157,233,684**

3 Financial risk management (continued)

(iii) Cash flow and fair value interest rate risk (continued)

	Floating interest rate $	Non-interest bearing $	Total $
At 30 June 2018			
Financial assets			
Cash and cash equivalents	7,821,378	-	7,821,378
Trade and other receivables	-	75,200	75,200
Current tax assets	-	62,278	62,278
Financial assets held at fair value through profit or loss	-	167,908,502	167,908,502
	7,821,378	168,045,980	175,867,358
Financial liabilities			
Trade and other payables	-	(1,145,241)	(1,145,241)
Financial liabilities held at fair value through profit or loss	-	(12,501,215)	(12,501,215)
	-	(13,646,456)	(13,646,456)
Net exposure to interest rate risk	7,821,378	154,399,524	162,220,902

The weighted average interest rate of the Company's cash and cash equivalents at 30 June 2019 is 1.44% (2018: nil).

Sensitivity Analysis

The Company has performed a sensitivity analysis relating to its exposure to price risk, interest rate and foreign exchange risks at the end of each reporting period. This sensitivity analysis demonstrates the effect on the current period results and equity which could result from a change in these risks.

	2019 $	2018 $
Price risk		
Financial assets and liabilities at fair value through profit or loss		
Change in Profit before tax		
• Increase in portfolio prices by 5%	6,942,420	7,770,364
• Decrease in portfolio prices by 5%	(6,942,420)	(7,770,364)
Interest rate risk		
Change in Profit before tax		
• Increase in interest rate by 0.5%	91,198	39,107
• Decrease in interest rate by 0.5%	(91,198)	(39,107)
Change in Equity before tax		
• Increase in interest rate by 0.5%	91,198	39,107
• Decrease in interest rate by 0.5%	(91,198)	(39,107)
Foreign currency risk		
Change in Profit before tax		
• Depreciation of the AUD by 2%	3,049,360	2,704,895
• Appreciation of the AUD by 2%	(3,049,360)	(2,704,895)
Change in Equity before tax		
• Depreciation of the AUD by 2%	3,049,360	2,704,895
• Appreciation of the AUD by 2%	(3,049,360)	(2,704,895)

3 Financial risk management (continued)

(b) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Credit risk primarily arises from investments in debt securities and from trading derivative products. Other credit risk arises from cash and cash equivalents, and deposits with banks and other financial institutions.

The Company has entered into agreements that facilitate stock borrowing from its investment portfolio for covered short selling. These agreements are subject to a number of restrictions which limit the value of such borrowing. If the stock borrowing counterparty became insolvent, it is possible that the Company may not recover all of the borrowed stock from the counterparty.

The maximum exposure to credit risk, at balance date to recognised financial assets, is the carrying amount, net of any expected credit losses of those assets, as disclosed in the Statement of Financial Position and Notes to the Financial Statements.

The Company held no collateral as security or any other credit enhancements.

None of the assets exposed to a credit risk are overdue or considered to be impaired.

Management of the risk

The risk was managed as follows:

- Receivable balances are monitored on an ongoing basis and the Company has no debts past due or impaired; and
- Non-derivative investment transactions are settled on a “Delivery versus payment” basis through international clearing systems. Derivative investment transactions are only contracted with Credit Suisse, an investment grade counter-party.

(d) Liquidity risk

The standard defines this as the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Portfolio Manager maintains sufficient unencumbered cash balances to ensure the Company can meet its liabilities as and when they fall due.

The Company's inward cash flows depend upon the level of dividend, distribution revenue received and sale of liquid assets. Should these decrease by a material amount, the Company would amend its outward cash flows accordingly. As the Company's major cash outflows are the purchase of securities and dividends paid to shareholders, the level of both of these is managed by the Board and Portfolio Manager.

The assets of the Company are largely in the form of readily tradeable securities which can be sold on-market if necessary.

3 Financial risk management (continued)

(d) Liquidity risk (continued)

Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities at year end date.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities

At 30 June 2019	Less than 1 month $	More than 1 month $	Total contractual undiscounted cash flows $
Financial liabilities			
Trade and other payables	236,390	-	236,390
Financial liabilities at fair value through profit or loss	-	17,325,799	17,325,799
Total financial liabilities	**236,390**	**17,325,799**	**17,562,189**

At 30 June 2018	Less than 1 month $	More than 1 month $	Total contractual undiscounted cash flows $
Financial liabilities			
Trade and other payables	1,145,241	-	1,145,241
Financial liabilities at fair value through profit or loss	-	12,501,215	12,501,215
Total financial liabilities	1,145,241	12,501,215	13,646,456

4 Fair value measurements

The Company measures and recognises its financial assets (excluding derivatives) at fair value through profit or loss ("FVTPL") on a recurring basis.

(a) Fair value hierarchy

AASB 13: Fair Value Measurement requires the disclosure of fair value information using a fair value hierarchy reflecting the significance of the inputs in making the measurements. The fair value hierarchy consists of the following levels:

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
(b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2), and
(c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

(i) Recognised fair value measurements

The following table presents the Company's assets and liabilities measured and recognised at fair value at 30 June 2019.

At 30 June 2019	Level 1 $	Level 2 $	Level 3 $	Total $
Financial assets at FVTPL				
Australian and overseas listed equity securities	141,813,415	1,659,018	7,713,096	151,185,529
Convertible and corporate bonds	4,990,373	-	-	4,990,373
Derivative financial instruments [1]	-	(1,700)	-	(1,700)
Total financial assets	**146,803,788**	**1,657,318**	**7,713,096**	**156,174,202**
Financial liabilities at FVTPL				
Australian and overseas listed equity securities sold short				
Total financial liabilities	**(17,325,799)**	**-**	**-**	**(17,325,799)**

[1] As disclosed on page 6 and in Note 3(a)(ii), the aggregate notional value of all derivatives included in Level 1 of the fair value hierarchy is $3,818.

4 Fair value measurements (continued)

(i) Recognised fair value measurements (continued)

At 30 June 2018	Level 1 $	Level 2 $	Level 3 $	Total $
Financial assets at FVTPL				
Australian and overseas listed equity securities	154,209,384	2,549,981	10,381,859	167,141,224
Derivative financial instruments [1]	768,906	(1,628)	-	767,278
Total financial assets	154,978,290	2,548,353	10,381,859	167,908,502
Financial liabilities at FVTPL				
Australian and overseas listed equity securities sold short				
Total financial liabilities	(12,501,215)	-	-	(12,501,215)

[1] The notional value of derivatives included in Level 1 of the fair value hierarchy is $(4,420,543).

Included within Level 1 of the hierarchy are listed investments. The fair value of these financial assets has been based on the closing quoted last prices at the end of the reporting year, excluding transaction costs.

The majority of investments included in Level 2 of the hierarchy include amounts due to be received upon the liquidation of closed end funds. As these funds ceased trading prior to the end of the year the valuation technique used to determine value attributed to these investments is, the fair value of all consideration due and payable to the Company by the liquidators of the investee fund less an applicable discount.

(a) Movements in asset classes categorised as Level 3:

	30 June 2019 $	30 June 2018 $
Opening balance	10,381,859	-
Transfers during the period	3,482,913	3,386,871
Disposals during the period	(6,151,676)	-
Acquisitions during the period	-	6,994,988
Capital returns during the period	-	-
Closing balance	**7,713,096**	10,381,859

(b) Valuation techniques and inputs for Level 3 Fair Values:

30 June 2019	Fair value $	Valuation Technique	Description of valuation technique and inputs used in respect of underlying asset
Carador Income Fund Repurchase Pool	433,367	Discount to Net asset value ("NAV")	The fund was put into liquidation in November 2017 and has returned 98% of the November 2017 NAV. The remaining capital is expected to be returned by the end of 2019. Unlike most funds when put into liquidation, this fund remained listed on the London Stock Exchange. As a result of the substantial capital returns, the Fund size is small and liquidity of shares low. To value the security, the Portfolio Manager uses the discount to NAV of the last trade price and applies this discount to an estimate of NAV. The last traded discount to NAV was 11.3%. The Portfolio Manager estimates the NAV using the NAV released monthly adjusted for estimated price changes in the underlying positions.

4 Fair value measurements (continued)

(i) Recognised fair value measurements (continued)

(b) Valuation techniques and inputs for Level 3 Fair Values (continued):

30 June 2019	Fair value $	Valuation Technique	Description of valuation technique and inputs used in respect of underlying asset
East Capital Eastern Europe Small Cap Fund	3,796,803	Discount to Net asset value ("NAV")	This is an open ended fund, with redemptions available at Net Asset Value ("NAV"). However there are certain restrictions to the size of redemptions the fund will allow each quarter given the illiquidity of the underlying assets, small size of East Capital and the concentrated investor base. This would mean exiting a large position may take many years. The seller of the stake bought by the Company believed a 23% discount to NAV was an appropriate level to exit their entire position in one transaction. The Company has therefore decided to maintain the discount of 23% and apply it to an estimate of NAV. East Capital publish an official monthly NAV mid-way through the following month. The Portfolio Manager models the change in price and currency, since the last published NAV, of all of the underlying positions held by the fund over the period to obtain an NAV estimate.
Blue Capital Alternative Income Fund	2,655,981	Discount to Net asset value ("NAV")	An investment trust in liquidation that owns a portfolio of global catastrophe reinsurance contracts. The Portfolio Manager values the investment at the last traded discount prior to delisting relative to an estimate of NAV. The last traded discount to NAV was 10.2%. Since delisting in July 2018, the Company announces a new quarterly NAV mid-way through the first month of the following quarter. The Portfolio Manager estimates the NAV by considering industry loss estimates, portfolio exposures and comparable vehicle performance.
Life Settlement Assets	826,922	Discount to Net asset value ("NAV")	Liquidity of the shares in Life Settlement Assets is low. As a result, the last trade can be out of date and not reflective of more recent information released by the Company. To value the security, the Portfolio Manager uses the discount to NAV of the last trade price and applies this discount to any new information released prior to the valuation date. The last traded discount to NAV was 17.6%. This discount is applied to the latest NAV that is released on a monthly basis by the Company.

(c) Valuation sensitivity:

A 5% increase/ (decrease) in NAV of Carador Income Fund Repurchase Pool would increase/ (decrease) the estimated fair value by $21,670.

A 5% increase/ decrease in NAV of East Capital Eastern Europe Small Cap Fund would increase/ decrease the estimated fair value by $189,860.

A 5% increase/ (decrease) in NAV of Blue Capital Alternative Income Fund would increase/ (decrease) the estimated fair value by $132,799.

A 5% increase/ decrease in NAV of Life Settlement Assets would increase/ decrease the estimated fair value by $41,346.

There were transfers of financial assets with a total valuation of $826,922 from Level 1 to Level 3 (2018: $3,386,871) and $2,655,981 from Level 2 to Level 3 of the fair value hierarchy during the year (2018: $nil). Total realised gains on sale of investments in Blue Capital Alternative Income Fund was $34,929 during the year which is included in "net realised gains on disposal of investments" in the Statement of Profit or Loss and other Comprehensive Income.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

The carrying amounts of all financial instruments other than those measured at fair value on a recurring basis are considered to represent a reasonable approximation of their fair values.

5 Income tax expense

(a) Numerical reconciliation of income tax expense to prima facie tax payable

	2019 $	2018 $
Prima facie tax on profit before income tax at 30% (2018: 30%)	1,488,356	3,755,105
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Foreign income tax offset and franking credits gross up	121,041	44,261
Foreign income tax offset and franking credits	(403,466)	(73,769)
Other non-assessable items	(81,439)	(138,009)
Income tax expense	**1,124,492**	3,587,588
The applicable weighted average effective tax rates are as follows:	22.67%	28.66%

Total income tax expense results from:

	2019 $	2018 $
Current tax liability	1,212,808	3,308,150
Deferred tax liability	(78,816)	348,913
Deferred tax asset	71,938	76,593
Other	(81,438)	(146,068)
Income tax expense	**1,124,492**	3,587,588

(b) Current tax (asset)/ liability

	2019 $	2018 $
Opening balance	(62,278)	(559,912)
Prior year income tax refund/ (paid)	810,615	404
Current year income tax paid	(1,908,307)	(3,362,369)
Under/(over) provision	(52,838)	559,507
Credited to statement of profit or loss and other comprehensive income	1,212,808	3,300,092
Closing balance	**-**	(62,278)

(c) Deferred tax assets

The balance comprises temporary differences attributable to:

	2019 $	2018 $
Accruals	26,848	21,661
Capitalised costs	111,115	193,327
	137,963	214,988
Movements:		
Opening balance	214,988	98,085
Under/ (over) provision	(5,087)	49,814
(Charged) /credited:		
- to statement of profit or loss and other comprehensive income	(71,938)	(76,593)
- to equity	-	143,682
Closing balance	**137,963**	214,988

(d) Deferred tax liabilities

The balance comprises temporary differences attributable to:

	2019 $	2018 $
Fair value adjustments	987,464	1,084,121
Accruals	19,690	1,849
	1,007,154	1,085,970
Movements:		
Opening balance	1,085,970	1,450,560
Under/ (over) provision	-	(713,503)
Charged/credited:		
- to statement of profit or loss and other comprehensive income	(78,816)	348,913
Closing balance	**1,007,154**	1,085,970

	2019 $	2018 $
6 Cash and cash equivalents		
Cash at bank	**18,239,672**	7,821,378

The Company makes use of swap contracts with its Prime Broker to invest some of its investment portfolio and such contracts result in much of the notional investment value, being the value at risk, remaining on the Company's balance sheet as cash.

7 Trade and other receivables

Dividends receivable	65,635	6,164
GST receivable	23,481	4,490
Other receivable	292,883	64,546
	381,999	75,200

Receivables are non-interest bearing, unsecured and expected to be recovered within 12 months.

8 Financial assets and liabilities at fair value through profit or loss

Financial assets at fair value through profit or loss are all held for trading and include the following:

Australian and overseas listed equity securities	153,620,609	167,141,224
Convertible and corporate bonds	2,555,293	-
Derivative financial instruments	(1,700)	767,278
	156,174,202	167,908,502

Financial liabilities at fair value through profit or loss are all held for trading and include the following:

Australian and overseas listed equity securities sold short	**17,325,799**	12,501,215

Changes in fair values of financial assets at fair value through profit or loss are recorded as income in the Statement of Profit or Loss and Other Comprehensive Income.

When the Company sells securities it does not possess, it has to cover this short position by acquiring securities at a later date and is therefore exposed to price risk of those securities sold short. The sales agreement is usually settled by delivering borrowed securities. However, the Company is required to return those borrowed securities at a later date.

9 Trade and other payables

Management fees payable	48,464	198,343
Performance fees payable	-	735,231
Interest payable	39,181	55,554
Other payables	148,745	156,113
	236,390	1,145,241

Trade and other payables primarily relate to management and performance fees payable to the Portfolio Manager and are usually paid within 30 days of recognition.

10 Issued capital

	30 June 2019 No of shares	30 June 2019 $	30 June 2018 No of shares	30 June 2018 $
(a) Share capital				
Ordinary shares	**147,695,772**	**151,227,208**	147,262,122	150,758,155

(b) Movements in ordinary share capital

	Number of Shares	Issue price	$
30 June 2019			
Opening balance at 1 July 2018	147,262,122		150,758,155
Shares issued to participants in the dividend reinvestment plan	433,650	$1.0817	469,053
Closing balance	**147,695,772**		**151,227,208**

As the share price for the Company was less than the Company's NTA at the time of the interim dividend payment on 15 May 2019, cash available for distribution as dividend on shares subject to the dividend reinvestment plan was used to acquire the Company's shares on-market and therefore no new shares were issued.

2018			
Opening balance at 1 July 2017	121,333,300		122,583,961
Shares issued to participants in the dividend reinvestment plan	401,438	$1.1005	441,782
Shares issued to participants in the Entitlement Offer *	14,345,138	$1.10	15,587,808
Shares issued to participants in the Public Offer *	10,723,768	$1.10	11,652,730
Shares issued to participants in the dividend reinvestment plan	458,478	$1.07284	491,874
Closing balance	147,262,122		150,758,155

* net of transaction costs

Under the terms of the Dividend Reinvestment Plan ("DRP"), 433,650 shares were acquired on-market for DRP participants at $1.0817 per share. These shares were applied to the holdings of the DRP participants as at the dividend payment date of 9 November 2018.

The DRP allows shareholders to acquire additional shares in the Company. Shareholders have the option of either enrolling all their shares in the plan or nominating a specific number of shares that will be subject to reinvestment.

The DRP has been designed so that DRP participants will always receive the lowest reinvestment price possible, without their reinvestment diluting the Net Tangible Asset value per share (NTA) of those shareholders who choose not to participate in the plan.

There are no costs to participate in the DRP and shareholders can discontinue their participation in it at any time.

(c) Capital risk management

The Company's policy is to maintain a strong capital base so as to maintain investor and market confidence. The overall strategy remains unchanged.

To achieve this, the Directors monitor the monthly NTA results, investment performance, the Company's indirect costs and share price movements.

The Board is focused on maximising returns to shareholders with active capital management a key objective of the Company.

The Company is not subject to any externally imposed capital requirements.

11 Profits reserve and accumulated losses

(a) Profits reserve

	2019 $	2018 $
Profits reserve	**8,974,562**	14,429,042
Movements:		
Opening balance	14,429,042	13,945,930
Transfer of profits during the year	3,836,693	8,929,427
Dividends paid	(9,291,173)	(8,446,315)
Balance as at the end of the year	**8,974,562**	14,429,042

(b) Accumulated losses

	2019 $	2018 $
Accumulated losses	**(3,837,277)**	(3,837,277)
Movements:		
Opening balance	(3,837,277)	(3,837,277)
Net profit for the period	3,836,693	8,929,427
Transfer of profits during the year	(3,836,693)	(8,929,427)
Balance as at the end of the year	**(3,837,277)**	(3,837,277)

12 Dividends

(a) Dividends paid

	2019 $	2018 $
Interim 70% franked ordinary dividend of 3.15 cents per share	4,652,417	4,624,316
Final dividend (70% franked) of 3.15 cents per share paid in 2019	4,638,756	3,821,999
	9,291,173	8,446,315

(b) Dividends not recognised at the end of the financial year

	2019 $	2018 $
Since year end, the Directors have declared a fully-franked final dividend of 2.90 cents per fully paid ordinary share, based on tax paid at 30%.The aggregate amount of the dividend with an ex date of 30 September 2019 and a record date of 1 October 2019, expected to be paid on 11 November 2019 out of the profits reserve at 30 June 2019, but not recognised as a liability at year end, is:	**4,283,177**	4,638,757

(c) Dividend reinvestment plan

The Company's dividend reinvestment plan ("DRP") will be in effect for the fully-franked FY2019 final dividend of 2.90 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. If the share price for Global Value Fund Limited ("GVF") is above the Company's NTA on the dividend ex-date, 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 NTA value of the Company on this day. If the share price for GVF is less than its NTA on the ex-date, 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.

There are no costs to participate in the plan and shareholders can discontinue their participation in the plan at any time.

	2019 $	2018 $

12 Dividends (continued)

(d) Dividend franking account

The franked portions of the final dividends recommended after 30 June 2019 will be franked out of existing franking credits or out of franking credits arising from the payment of income tax in the year ended 30 June 2019.

	2019 $	2018 $
Opening balance of franking account	5,851,850	4,028,612
Franking credits on dividends received	273,756	68,219
Franking credits on dividends paid	(2,787,358)	(1,809,925)
Tax paid during the year	1,097,692	3,564,944
Closing balance of franking account	**4,435,940**	5,851,850
Adjustments for tax payable in respect of the current year's profits and the receipt of dividends	-	(35,424)
Adjusted franking account balance	**4,435,940**	5,816,426
Impact on the franking account of dividends proposed or declared but not recognised as at 30 June 2019	(1,835,647)	(1,391,627)
Franking credits available for subsequent reporting periods based on a tax rate of 30.0%	**2,600,293**	4,424,799

The Company's ability to continue to pay franked dividends is dependent upon the receipt of franked dividends from investments and the payment of tax.

13 Key management personnel disclosures

(a) Key management personnel compensation

	2019 $	2018 $
Short-term employee benefits	77,625	68,493
Post-employment benefits	7,375	6,507
	85,000	75,000

Detailed remuneration disclosures are provided in the remuneration report on pages 14 to 16.

(b) Equity instrument disclosures relating to key management personnel

(i) Shareholdings

The numbers of shares in the Company held during the financial year by each Director, including their personally related parties, are set out below. There were no shares granted during the financial year as compensation.

2019

Director	Balance at 1 July 2018	Acquisitions	Disposals	Balance 30 June 2019
Jonathan Trollip [1]	425,000	-	-	425,000
Chris Cuffe [2]	1,001,230	686,011	312,272	1,374,969
Geoffrey Wilson [3]	1,346,590	33,991	-	1,380,581
Miles Staude [4]	115,000	30,000	-	145,000
	2,887,820	**750,002**	**312,272**	**3,325,550**

[1] 425,000 shares beneficially held by Piaster Pty Limited ATF Trollip Family Superfund A/C

[2] 322,063 shares beneficially held by Cherryoak Investments Pty Limited ATF C & N Family Trust, 1,014,667 shares beneficially held by Australian Philanthropic Services Pty Limited ATF Australian Philanthropic Services Foundation and 38,239 shares beneficially held by Mr Christopher Cuffe ATF Matthew Patrick Cuffe

[3] 1,380,581 shares beneficially held by GW Holdings Pty Limited <Edwina A/C>

[4] 145,000 shares beneficially held by Staude Capital Pty Limited

(b) Equity instrument disclosures relating to key management personnel

(i) Shareholdings (continued)

2018

Director	Balance at 1 July 2017	Acquisitions	Disposals	Balance 30 June 2018
Jonathan Trollip [5]	340,000	85,000	-	425,000
Chris Cuffe [6]	286,578	714,652	-	1,001,230
Geoffrey Wilson [7]	1,077,273	269,317	-	1,346,590
Miles Staude [8]	-	115,000	-	115,000
	1,703,851	1,183,969	-	2,887,820

[5] 425,000 shares beneficially held by Piaster Pty Limited ATF Trollip Family Superfund A/C

[6] 303,436 shares beneficially held by Thank Keating Pty Limited ATF C & N Cuffe Family Superannuation Fund, 661,766 shares beneficially held by Australian Philanthropic Services Pty Limited ATF Australian Philanthropic Services Foundation and 36,028 shares beneficially held by Mr Christopher Cuffe ATF Matthew Patrick Cuffe

[7] 1,346,590 shares beneficially held by GW Holdings Pty Limited <Edwina A/C>

[8] 115,000 shares beneficially held by Staude Capital Pty Limited

14 Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditor of the Company and its related practices:

	2019 $	2018 $
Auditing and reviewing the financial report	49,500	40,000
Other services provided by a related practice of the auditor:		
Taxation services	13,900	20,774
Other non-assurance services	-	5,000
Total remuneration of Pitcher Partners	**63,400**	65,774

The Board of Directors oversees the relationship with the Company's external auditors. The Board reviews the scope of the audit and the proposed fee. It also reviews the cost and scope of other tax compliance services provided by a related entity of the audit firm, to ensure that they do not compromise independence.

15 Contingencies and commitments

The Company had no material contingent liabilities or commitments as at 30 June 2019.

16 Related party transactions

All transactions with related parties were made on normal commercial terms and conditions and at market rates. For the year ended 30 June 2019, there were no related party transactions entered into by the Company.

Miles Staude, a Director of the Company, is also a Director of Blue Sky Alternatives Access Funds Limited ("BAF"). The Company has a significant shareholding in BAF. Miles has offered not to receive remuneration for his role as Director of BAF.

Miles Staude, a Director of the Company, was an employee of Metage Capital Limited ("Metage") until 4 November 2016. With effect from 4 November 2016, Mirabella Financial Services LLP ("Mirabella") replaced Metage as Manager. Mirabella in turn entered into legal agreements with Staude Capital Limited, an entity associated with Miles Staude and the investment personnel at Metage previously responsible for the management of the investment portfolio, pursuant to which the Company's investment portfolio continues to be managed by Miles Staude and his team with an unchanged investment mandate. Miles Staude benefits from the manager fees payable to Mirabella.

16 Related party transactions (continued)

The associated fees payable to the manager and other related entities are listed below:

Assignment fee

By an assignment deed dated 16 May 2014, the former manager Metage had assigned all right, title and interest to receive 25% of all management and performance fees payable under its management agreement to Boutique Investment Management Pty Limited ("BIM"), an entity associated with Geoffrey Wilson. As part of the legal arrangements to replace Metage with Mirabella as manager, a replacement assignment deed effective 4 November 2016 was entered into between Mirabella and BIM.

The Company has acknowledged this replacement assignment and undertaken to Mirabella and BIM to pay this amount at the same time as the balance of the management fee and performance fee are payable to Mirabella. The Company owes no other obligations to BIM.

Mirabella has undertaken to BIM not to terminate or amend the terms of the Management Agreement or waive any of its rights under the Management Agreement without the prior written consent of BIM.

The assignment deed in place with the current manager has the same terms and conditions as the previous assignment deed.

Management fee

In its capacity as manager, the manager is entitled to receive a management fee of 0.125% per month (representing an annualised fee of 1.5% per annum) of the net value of the investment portfolio. The management fee is calculated monthly and payable monthly in arrears. For the year ended 30 June 2019 the manager, Mirabella, was entitled to a management fee of $2,366,652 (2018: $2,078,407), of which $591,663 was paid to BIM. As at 30 June 2019, the balance payable was $48,464 (2018: $198,343).

Performance fee

In return for the performance of its duties as manager of the investment portfolio, the manager is entitled to be paid a performance fee (**Performance Fee**) of 15% of PO where PO for a Performance Calculation Period is calculated in accordance with the following formula:

PO = (AGAV) – (NAV x (1 + (HR x Day Count))

where:

PO is the investment portfolio outperformance to be used in calculating the Performance Fee outlined above;

AGAV is the adjusted gross asset value and calculated by adding back to the Gross Asset Value any Australian corporate taxes accrued or paid by the Company in the relevant Performance Calculation Period;

NAV is the Net Asset Value calculated on the last Business Day of the preceding Performance Calculation Period or, if there is no preceding Performance Calculation Period, on the commencement date of the Agreement.

HR is the hurdle rate which is 4 percentage points above the mid-price vanilla interest rate swap price series produced by Bloomberg, published on the last Business Day prior to the start of the Performance Period, or, if there is no preceding Performance Calculation Period, on the Commencement Date, represented on Bloomberg by the ADSWAP1Q Index series.

Day count is the number of days which have elapsed in the current Performance Calculation Period divided by 365.

Once a Performance Fee has been paid, no further Performance Fee may be accrued or paid unless and then only to the extent that the Adjusted Gross Asset Value increases above the level at which a Performance Fee was previously paid, or if no Performance Fee has been paid, above the Net Asset Value on the Commencement Date.

The Company must calculate the Performance Fee monthly and must usually pay the Performance Fee to the manager annually in arrears within 20 business days of the end of the relevant Performance Calculation Period.

For the financial year ended 30 June 2019, no performance fee was payable to the manager (2018: $735,231). As at 30 June 2019, the balance payable was $nil (2018: $735,231).

The term of the Management Agreement is 5 years unless terminated earlier in accordance with the Agreement.

17 Events occurring after the reporting period

Since year end the Company has declared a fully-franked final dividend for FY2019 of 2.90 cents per share to be paid on Monday 11 November 2019. The ex-dividend date is Monday 30 September 2019 and the record date for entitlement to the FY2019 final dividend is Tuesday 1 October 2019.

No other matters or circumstances have occurred subsequent to year end that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

18 Cash flow information

(a) Reconciliation of profit after income tax to net cash inflow from operating activities

	2019 $	2018 $
Profit for the year	3,836,693	8,929,427
Unrealised foreign exchange (gains)	(206,361)	(91,983)
Unrealised losses on market value movement	3,440,417	1,101,202
Change in operating assets and liabilities:		
Decrease in trade and other receivables	(306,799)	51,708
(Increase) in investments held for trading	13,118,468	(61,743,192)
Decrease in deferred tax assets	77,025	33,492
(Decrease)/ Increase in trade and other payables	(908,851)	(862,863)
Increase/ (Decrease) in provision for income taxes payable	935,839	497,634
(Decrease)/ Increase in deferred tax liabilities	(952,376)	(364,591)
Net cash inflow/ (outflow) from operating activities	**19,034,055**	(52,449,166)

(b) Non cash financing activities

	2019 $	2018 $
Dividends reinvested	**469,053**	933,612

19 Earnings per share

	2019 $	2018 $
Profit after income tax used in the calculation of basic and diluted earnings per share	**3,836,693**	8,929,427

(a) Basic and diluted earnings per share

	Cents	Cents
Basic and diluted earnings per share attributable to the ordinary equity holders of the Company	**2.60**	6.98

(c) Weighted average number of shares used as denominator

	No. of shares	No. of shares
Weighted average number of ordinary shares outstanding during the year used in calculating basic and diluted earnings per share	**147,538,945**	127,843,011

As at the end of the year, there are no outstanding securities that are potentially dilutive in nature for the Company.

In accordance with a resolution of the Directors of Global Value Fund Limited ("the Company"), the Directors of the Company declare that:

1) The financial report as set out in pages 19 to 40 are in accordance with the *Corporations Act 2001*, including:

   a) complying with Australian Accounting Standards, which, as stated in Note 2(a) to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS), the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

   b) giving a true and fair view of the financial position of the Company as at 30 June 2019 and of its performance, as represented by the results of the operations and the cashflows, for the year ended on that date; and

2) The Portfolio Manager has declared that:

   a) the financial records of the Company for the financial year have been properly maintained in accordance with the Section 286 of the *Corporations Act 2001*;

   b) the financial statements and notes for the financial year comply with the Accounting Standards; and

   c) the financial statements and notes for the financial year give a true and fair view.

3) At the date of this declaration, in the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Board of Directors.

Jonathan Trollip
Chairman

Sydney
29 August 2019

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Independent Auditor's Report
To the Members of Global Value Fund Limited
ABN 90 168 653 521

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Global Value Fund Limited ("the Company"), which comprises the statement of financial position as at 30 June 2019, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of Global Value Fund Limited is in accordance with the *Corporations Act 2001*, including:

i. giving a true and fair view of the Company's financial position as at 30 June 2019 and of its financial performance for the year then ended; and
ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001.*

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (*"the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the Directors of the Company, would be on the same terms if given to the Directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	***How our audit addressed the matter***
Existence and Valuation of Financial Assets and Financial Liabilities ***Refer to Note 8: Financial Assets and Liabilities At Fair Value Through Profit or Loss***	
We focused our audit effort on the valuation and existence of the Company's financial assets and financial liabilities as they are its largest asset and liability and represent the most significant driver of the Company's Net Tangible Assets and Profits. Investments mostly consist of listed global securities and some unlisted global securities. Investments are valued by multiplying the quantity held by the respective market price, cost or estimated value per security for unlisted investments. Consequently, these investments are classified under Australian Accounting Standards as either "level 1" (i.e. where the valuation is based on quoted prices in the market) or "level 2" (i.e. where key inputs to valuation are based on observable inputs).	Our procedures included, amongst others: ▪ Obtaining an understanding of and evaluating the investment management processes and controls; ▪ Reviewing and evaluating the independent audit reports on the design and operating effectiveness of internal controls (ASAE 3402 Assurance Reports on Controls at a Service Organisation) for the Custodian and Administrator; ▪ Making enquiries as to whether there have been any changes to these controls or their effectiveness from the periods to which the audit reports relate to and where necessary obtaining bridging letters and confirmations from the Custodian and Administrator; ▪ Obtaining confirmations of the investment holdings directly from the Custodian; ▪ Recalculating the Company's valuation of individual investment holdings using independent pricing sources; ▪ Evaluating the accounting treatment of revaluations of financial assets and financial liabilities for current/deferred tax and unrealised gains or losses; and ▪ Assessing the adequacy of disclosures in the financial statements.

Key audit matter	*How our audit addressed the matter*
Accuracy, Completeness and Existence of Management and Performance Fees ***Refer to Note 9: Trade and other payables and Note 16: Related party transactions***	
We focused our audit effort on the accuracy, completeness and existence of management and performance fees as they are significant expenses of the Company and their calculation requires adjustments and key inputs. Adjustments include company dividends, tax payments, capital raisings, capital reductions and other relevant expenses. Key inputs include portfolio movements, index benchmarking and applying the correct set percentage in accordance with the Investment Management Agreement between the Company and the Investment Manager. In addition, to their quantum, as these transactions are made with related parties, there are additional inherent risks associated with these transactions, including the potential for these transactions to be made on terms and conditions more favourable than if they had been with an independent third-party.	Our procedures included, amongst others: ▪ Obtaining an understanding of and evaluating the processes and controls for calculating the management and performance fees; ▪ Making enquiries with the Investment Manager and those charged with governance with respect to any significant events during the period and associated adjustments made as a result, in addition to reviewing ASX announcements and Board meeting minutes; ▪ Testing of adjustments such as company dividends, tax payments, capital raisings, capital reductions as well as any other relevant expenses used in the calculation of management and performance fees; ▪ Testing of key inputs such as portfolio movements, application of the relevant index benchmarking, set percentage used in the calculation of management and performance fees, as well as performing a recalculation in accordance with our understanding of the Investment Management Agreement; and ▪ Assessing the adequacy of disclosures made in the financial statements.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the Company's Annual Report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 13 to 15 of the Directors' Report for the year ended 30 June 2019. In our opinion, the Remuneration Report of Global Value Fund Limited, for the year ended 30 June 2019, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

S M Whiddett	**Pitcher Partners**
Partner	Sydney

29 August 2019

The Shareholder information set out below was applicable as at 8 August 2019.

Additional information required by the Australian Securities Exchange Limited Listing Rules and not disclosed elsewhere in this report, is listed below.

A. Distribution of equity securities

Analysis of numbers of equity security holders by size of holding:

	Class of equity security Ordinary shares		
Holding	**No of Shareholders**	**Shares**	**Percentage (%)**
1 – 1000	170	34,653	0.02
1,001 – 5,000	227	832,776	0.57
5,001 – 10,000	515	4,199,628	2.84
10,001 – 100,000	2,081	71,695,326	48.54
100,001 and over	224	70,933,389	48.03
	3,217	**147,695,772**	**100.00**

There were 135 security holders with less than a marketable parcel of ordinary shares.

B. Equity security holders

Twenty largest quoted equity security holders

	Ordinary shares	
Name	**Number held**	**Percentage of issued shares (%)**
HSBC Custody Nominees (Australia) Limited	9,168,185	6.21
Australian Executor Trustees Limited <No 1 Account>	5,988,518	4.06
Mr Eric George Baker & Mrs Janine Marie Baker <Eric & Jan Baker Super A/C>	3,063,026	2.07
BNP Paribas Nominees Pty Ltd Hub24 Custodial Serv Ltd Drp	2,247,613	1.52
Mr Eric George Baker & Mrs Janine Marie Baker <Kameruka Super A/C>	2,202,807	1.49
Bridgestar Pty Ltd	2,000,000	1.35
Basapa Pty Ltd <Kehoe Family A/C>	2,000,000	1.35
Dadiaso Holdings Pty Ltd <David Shein Investment A/C>	1,800,000	1.22
G W Holdings Pty Ltd <Edwina A/C>	1,301,036	0.88
Netwealth Investments Limited <Wrap Services A/C>	1,231,437	0.83
Australian Philanthropic Services Foundation Pty Ltd <Aps Foundation A/C>	1,014,667	0.69
Charanda Nominee Company Pty Ltd <Greycliffe Super Fund A/C>	1,000,000	0.68
Residential Villages (Vic) Pty Ltd	505,835	0.34
Plush Nominees Pty Ltd <Plush Superannuation A/C>	500,000	0.34
Netwealth Investments Limited <Super Services A/C>	495,067	0.34
Mr Nicholas Paul Jenkins	467,398	0.32
Mr Stephen Ronald Hobson <Hobson Investment A/C>	442,976	0.30
Mr Maxwell Tasman Lacey	429,511	0.29
Piaster Pty Ltd <Trollip Family S/F A/C>	425,000	0.29
English Family Super Fund Pty Ltd <N English No1 Super Ben A/C>	419,273	0.28
Total	**36,702,349**	**24.85**
Total remaining holders balance	**110,933,423**	**75.15**

C. Substantial holders

Name	Number held	Percentage of issued shares (%)
Managed Accounts Holdings Limited (managed Accounts) and its wholly owned subsidiary, Investment Administration Services Pty (IAS)	7,420,770	5.02

D. Voting rights

The voting rights attaching to each class of equity securities are set out below:

Each share is entitled to one vote when poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

E. Stock exchange listing

Quotation has been granted for all of the ordinary shares and options of the Company on all Member Exchanges of the ASX Limited.

F. Unquoted securities

There are no unquoted shares.

G. Securities subject to voluntary escrow

There are no securities subject to voluntary escrow.

H. Brokerage

During the year ended 30 June 2019, the Company recorded 1,203 transactions (2018: 909) in securities. Total brokerage paid and accrued was $480,348 (2018: $451,555) for the year.

I. On market buy-back

There is currently no on market buy-back.