Global Value Fund Limited

A.B.N. 90 168 653 521

Annual Report
for the year ended 30 June 2020

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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.

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Dear fellow shareholders,

On behalf of the directors of Global Value Fund Limited (also referred to as 'GVF' or 'the Company'), I am pleased to present the Company's full-year results and annual report for the year ended 30 June 2020 ('FY2020').

FY2020 will clearly be remembered for the outbreak of the Covid-19 global pandemic. The arrival of this deadly new virus has been a tragic phenomenon, one that has caused terrible suffering and for which we sadly still have no answer. While it may seem like an eon ago now before the pandemic struck, the first seven months of the financial year had actually provided quite a constructive investing backdrop. By the end of January 2020, the Company's adjusted pre-tax Net Tangible Asset value ('NTA') had increased by 9.8%[2] since 30 June 2019 and the Company was on track for a healthy year of profitability.

Sadly, the relative calm in both financial markets and our everyday lives, was badly punctured by the sudden arrival of Covid-19. This development presented our Portfolio Manager with two very different challenges to navigate over a short period of time. The first was the need to shepherd the investment portfolio though February and March, a period of extreme market volatility and stress and one of the worst financial market corrections in history. The second was a need to focus quickly on re-positioning the portfolio to take best advantage of a new and greatly changed investment landscape.

The Portfolio Manager's letter to shareholders provides a detailed description of the performance of the investment portfolio throughout FY2020 and discusses the outlook for the portfolio in FY2021.

Investment performance and financial highlights

The Company's adjusted pre-tax NTA increased by 0.2%[2] during FY2020. Shareholder total returns for the period were +3.4%[3], with the Company's high level of dividends driving the positive overall performance. Shareholders may recall that FY2019 saw a widespread de-rating of listed-investment companies, a function of the uncertainty over the franking credits regime in the run up to the 2019 Australian Federal election. While GVF was not immune to this, it had managed to maintain a better rating than many of its peers throughout this period. Coming into FY2020, it was thus pleasing to see the share price re-rate back to a premium to NTA during the first half of the year. The extreme market events seen during the second half of the year, however, conspired to move the share price back to a modest discount to NTA. Over the year as a whole, the Company's share price discount to its pre-tax NTA averaged 3.9%, while at the time of writing it sits at 1%[4].

As Global Value Fund Limited is an investment company, its profitability is driven by the returns from its investment portfolio. The Company reported a net profit after tax of $138,817 for the year ended 30 June 2020. As at year end, the pre-tax NTA backing of the Company was $1.0031 per share and the post-tax NTA backing was $1.0016 per share.

Dividends

The Board has resolved to pay a fully franked final dividend of 2.90 cents per share for FY2020. The record date for the FY2020 final dividend is 1 October 2020 and the final dividend will be paid on 9 November 2020. The Company's shares will trade ex-dividend on 30 September 2020.

FY2021 dividend guidance

The Board currently anticipates that both the interim and final dividend for FY2021 will be 2.9 cents per share, franked as fully as possible. Whether an increase in dividend payments is possible will depend on the Company's investment performance during FY2021.

The above dividend guidance is not a formal declaration of dividends for FY2021. The size and payment of any interim or final dividend for FY2021 will be subject to the Company having sufficient profit reserves and the dividend payment being within prudent business practices. If a FY2021 interim dividend is declared, the Board expects that it would be payable during May 2021.

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[2] Adjusted NTA returns are net of all fees and expenses. NTA adjusted for dividend and tax payments and the effects of capital management initiatives. Source: Staude Capital Ltd.
[3] Shareholder total returns include dividend payments and franking credits. Source Bloomberg LLP.
[4] Based on GVF's last reported pre-tax NTA per share of $1.0191 and the volume weighted average price for GVF shares on 20 August 2020.
Over the six years since its IPO, GVF's shares have traded between a 6% premium and a 10% discount to the Company's pre-tax asset backing. The average monthly discount over this time has been 2%.

GVF Roadshow and AGM

Given the current uncertain environment that Covid-19 presents and wanting to prioritise the health and wellbeing of our shareholders, the Board has elected to hold the FY2020 annual general meeting (AGM) online this year. Shareholders will have live video access to the meeting and following the formal Company business, Miles Staude and Emma Davidson will provide an investor presentation to shareholders from London. The AGM and shareholder presentation will be held on 12 November 2020 at 4pm AEST. While the AGM and shareholder presentation will be held online this year, shareholders will still be able to pose questions to their Board and will also have the opportunity to ask Emma and Miles questions following their video presentation.

Sadly, the usual investor roadshow that Miles and Emma conduct around the country will not be possible this year. To replace this, we will be making a recording of the AGM investor presentation which will be circulated to all shareholders following the meeting. In addition, there will be a 'virtual roadshow' held over the coming months, whereby the usual in person presentations that are held around the time of the AGM are replaced by a series of video and telephone meetings. If you would like to participate in one of these presentations, please send your name and contact number to emma.davidson@globalvaluefund.com.au.

I look forward to virtually seeing many of you at the AGM and I would encourage all shareholders to participate in either the investor presentation that Miles and Emma will be hosting on the day, or one of the other presentations they will be making in the coming months.

Jonathan Trollip
Chairman

Sydney
21 August 2020

Financial Year in Review

Given how much Covid-19 dominates our thoughts and experiences today, it seems strange to look back at a time before the virus struck. And while seen through today's eyes the concerns of early FY2020 seem trivial, it's worth remembering that FY2020 has ended much the same way it began – with considerable concern about the economic outlook, and a worry that markets have overextended themselves.

The year began under the shadow of the trade war between the US and China. Escalating actions from both sides had caused global growth to slow and, as FY2020 began, there was considerable concern that this slowdown was gathering pace. Many commentators were actively predicting the end of the longest bull-market in history. Faced with the weighty goal of trying to extend an ageing economic expansion, central banks around the world begun to cut interest rates again, while promising further action was on the way if needed. In hindsight, these preventive measures were highly successful in fulfilling their goal. Monetary easing first moderated and then reversed the growth slowdown, and by the end of calendar year 2019 global growth was accelerating again. For financial markets, this backdrop provided a re-run of the 'Goldilocks' environment that has been a key driver of asset price returns in recent years. Namely, reasonable global growth, falling interest rates and non-existent inflation - with the latter providing cover for central banks to maintain their ever-easier policy settings.

This constructive investment backdrop ended abruptly in January, with an outbreak of a new and severe coronavirus disease reported in the city of Wuhan, China. By February, any initial hopes that the virus outbreak could be contained to China had been shattered. Primarily to take holidays and participate in Chinese New Year celebrations, some five million people were allowed to leave Wuhan before authorities began imposing restrictions on movements out of the city. As March began, it become clear that the virus had spread widely around the world, with the World Health Organisation then declaring it to be a global pandemic. By the end of March, most western governments had conducted abrupt policy U-turns, dropping their initial guidance that the spread of the virus could be managed. In their place a series of drastic social policies were unveiled that were designed to dramatically slow the spread of the virus. These policies were highly effective in slowing the virus, and in doing so, provided healthcare systems with the breathing space they needed to cope with a massive influx of critically ill people. The impact these policies had on economic activity, however, was cataclysmic. The International Monetary Fund estimates that global growth will now fall by 4.9% in 2020, which is nearly an 8% negative swing compared to their growth expectations at the end of last year. Moreover, rich world countries are expected to suffer far sharper contractions than this. Notably, the economies of the US and the Euro Area are forecast to shrink by 8.0% and 10.2% respectively in 2020 – outcomes that will dwarf the economic impact of the 2008/9 global financial crisis.

Unsurprisingly, equities and higher-yielding credit markets bore the brunt of a savage correction in financial markets that followed these events. From peak to trough, global share markets[5] fell by 34%, while sub-investment grade debt[6] fell by 22%, both in US$ terms. Those commentators who had been calling an end to the bull market were finally vindicated, though for reasons that not even the wildest forecaster would have predicted when the year began.

As the scale of this crisis began to unfold, governments and central banks began to announce vast stimulus packages designed to protect their economies. The size of the programs announced to-date are truly jaw-dropping. In aggregate the IMF estimates that rich world countries will borrow and spend $4.2 trillion in 2020, roughly 17% of their collective GDP. On top of this, nearly a further $4 trillion has been created by these countries' central banks through quantitative easing and other unconventional measures. All of this newly printed money has been invested into financial markets, much of it with the explicit goal of supporting asset prices.

Unlike the 2008 financial crisis, the recession of 2020 has been caused by an external shock in the form of a global public health crisis. Typically, we expect recessions to begin from some form of internal shock, usually triggered by rising imbalances in the economic system. The fact that we have had such fast policy responses to this crisis, and on a scale that is unprecedented during peacetime, is almost certainly due to the fact that this recession is nobody's 'fault'. This time around politicians can't be accused of bailing out overpaid investment bankers.

The scale of these stimulus packages has equated to an avalanche of new money being thrust into the economy and into financial markets. The result, unsurprisingly, has been a significant rebound in asset prices and an economy that optically looks terrible, but where, in truth, the majority of the real hardships that recessions bring have yet to be felt.

Thus, FY2020 ended with financial markets recovering much of their lost ground, but doing so against an economic backdrop that is so bleak that it is hard to truly fathom. In the real-world, the worst effects of the Covid-19 recession are clearly yet to come. This is particularly the case in the many countries that have softened the early blow by underwriting workers' pay cheques. This has undoubtedly saved many jobs. It can't, however, save them all. Sadly, as government fiscal largess is wound back, considerable hardship lies ahead in the real economy.

Performance of the Portfolio

FY2020 put the GVF investment portfolio to the test. As regular readers will know, we strive to provide a unique source of market outperformance for our investors, whilst at the same time seeking to protect shareholder capital come what may in the markets. This year, the second part of that proposition – protecting shareholder capital – was greatly tested by the severe market correction throughout February and March.

[5] As measured by the MSCI All Country World Index
[6] As measured by the Bloomberg Barclays Global High Yield Index

Performance of the Portfolio (continued)

The year began quite positively for the portfolio, with a number of our important investment theses playing out as hoped. By the end of January 2020, our discount capture strategy was by far the largest component of the overall 9.8% adjusted NTA return the Company had by then recorded. Positive returns from our discount capture strategy represent outperformance over the underlying market returns of the portfolio. Given the see-through asset allocation of the portfolio is typically set quite conservatively, on their own, broad market returns are never expected to add greatly to overall investment performance. Rather, the relatively conservative asset class allocation employed is designed to protect shareholder capital through most market conditions. In turn, GVF then aims to achieve its higher return targets through its discount capture strategy.

February and March presented a real-world test of the sort of event that we spend much of our investment life planning for but hope to rarely see. We have high confidence that, given some time, we are able to unlock considerable amounts of value from the discounted assets that make up our investment portfolio. Over very short periods of time, however, we know that we have limited control over the discounts to asset backing that these securities trade at. This dynamic, of possessing limited influence in the short-term, but having significant control in the medium to long-term, is one of the most important factors that goes into GVF's portfolio construction. During periods of extreme market stress, we expect discounts to widen across the universe that we invest into. We are not afraid of this outcome as unlocking value is the one factor that we know we can control in the market given some time. That the assets we already own at a discount are expected to become cheaper still during extreme market events, does not change the amount of underlying value we ultimately expect to realise. In fact, in many cases, a significant short-term widening of discounts can greatly hurry along the process we are involved in to unlock underlying value.

Instead of worrying about what we can't control in the short-term, we believe the more important exercise is to build an investment portfolio that can both withstand these sorts of events and be able to quickly capitalise on the much more interesting investment universe they typically produce. The chief way we do this is by running our portfolio with a short duration. This means that the portfolio naturally turns itself over very frequently and so, even in distressed markets, we have a steady stream of value realisation events happening. These catalysts serve to both unlock value for us and provide us with capital to reinvest when we want it the most.

The upshot of this is that while our discount capture strategy detracted 10.7% from our returns during February and March, caused by discounts across our universe materially widening for a short period of time, by the end of the financial year we had recouped almost all of that value again. From April through to June our discount capture strategy added 9.3% back to returns, with this performance greatly underpinned by the catalysts that we put into place ourselves to realise underlying value. What has been encouraging about this outcome is not just that we have managed to recoup this lost value relatively quickly, but rather, that we have also heavily recycled the portfolio at the same time. This means that despite the fact that we have now recovered most of our lost ground, the see-through value within our portfolio is now considerably greater than it was before the crash.

Over FY2020 as a whole, the Company's adjusted pre-tax NTA increased by 0.2%[7], with the successful application of our discount capture strategy adding 3.1%[8] (gross) to performance. Thus, despite an incredibly turbulent year where almost all asset classes excluding 'FANG'[9] produced negative returns, the GVF investment portfolio managed to avoid a loss, primarily due to the value we unlocked through our discount capture strategy.

Notable winners and detractors in FY2020

When looking at the key developments within the GVF portfolio over FY2020, the extreme levels of market volatility hide a lot of what took place. A simple assessment of what made or lost money during the period is mostly an analysis of what sectors of the market fared better or worse through the crash. Whilst absolute returns are obviously important, the key measure of success that we use internally is the returns we generate from unlocking value. The basis for this is that financial markets today are generally quite efficient machines. There is a large body of both empirical and academic research that points to it being exceptionally difficult (though not impossible), to outperform the market through active security selection when measured over the long-term. Thus, one of the key pillars of the Company has always been to provide an alternative source of market outperformance for shareholders. We set out to do this by investing into a diversified portfolio of global assets, all purchased at attractive discounts to their intrinsic value. This is then paired with an active, hands-on approach that is designed to unlock the value presented by these situations. While we press many tools into service in our efforts to unlock value, one of our key differentiators is our strengths in shareholder advocacy, and an ability to successfully employ shareholder activism when needed.

With this in mind, and whilst absolute portfolio returns for the year were minimal, FY2020 was a moderately successful year for our approach. When looking at the worst detractors over the period, these were all driven by an underlying exposure to an asset class that fared poorly through the market crash.

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

[8] Source: Staude Capital Ltd.

[9] 'FANG' refers to a small basket of high-growth, high-multiple, technology companies like Facebook, Amazon and Google. Excluding the thirteen stocks widely regarded as comprising this sector, global share markets fell by 2.3% in A$ terms over FY2020.

Notable winners and detractors in FY2020 (continued)

Our worst performing investment in FY2020 was our holding in Polar Capital Global Financial Trust (PCFT), a closed-end fund that holds a portfolio of global financial stocks. This fund has a unique feature which allows all shareholders to exit their holding at the fund's underlying asset backing once every seven years. We were able to accumulate a substantial position in this fund, at an attractive discount to asset backing, before this exit opportunity was scheduled to take place. Further, given the large liquid underling shares PCFT held, we were able to hedge a substantial portion of the underlying market exposure in the trade, which greatly improved the risk versus reward characteristics of the investment for GVF. Financials are a sector that have been hit especially hard during this crisis, with a severe economic recession likely to materially increase loan losses, while falling interest rates will hurt future loan profitability. What drove GVF's loss in PCFT during FY2020 was that we only hedged around half of our exposure to the fund's assets, and that, by chance, the NAV exit opportunity happened to take place in the depths of the crisis, before markets rallied substantially again. Notably, over our entire holding period for PCFT, the investment has generated positive overall returns for GVF. During FY2020 however, our holding in PCFT detracted 0.8% from portfolio performance, with this loss as much as anything a function of unlucky market timing.

While being forced to exit a holding at an inopportune time may, at first pass, seem to be a drawback to our approach, there are two important mitigating factors that are worth remembering. The first is that while we exited our position toward the market lows, we still unlocked meaningful amounts of value in the process, meaning we fell by less than what the market did through this period. Secondly, as discussed earlier, we rely on there being a constant stream of realisations occurring across our portfolio, so that during periods of market stress we have capital ready to reinvest. The capital we received back from PCFT was therefore re-invested at the market lows, into positions that benefited greatly from the following market rebound.

The next notable detractor was our holding in Empiric Student Property Plc (ESP), a London-listed real estate investment trust. ESP owns and operates more than 90 premium student accommodation sites across the UK. Over the past decade, student accommodation has been a powerful investment thematic in countries such as the UK and Australia, which serve as prime studying destinations for many international students. The simple metric that best articulates why this has been the case is the ratio of students to purpose-built student accommodation beds in the UK, which for the 2019/20 academic year stood at 3:1, or 15:1 if first year demand/supply is excluded.

This combination of a shortage of supply and strong structural demand growth has created a fast-growing industry designed to provide purpose-built student accommodation facilities. We invested into ESP during 2018 and early 2019, after the company missed a series of operating targets that caused the shares to sell off to a level where we saw compelling value. Our thesis for investing was twofold. First, we had confidence that an overhauled management team would be able to get the company back on track in terms of its operating goals. Secondly, given how cheap the company had become, we believed that if the turnaround was not successful, the company and its portfolio of properties would likely be acquired by a corporate buyer. During the early part of FY2020, the company began to hit a number of the important operating milestones we were looking for and the shares re-rated considerably. We, in turn, began to exit our position and had sold approximately half of our holding before Covid-19 arrived.

A positive feature of student accommodation in recent years of strong rental growth has been the fact that the rent roll resets at the beginning of each academic year, allowing the owners of student property to fully capture rising rents. However, in the face of the pandemic and associated lockdowns, this left student accommodation particularly exposed, as it risked a potential scenario of zero occupancy due to Covid-19. Therefore, it is no surprise that ESP and its student accommodation peers were hit particularly hard through the market sell-off.

2020/21 revenues for ESP are currently particularly hard to forecast, not least because occupancy depends on the situation at a very particular point in time, being the start of an academic year. We, instead, have focused our efforts on stress testing the company's balance sheet for a series of likely worst-case scenarios, whilst looking through the pandemic to assess what the company should be worth on the other side. Fortunately, ESP moved fast to protect its balance sheet, halting dividends and extending what little debt it had maturing in 2020 to 2024. It also moved quickly to cut costs. Having witnessed the turnaround that the overhauled management team originally achieved; we are confident that ESP should be able to weather the current storm. Moreover, the shares today are trading at a discount of more than 40% to our conservative estimate of the company's asset backing. We therefore have been adding to the position again at these newly depressed prices.

Positively, the early indications are that ESP is filling its beds for the 2020/21 academic year better than we had hoped. As of early May, ESP had bookings for 47% of its total capacity, which compares to a booking rate of 54% at this time last year - albeit these bookings are less contractually binding than they have been in the past. Finally, while the backdrop is clearly uncertain for the sector, there are some positive mitigating factors. A more difficult economic backdrop generally keeps more students in study in the absence of job opportunities. Further, normal 'gap year' activities such as international travel and internships have suddenly become a lot less viable.

While not without risks, we believe ESP has significant upside potential from here that can be captured either through a turnaround in operating performance or through the attractiveness of the company's assets to a trade buyer. In terms of FY2020 portfolio performance, ESP detracted 0.7% from our overall returns.

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Notable winners and detractors in FY2020 (continued)

The last notable detractor for the year was our investment in Henderson Alternative Strategies Trust (HAST), a London-listed investment trust that holds a globally diversified portfolio which spans several different asset classes. After battling with a persistent discount to NAV for many years, the directors of the company announced that they would be calling a shareholder meeting to propose a liquidation of the company and an orderly return of capital to shareholders. We understand these sorts of propositions very well and they often provide very lucrative opportunities for GVF. Our advantage here is that we are able to model in detail the underlying assets held in these sorts of portfolios, whilst also having a great understanding of how long liquidation processes take, and how much they cost to fully execute. Following our due diligence, we built a substantial position in HAST at an attractive discount to the company's asset backing. The loss that GVF recorded in HAST during FY2020 was solely a function of financial markets selling off. From the time we invested into the company through to the end of FY2020, the value of HAST's underlying portfolio fell by 5%, which, while disappointing, was an unsurprising outcome given the correction seen in markets. What is much more encouraging, and which bodes well for the future, was that we were able to add to our holding during the depths of March at discounts that approached 30%.

Our holding in HAST detracted 0.6% from portfolio performance during FY2020, though in discount capture terms it produced a positive overall performance. We continue to hold the position at an attractive discount to asset backing which we expect to realise over the year ahead.

On the positive side of the ledger, our most successful investment in FY2020 will be one that is familiar to our regular readers. Pershing Square Holdings Ltd (PSH) is an Amsterdam and London listed closed-end fund managed by Bill Ackman, a high-profile Wall-Street investment manager. Our investment thesis with Pershing has been consistent for some time. Prior to 2018, the fund had three years of poor performance, which resulted in it trading at a very wide discount to its underlying asset backing. Looking ahead, our belief was that either PSH's investment performance would have to improve materially, or that investors in his fund (including ourselves) would demand action to address such an unjustifiable discount. In FY2019 the first of these outcomes prevailed, with the PSH investment portfolio increasing by 21.6% over the year, greatly outpacing general share market returns in the process. While FY2019's returns were impressive, they have paled in comparison to the performance generated in FY2020. Through an almost unbelievably astute instance of market timing, the PSH team decided to hedge their portfolio against Covid-19 risk in late February. They did this by buying insurance against three high-yielding credit indices. As markets then went into free-fall and credit spreads widened dramatically, this hedge paid out handsomely for the fund. The result was that, through February and March, PSH generated positive investment returns of 4.7%. In comparison, the S&P500 index fell by 20% over the same period. For FY2020 as a whole, the PSH investment portfolio increased by an incredible 41%.

While we have maintained a large holding in PSH for some time now, we have actively traded the position over this period, adding value to our holding in the process. We have also successfully invested in the company's bonds, though we recently exited our holding in these.

Despite a stellar investment performance through the market correction, PSH's shares continue to trade at a 32% discount to their underlying asset backing. While we continue to maintain a holding, we have recently reduced our weighting and realised some of our gains in lieu of the many other exciting opportunities we are seeing in the market at the moment. Ultimately, however, we continue to believe that the investment retains the same compelling asymmetrical payoff profile we saw in it when we first invested. In our view, such a large market discount to an underlying portfolio of liquid large-cap stocks is unsustainable over the long-run, especially for an investment firm that styles itself as a shareholder activist. We therefore continue to believe that the size of the current discount provides a significant 'put-option' for investors into the company. If performance does not continue to impress, shareholders' tolerance of the discount to asset backing should be expected to wane very quickly. Our holding in PSH added 1.6% to total portfolio performance during FY2020.

Our next notable positive performer in FY2020 was our holding in JP Morgan Global Convertibles Income Fund (JGCI), a London listed closed-end fund that invested into a portfolio of global convertible bonds. JGCI was very much a straight down the fairway investment for GVF. The underlying investment thematic for JGCI - exposure to global convertible bonds – had fallen out of favour in the market, and the fund had been battling with a stubborn discount for a number of years. At a headline level however, this discount had never been allowed to get too wide, primarily due to the actions of a vigilant board who had committed to buying back shares if the discount to NAV exceeded 5%. In defending this target, the board bought back approximately half of the entire share capital over a four year period. To our eye, there was now insufficient demand to maintain JGCI in a listed fund structure, while the pace of the board's buyback program was unsustainable for much longer. Thus, our assessment of the situation was that this listed fund no longer had enough market support to continue in its current form. We built a sizeable position in JGCI, which culminated in us owning 7% of the outstanding shares in the company. In July 2019, and with minimal engagement from ourselves, the board announced that they would bring forward plans to liquidate the company and return capital back to shareholders. GVF subsequently exited its investment through the liquidation process. During FY2020 our investment in JGCI added 0.8% to total portfolio performance.

Finally, Amedeo Air Four Plus (AA4) was an opportunistic deep-value investment the fund made in May and June. AA4 has a simple business model. It aims to provide its investors with a high level of income and the potential for capital appreciation, by owning and leasing twelve widebody aircraft to Emirates and, to a lesser extent, Thai Airways.

Notable winners and detractors in FY2020 (continued)

With air travel one of the sectors hardest hit by Covid-19, the shares understandably came under significant pressure as, first, Thai Airways sought some accommodation from its lessors, and then Emirates asked for assistance too. In the meantime, the company's board took the prudent step of suspending the dividend to preserve capital which, while understandable, triggered further rounds of selling from income orientated investors.

While this all paints a particularly bleak picture, what made AA4 an exciting opportunity to us was the very large amount of cash sitting on the company's balance sheet. This cash had appeared due to a well-timed sale of two of its planes to Etihad in February, just before the crisis struck. Thus, in the depths of the market sell-off, we were able build a position in AA4 at a price approximately equal to the company's cash backing. In effect, at that time, the market was assigning little or no value to the underlying aircraft that AA4 own, or to the long-term non-cancellable leases that the company has in place for its fleet. This has set up a very asymmetric trade for us, where we have a large cash buffer beneath us and a number of scenarios under which the potential value of the company is a multiple of the current share price. Furthermore, once the situation with Thai and Emirates is better known, we expect the company will be in a position to distribute at least some of its excessive cash balance, thereby de-risking the investment.

Our holding in AA4 added 0.5% to total portfolio performance during FY2020 and still continues to offer very attractive upside value.

Outlook

The big debate in finance today is whether investment markets have detached themselves from economic reality, or whether, in fact, they correctly reflect a new reality – one of unprecedented levels of government support, and a near-zero interest rate world with no end in sight.

The primary driver for increasing asset prices during the final years of the recent bull-market was not stellar economic growth, or companies greatly growing their underlying profitability. Rather, investors became willing to pay substantially higher valuations for the same financial assets. The driver for this investor largess was falling interest rates, a topic we discussed in detail in January.

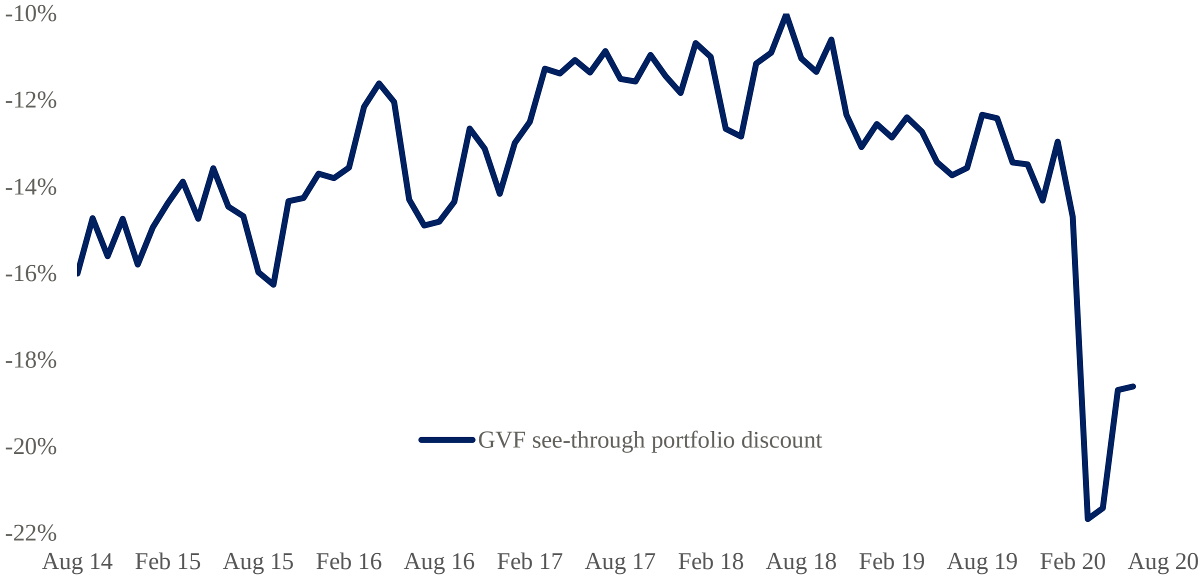
Looking at the dramatic re-bound in asset prices since the Covid-19 crisis struck, one thing is clearly apparent again: markets are not rallying because companies are growing earnings, or because the economy has stepped it up a gear. In fact, once again, it is the complete opposite of this. An incredibly bleak economic outlook has forced interest rates yet lower still. Today, the yield on a 30-year US government inflation-protected bond is -0.5%. That is, the real interest rate you receive for lending money to the US government today, for a period of *thirty years*, is negative.

It is a truism that lower interest rates justify higher financial asset valuations. Taken to its extreme, if you assume that interest rates are zero in any financial model, the calculated valuation you will receive is infinity. For many investors these concepts start to look like financial alchemy, a view that is hard not to have sympathy for. And while we may still be someway yet from quoting stock prices in terms of '∞', the challenge investors face today is that broad market returns are poised to be hyper-sensitive to the future direction of interest rates for the foreseeable future.

Against this backdrop we believe the proposition for GVF over the year ahead is both very exciting, and relatively insulated from the debate over whether markets have run too far too fast, or still have further yet to go. As we have discussed in our recent monthly reports, the extreme levels of market volatility seen this year have created large dislocations across our investment universe. For us, this means that the underlying value propositions we hunt out around the world are considerably more attractive now than we typically find.

The result of this is that the GVF portfolio today is pregnant with significantly more value than we are accustomed to. To illustrate this point, the chart below shows the see-through value within the GVF investment portfolio over the six years since the company's launch. Historically, the see-through discount across our portfolio has ranged between 10 and 15%. This historical range has been a function of our relative weightings to the two areas in the market that we unlock value from over time: the relatively narrower discounts on the trading opportunities that we exploit, and then the much wider discounts on the deep value propositions we find where we are looking to unlock through our own actions.

Outlook (continued)



What has us excited about the outlook for the GVF investment portfolio today is that the discounts we see now in both of these key hunting grounds - trading opportunities and deep value propositions – are much wider than we typically expect. Importantly, given time, our ability to unlock this value is independent of what broader markets may, or may not, do next.

The team and I would like to thank all our shareholders for their continuing support throughout FY2020 and especially for the many kind messages that we received during the year.

Miles Staude
Director and Portfolio Manager
21 August 2020

Investment Portfolio Composition
As at 30 June 2020

Total Portfolio at 30 June 2020

	Fair Value $
Long Equity Positions – Fair Value through Profit or Loss	
Highbridge Tactical Credit Fund	10,584,864
Third Point Offshore Investors Limited	9,901,545
Ellerston Global Investments Limited	9,305,648
Henderson Alternative Strategies Trust PLC	8,295,124
Pershing Square Holdings	8,028,804
Blue Sky Alternatives Access Fund Limited	7,825,063
VPC Specialty Lending Investments PLC	7,339,526
NB Global Floating Rate Income Fund	6,978,544
CVC Credit Partners European Opportunities Limited	6,892,822
Monash Absolute Investment Company Limited	6,667,661
Witan Pacific Investment Trust PLC	5,975,794
Boussard and Gavaudan Eire Fund Class A Euro	5,531,762
Miton UK Microcap PLC	5,453,004
Amedeo Air Four Plus Limited	5,047,875
CVC Credit Partners European Opportunities Limited NPV Euro	4,577,926
JPEL Private Equity	4,562,406
Boussard and Gavaudan Holdings	4,520,378
Fat Prophets Global Contrarian Fund Limited	3,830,302
SQN Secured Income Fund	3,031,258
Ellerston Asian Investments Limited	2,930,848
Contrarian Value Fund Limited	2,902,161
Empiric Student Property PLC	2,603,391
MVC Capital Inc	2,263,916
Sherborne Investors (Guernsey) C Limited	2,206,638
East Capital Eastern Europe Small Cap	1,362,084
HTCF Redemption Portfolio 2019	1,257,312
Aberdeen Frontier Markets Investments Company Limited	1,129,428
Catco Reinsurance Opportunities Fund Limited	1,056,695
Chenavari Capital Solutions Limited	1,035,406
Blue Capital Alternative Income Fund	1,005,593
Raven Property Group Limited	875,520
US Masters Residential Property Fund	748,954
Life Settlement Assets	698,233
Starwood European Real Estate Finance Limited	380,221
Vietnam Phoenix Fund Limited	325,555
Candover Investments	253,577
Alcentra European Floating Rate Income Fund Limited	242,775
Carador Income	223,538
US Masters Residential Property Fund Convertible Step-Up Preference Units	201,653
HSBC China Dragon Fund	136,741
Lazard Wold Trust Fund	122,249
Carador Income Fund Repurchase Pool	49,649
JPMorgan Brazil Investment Trust	27,392
Highbridge Multi-Strategy Fund	18,365
Aberdeen Private Equity Fund Limited	18,004
NB Private Equity Partners	8,401
	148,434,605

Investment Portfolio Composition (continued)
As at 30 June 2020

Total Portfolio at 30 June 2020

	Fair Value $	Notional Value[1] $
Short Equity Positions – Fair Value through Profit or Loss		
Invesco Senior Loan ETF	(5,157,800)	
Barclays PLC	(2,157,979)	
Mercantile Investment Trust	(1,510,494)	
Lowe's Companies Inc	(332,124)	
Chipotle Mexican Grill Inc	(291,137)	
Restaurant Brands International Inc	(284,544)	
Agilent Technologies Inc	(204,157)	
Hilton Worldwide Holdings Inc	(189,370)	
Howard Hughes Corp	(176,979)	
Starbucks Corporation	(151,891)	
	(10,456,475)	
Convertible and Corporate Bonds		
URFAU III 0.0000% 2021-12-24	7,397,118	
Crown Subordinated Notes II	2,289,656	
PSHNA REGS 5.5000% 2022-07-15	1,684,192	
CAMAU 6.2500% 2021-11-30	619,478	
	11,990,444	
Derivative Financial Instruments – Fair Value through Profit or Loss		
Long Equity Swaps		
SVG Capital	-	1
Highbridge Multi-Strategy Fund	(11)	1,170
	(11)	**1,171**
Total fair value investment portfolio	**149,968,563**	
Aggregate notional value of all derivatives [1]		**1,171**

[1] The aggregate notional value of all derivatives is $1,171. 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)(ii).

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 ('GVF' or 'the Company') present their report together with the financial report of the Company for the year ended 30 June 2020.

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 has appointed Mirabella Financial Services LLP ('Mirabella') to act as Investment Manager and Mirabella has seconded the investment team at Staude Capital to manage the Company's 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 portfolio held comprises mainly equities, bonds 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.

Appointment of auditor

The Company appointed Deloitte Touche Tohmatsu Limited ('Deloitte') to replace Pitcher Partners as auditor of the company on 12 November 2019. The resolutions to remove Pitcher Partners and appoint Deloitte as their replacement were passed by poll at the Company's Annual General Meeting.

Dividends

During the year, the Company declared and paid dividends of 5.80 cents per share. 2.90 cents per share of this related to the FY2019 fully-franked final dividend payment. This was paid on 11 November 2019. The remaining 2.90 cents per share related to the FY2020 fully-franked interim dividend. This was paid on 13 May 2020.

Since year end the Company has declared a fully-franked final dividend for FY2020 of 2.90 cents per share, to be paid on Monday 9 November 2020. The ex-dividend date is Wednesday 30 September 2020 and the record date for entitlement to the FY2020 final dividend is Thursday 1 October 2020.

The Company's dividend reinvestment plan ('DRP') will be in effect for the fully-franked FY2020 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 Net Tangible Asset ('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 per share, dividends are paid as newly issued shares in the Company. If the share price for GVF is above the Company's NTA per share 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 per share of the Company on this day. If the share price for GVF is less than its NTA per share 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 onmarket in accordance with the terms set out in the plan.

Shareholders who would like to participate in the DRP can enrol 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 FY2020 final dividend is 5.00 pm (AEDT) Friday 2 October 2020. Details of the DRP are available on the Company's website, click here.

Review of operations

For the full year ended 30 June 2020, the Company's investment portfolio generated a 0.2% (2019: 3.2%) increase in adjusted pre-tax NTA, with the Company's discount capture strategy generating a 3.1% (gross) (2010: 2.1%) return over the year. Positive returns from this strategy represent outperformance (or alpha) over the underlying market and currency exposures of the Company's investment portfolio.

Investment operations for the year ended 30 June 2020 resulted in an operating profit before tax of $31,929 (2019: $4,961,185) and an operating profit after tax of $138,817 (2019: $3,836,693).

The net tangible asset backing for each ordinary share at 30 June 2020 after tax amounted to $1.0016 (2019: $1.0587) per share. The net tangible asset backing for each ordinary share at 30 June 2020 before tax amounted to $1.0031 (2019: $1.0646) per share.

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

Coronavirus ('Covid-19')

The Covid-19 pandemic has resulted in significant declines in the market value of equity markets and future earnings from assets are also predicted to decline. However, the Directors do not expect this will affect the ability of the Company to continue as a going concern.

The fair value of the Company's financial assets have been based on the closing quoted prices at the end of the financial year. Where closing prices are not available, assessments and valuation methods to determine the fair value of assets are disclosed on Note 4(b) to the financial statements.

Matters subsequent to the end of the financial year

Since year end the Company has declared a fully-franked final dividend for FY2020 of 2.90 cents per share to be paid on Monday 9 November 2020. The ex-dividend date is Wednesday 30 September 2020 and the record date for entitlement to the FY2020 final dividend is Thursday 1 October 2020.

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 diverse nature of the underlying investment portfolio, the Portfolio Manager expects to be able to capitalise on new opportunities as they arise with meaningfully less market risk than one invested solely in 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 extensive 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 Pinnacle Charitable Foundation Limited.[

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 Cuffe 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 Cuffe 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 Cuffe 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 Hearts and Minds Investments Limited, and a director of Argo Investments Limited and Antipodes Global Investment Company Limited (each listed investment companies). He is also Chairman of Australian Philanthropic Services Limited (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) and of Class Limited.

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

Geoffrey Wilson has over 40 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.

Geoffrey Wilson 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 Staude has over 20 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 Staude 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 Staude 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 secretary

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 ('the Board') held during the year ended 30 June 2020, 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

Given the size of the Board and the nature of the Company's operations, a nomination committee and an audit committee have not been formed. The Board as a whole considers the composition of the Board and appointment of new directors. The Board identifies suitable candidates to fill vacancies as they arise with consideration given to the optimal mix of skills and diversity required. In the Board's opinion, an audit committee would not serve to protect or enhance the interest of shareholders beyond that with the Board currently provides in terms of oversight. The Board deals with the integrity of financial reporting as a whole, including the appointment and review of the external auditor.

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
2020	**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
2019			
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

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.

Mirabella Financial Services LLP ('Mirabella') is the Investment Manager of the Company. Mirabella has a legal agreement with Staude Capital Limited, an entity associated with Miles Staude who is a Director of the Company, whereby certain individuals from Staude Capital Limited are seconded into Mirabella to perform portfolio management services for the Company. Miles Staude benefits from the manager fees payable to Mirabella, as listed below:

Assignment fee

Mirabella has assigned all rights, 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.

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.

Management fee

In its capacity as Investment Manager, Mirabella 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 2020 Mirabella was entitled to a management fee of $2,319,409 (2019: $2,366,652), of which $579,852 was paid to BIM. As at 30 June 2020, the balance payable was $nil (2019: $48,464).

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 Investment 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 2020, no performance fee was payable to the manager (2019: $nil). As at 30 June 2020, the balance payable was $nil (2019: $nil).

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 end of the reporting period, the Company's Directors and their related parties held the following interests in the Company:

Ordinary shares held

2020 **Director**	**Balance as at 1 July 2019**	**Acquisitions**	**Disposals**	**Balance as at 30 June 2020**
Jonathan Trollip [1]	425,000	-	-	425,000
Chris Cuffe [2]	1,374,969	115,031	-	1,490,000
Geoffrey Wilson [3]	1,380,581	-	-	1,380,581
Miles Staude [4]	135,000	20,000	-	155,000
	3,315,550	**135,031**	**-**	**3,450,581**

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

[2] 350,000 shares beneficially held by Cherryoak Investments Pty Limited ATF C & N Family Trust, 1,100,000 shares beneficially held by Australian Philanthropic Services Pty Limited ATF Australian Philanthropic Services Foundation and 40,000 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] 155,000 shares beneficially held by Staude Capital Pty Limited

2019 **Director**	**Balance as at 1 July 2018**	**Acquisitions**	**Disposals**	**Balance as at 30 June 2019**
Jonathan Trollip [5]	425,000	-	-	425,000
Chris Cuffe [6]	1,001,230	686,011	312,272	1,374,969
Geoffrey Wilson [7]	1,346,590	33,991	-	1,380,581
Miles Staude [8]	115,000	20,000	-	135,000
	2,887,820	740,002	312,272	3,315,550

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

[6] 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

[7] 1,380,581 shares beneficially held by GW Holdings Pty Limited <Edwina A/C>

[8] 135,000 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

Up until 12 November 2019, Pitcher Partners, the Company's former 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.

Since being appointed on 12 November 2019, Deloitte Touche Tohmatsu, 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

The Company is of the kind referred to in ASIC Corporations (Rounding in Financials/ Directors' Reports) Instrument 2016/191, dated 24 March 2016, and in accordance with that Corporations Instrument amounts in the Directors' Report and the financial report are rounded to the nearest dollar, unless otherwise indicated.

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 20.

This report is made in accordance with a resolution of Directors made pursuant to section 298(2) of the *Corporations Act 2001*.

Jonathan Trollip
Chairman

Sydney
21 August 2020

Deloitte Touche Tohmatsu
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21 August 2020

The Directors
Global Value Fund Limited
C/- Mertons Corporate Services Pty Ltd
Level 7, 330 Collins Street
Melbourne, Victoria, 3000

Dear Directors,

Auditor's Independence Declaration to Global Value Fund Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the Directors of Global Value Fund Limited.

As lead audit partner for the audit of the financial report of Global Value Fund Limited for the year ended 30 June 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours faithfully

DELOITTE TOUCHE TOHMATSU

DELOITTE TOUCHE TOHMATSU

David Salmon

David Salmon
Partner
Chartered Accountants

Statement of Profit or Loss and Other Comprehensive Income

	Note	2020 $	2019 $
Income			
Net realised (losses)/ gains on disposal of investments		(1,246,796)	6,405,074
Net unrealised (losses) on market value movement of investments		(1,112,166)	(3,440,417)
Net realised gains on foreign exchange movement		742,923	12,303
Net unrealised gains on foreign exchange movement		46,814	206,361
Interest income		964,145	466,438
Other income		16,241	9,983
Dividend income		5,334,312	6,246,897
Total income		**4,745,473**	9,906,639
Expenses			
Management fees	**16**	(2,319,409)	(2,366,652)
Performance fees	**16**	-	-
Administration fees		(263,080)	(266,571)
Brokerage and Clearing expenses		(919,496)	(637,714)
Accounting fees		(28,000)	(68,202)
Share registry fees		(65,963)	(64,305)
Dividends paid on borrowed stock		(217,618)	(289,739)
Interest expense		(461,168)	(903,092)
Tax fees		(30,642)	(21,130)
Directors' fees		(85,000)	(85,000)
Legal fees		(98,988)	(65,667)
Secretarial fees		(35,348)	(34,770)
ASX fees		(73,951)	(75,500)
Audit fees	**14**	(42,000)	(47,708)
Other expenses		(72,881)	(19,404)
Total expenses		**(4,713,544)**	(4,945,454)
Profit before income tax		**31,929**	4,961,185
Income tax benefit/ (expense)	**5**	106,888	(1,124,492)
Profit attributable to members of the Company		**138,817**	3,836,693
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		**138,817**	3,836,693
		Cents	**Cents**
Earnings per share for profit attributable to the ordinary equity holders of the Company:			
Basic and diluted earnings per share	**19**	**0.09**	2.60

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	2020 $	2019 $
Assets			
Cash and cash equivalents	**6**	-	18,239,672
Trade and other receivables	**7**	560,442	381,999
Financial assets at fair value through profit or loss	**8**	160,425,049	156,175,902
Deferred tax asset	**5**	384,397	137,963
Total assets		**161,369,888**	174,935,536
Liabilities			
Bank overdraft	**6**	2,040,146	-
Trade and other payables	**9**	200,505	236,390
Financial liabilities at fair value through profit or loss	**8**	10,456,486	17,327,499
Current tax liability	**5**	505,730	-
Deferred tax liabilities	**5**	106,768	1,007,154
Total liabilities		**13,309,635**	18,571,043
Net Assets		**148,060,253**	156,364,493
Equity			
Issued capital	**10**	151,350,505	151,227,208
Profits reserve	**11**	11,687,506	8,974,562
Accumulated losses	**11**	(14,977,758)	(3,837,277)
Total equity		**148,060,253**	156,364,493

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 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
Profit for the year	**11**	-	138,817	-	138,817
Other comprehensive income for the year		-	-	-	-
Transfer of profits during the year	**11**	-	(11,279,298)	11,279,298	-
Transactions with owners:					
Dividends paid	**12**	-	-	(8,566,354)	(8,566,354)
Shares issued on dividends reinvested	**10**	123,297	-	-	123,297
Balance at 30 June 2020		**151,350,505**	**(14,977,758)**	**11,687,506**	**148,060,253**

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

Statement of Cash Flows

	Note	2020 $	2019 $
Cash flows from operating activities			
Proceeds from sale of investments		193,817,487	230,888,000
Payment for investments		(227,900,188)	(216,943,678)
Realised foreign exchange (losses)/ gains		742,923	12,303
Other income received		16,240	9,983
Interest received		871,850	329,512
Dividends received		5,297,224	6,187,426
Proceeds from return of capital on investments		20,603,579	5,579,220
Interest paid		(450,040)	(919,465)
Management fees paid		(2,367,872)	(2,516,532)
Performance fees paid		-	(735,231)
Dividends paid on borrowed stock		(218,273)	(322,581)
Income tax paid		(534,203)	(1,207,896)
Payment for other expenses		(1,762,302)	(1,327,006)
Net cash (used in)/ provided by operating activities	**18(a)**	**(11,883,575)**	19,034,055
Cash flows from financing activities			
Dividends paid		(8,443,057)	(8,822,122)
Net cash (used in) financing activities		**(8,443,057)**	(8,822,122)
Net (decrease)/ increase in cash and cash equivalents held		**(20,326,632)**	10,211,933
Cash and cash equivalents at beginning of financial year		18,239,672	7,821,378
Effect of foreign currency exchange rate changes on cash & cash equivalents		46,814	206,361
Cash and cash equivalents at end of financial year		**(2,040,146)**	18,239,672
Non cash financing activities			
Dividends reinvested	**18(b)**	**123,297**	469,053

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 21 August 2020 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.

The Statement of Financial Position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity. All balances are expected to be recovered or settled within 12 months, except for financial assets held at fair value through profit or loss.

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 through profit or loss. 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 when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. If the Company neither retains nor transfers substantially all the risks and rewards, but has not retained control of the financial assets, it also derecognises the financial assets.

(c) Financial instruments

Revenue
Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Net gains/ (losses) on financial instruments held at fair value through profit or loss arising on a change in fair value are calculated as the difference between the fair value at the period end and the fair value at the previous valuation point. Net gains/ (losses) also include realised gains/losses, and do not include interest or dividend income.

2 Significant accounting policies (continued)

(c) Revenue recognition (continued)

Dividend income
Dividend income is recognised on the ex-dividend date and is presented net of any unrecoverable withholding taxes.

Interest income
Income Interest income is recognised on a time proportionate basis taking into account the effective yield on the financial assets and 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, monetary 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. Bank overdrafts are reported in liabilities on the Statement of Financial Position.

(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.

2 Significant accounting policies (continued)

(j) Impairment of assets

The Company recognises a loss allowance for expected credit losses ('ECL') on financial assets excluding investments that are measured at fair value through profit and loss. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instruments. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to debtors, general economic conditions at the reporting date, including time value of money where appropriate.

The Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instruments has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The amount of the impairment loss will be recognised in the Statement of Profit or Loss and Other Comprehensive Income.

Allowance for expected credit losses
Based on the analysis at the end of the reporting period, the impairment under the expected loss (ECL) method is considered to be immaterial and no amount is recognised in the financial statements (30 June 2019: 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.

Apart from the items mentioned below, there are no other key assumptions or sources of estimation uncertainty that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

2 Significant accounting policies (continued)

(p) Critical accounting estimates and judgements (continued)

(i) Financial instruments

The Company's financial instruments are valued primarily based on the prices provided by independent pricing services.

When the fair values of the reported financial instruments cannot be derived from active markets, they are determined using prices obtained from inactive or unquoted markets and/or other valuation techniques. The inputs to these valuation techniques (if applicable) are taken from observable markets to the extent practicable. Where observable inputs are not available, the inputs may be estimated based on a degree of judgements and assumptions in establishing fair values.

Please refer to Note 4 (a)(i) on details around description of valuation techniques and inputs used by the Company.

(ii) Deferred tax asset

The Company has recognised deferred tax assets relating to unrealised losses on investments, other accruals and capitalised costs of $384,397 as at 30 June 2020 (2019: $137,963). The utilisation of tax losses depends on the ability of the Company to generate future taxable profits. The Company considers that it is probable that future taxable profits will be available to utilise those deferred tax assets. This assessment is supported by the Investment Manager's long-term performance and profitability. New information may become available that may cause the Company to change its judgement regarding calculation of tax balances, and such changes will impact the profit or loss in the period that such determination is made.

(q) New and amended accounting standards

AASB 16: Leases is applicable to annual reporting periods beginning on or after 1 January 2019. This standard does not have a material impact on the Company's financial statements as the Company did not enter into any lease contracts in the current or prior financial years.

No other new accounting standards and interpretations that are available for early adoption but not yet adopted at 30 June 2020, 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:

	2020 **$**	**2019** **$**
Financial assets		
Cash and cash equivalents *		
United States Dollar	35,418,051	19,116,294
Euro	9,105,132	17,312,448
	44,523,183	36,428,742
Financial assets at fair value through profit or loss		
United States Dollar	31,162,209	51,575,481
Pound Sterling	69,777,479	77,550,954
Other Currencies	14,766,808	1,169,273
	115,706,496	130,295,708
Total financial assets exposure to foreign exchange	**160,229,679**	166,724,450

3 Financial risk management (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

Financial liabilities		
Bank overdraft *		
Pound Sterling	(48,909,043)	(40,900,285)
Other Currencies	(136,491)	(374,927)
	(49,045,534)	(41,275,212)
Financial liabilities at fair value through profit or loss		
United States Dollar	(6,788,003)	(14,751,892)
Pound Sterling	(3,668,472)	(2,573,907)
	(10,456,475)	(17,325,799)
Total financial liabilities exposure to foreign exchange	**(59,502,009)**	(58,601,011)

* The Company operates a multi-currency bank account and thus enters in transactions that are denominated in currencies other than its functional currency (AUD). As disclosed in the table above, the Company has an exposure to USD, EUR, GBP and other currencies, through this multi-currency bank account. On the Statement of Financial Position, total cash and cash equivalents/ bank overdraft includes the net AUD equivalent of the underlying currencies as at 30 June.

(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 financial assets gives rise to price risk as follows:

	2020 $	2019 $
Australian and overseas equities	148,434,605	136,294,810
Convertible and corporate bonds	11,990,444	2,555,293
Derivative financial instruments [1]	1,171	3,818
	160,426,220	138,853,921

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

The Company's financial liabilities gives rise to price risk as follows:

	2020 $	2019 $
Australian and overseas equities	**10,456,475**	17,325,799

A detailed analysis of the Company's investment portfolio is presented on page 9. 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 movements in the underlying market factor of the derivatives.

(iii) 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. The Company does not invest directly into fixed income securities, however, have exposure to interest rates through cash and cash equivalents/borrowings. The Portfolio Manager and the Board of Directors have estimated that the aggregate impact of these exposures on the Company as a whole is minimal.

The table below summarises the Company's exposure to interest rate risks.

	Floating interest rate $	Non-interest bearing $	Total $
At 30 June 2020			
Financial assets			
Cash and cash equivalents	-	-	-
Trade and other receivables	-	446,533	446,533
	-	**446,533**	**446,533**
Financial liabilities			
Bank overdraft	(2,040,146)	-	(2,040,146)
Trade and other payables	-	(200,505)	(200,505)
	(2,040,146)	**(200,505)**	**(2,240,651)**
Net exposure to interest rate risk	**(2,040,146)**	**246,028**	**(1,794,118)**

3 Financial risk management (continued)

(iii) Interest rate risk (continued)

	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	-	302,804	302,804
	18,239,672	302,804	18,542,476
Financial liabilities			
Trade and other payables	-	(236,390)	(236,390)
	-	(236,390)	(236,390)
Net exposure to interest rate risk	18,239,672	66,414	18,306,086

The weighted average interest rate of the Company's cash and cash equivalents at 30 June 2020 is 0.38% (2019: 1.44%).

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 the relevant risk variables.

These sensitivities assume that the movement in a particular variable is independent of other variables.

	2020 $	2019 $
Price risk		
The following summarises the financial impacts of a hypothetical 5% increase and decrease in the market value of the net financial assets and financial liabilities that are carried at fair value as at reporting date.		
Financial assets and liabilities at fair value through profit or loss		
Change in Profit before tax		
• Increase in fair value by 5%	7,498,428	6,942,420
• Decrease in fair value by 5%	(7,498,428)	(6,942,420)
Interest rate risk		
The following only comprises the Company's direct exposure to changes in interest rate risk.		
Cash and cash equivalents		
Change in Profit/ Equity before tax		
• Increase in cash interest rate by 0.5%	(10,201)	91,198
• Decrease in cash interest rate by 0.5%	10,201	(91,198)
Foreign currency risk		
The following summaries the financial impacts of a hypothetical 2% increase and decrease in the respective foreign currencies of United States Dollar ('USD'), Pound Sterling ('GBP'), Euro ('Euro') and Hong Kong Dollar ('HKD').		
Financial assets		
Change in Profit/ Equity before tax		
• Depreciation of USD by 2%	623,244	1,031,510
• Appreciation of USD by 2%	(623,244)	(1,031,510)
Financial assets		
Change in Profit/ Equity before tax		
• Depreciation of GBP by 2%	1,395,550	1,551,019
• Appreciation of GBP by 2%	(1,395,550)	(1,551,019)
Financial assets		
Change in Profit/ Equity before tax		
• Depreciation of EURO by 2%	292,601	-
• Appreciation of EURO by 2%	(292,601)	-
Financial assets		
Change in Profit/ Equity before tax		
• Depreciation of HKD by 2%	2,735	23,385
• Appreciation of HKD by 2%	(2,735)	(23,385)

3 Financial risk management (continued)

Sensitivity analysis (continued)

	2020 $	2019 $
Foreign currency risk (continued)		
Financial liabilities		
Change in Profit/ Equity before tax		
• Depreciation of USD by 2%	135,760	295,038
• Appreciation of USD by 2%	(135,760)	(295,038)
Financial liabilities		
Change in Profit/ Equity before tax		
• Depreciation of GBP by 2%	73,369	51,478
• Appreciation of GBP by 2%	(73,369)	(51,478)

(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.

The maximum exposure to credit risk, at balance date to recognised financial assets, is the carrying amount, 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.

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.

(c) Liquidity risk

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

The Company uses a combination of an overdraft facility and 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)

(c) 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

	Less than 12 months $	More than 12 months $	Total contractual undiscounted cash flows $
At 30 June 2020			
Financial liabilities			
Bank overdraft	2,040,146	-	2,040,146
Trade and other payables	200,505	-	200,505
Financial liabilities at fair value through profit or loss	-	10,456,486	10,456,486
Total financial liabilities	**2,240,651**	**10,456,486**	**12,697,137**

	Less than 12 months $	More than 12 months $	Total contractual undiscounted cash flows $
At 30 June 2019			
Financial liabilities			
Trade and other payables	236,390	-	236,390
Financial liabilities at fair value through profit or loss	-	17,327,499	17,327,499
Total financial liabilities	236,390	17,327,499	17,563,889

4 Fair value measurements

The Company measures and recognises its financial assets and financial liabilities 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 2020.

At 30 June 2020	Level 1 $	Level 2 $	Level 3 $	Total $
Financial assets at FVTPL				
Australian and overseas listed equity securities	137,810,587	-	10,624,018	148,434,605
Convertible and corporate bonds	11,990,444	-	-	11,990,444
Total financial assets	**149,801,031**	**-**	**10,624,018**	**160,425,049**
Financial liabilities at FVTPL				
Australian and overseas listed equity securities sold short *	(10,456,475)	-	-	(10,456,475)
Derivative financial instruments [1]	-	(11)	-	(11)
Total financial liabilities	**(10,456,475)**	**(11)**	**-**	**(10,456,486)**

[1] The fair value of derivatives included in Level 2 of the fair value hierarchy is ($11). The notional value of these derivatives is $1,171 as disclosed on page 10 and in Note 3(a)(ii).

4 Fair value measurements (continued)

(i) Recognised fair value measurements (continued)

At 30 June 2019	**Level 1 $**	**Level 2 $ #**	**Level 3 $**	**Total $**
Financial assets at FVTPL				
Australian and overseas listed equity securities	141,813,415	-	9,372,114	151,185,529
Convertible and corporate bonds	4,990,373	-	-	4,990,373
Total financial assets	146,803,788	-	9,372,114	156,175,902
Financial liabilities at FVTPL				
Australian and overseas listed equity securities sold short *	(17,325,799)	-	-	(17,325,799)
Derivative financial instruments [2]	-	(1,700)	-	(1,700)
Total financial liabilities	(17,325,799)	(1,700)	-	(17,327,499)

[2] The fair value of derivatives included in Level 2 of the fair value hierarchy is ($1,700). The notional value of these derivatives is $3,818 as disclosed in Note 3(a)(ii).

[*] *Any securities sold short by the Company are for hedging purposes only.*

[#] *During the year, the Company has reclassified financial assets measured at FVTPL amounting to $1,659,018 as at 30 June 2019 from Level 2 to Level 3. The Company has consistently applied the Discount to Net asset value ('NAV') valuation technique to value these financial assets measured at FVTPL and has reclassified these investments in the comparative period.*

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 3 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 estimated discount.

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

	30 June 2020 $	**30 June 2019 $**
Opening balance	9,372,114	10,381,859
Transfers during the year	-	5,018,834
Disposals and movement in market value during the year	(5,537,169)	(6,151,676)
Acquisitions during the year	6,789,073	123,097
Closing balance	**10,624,018**	9,372,114

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

Name of Investments	Fair value at 30 June 2020 $	Fair value at 30 June 2019 $	Valuation Technique	Description of valuation technique and inputs used in respect of underlying asset
East Capital Eastern Europe Small Cap Fund	1,362,084	3,796,814	Discount to NAV	Eastern Europe Small Cap Fund, previously named East Capital Deep Value Fund, invests in small and medium sized companies with lower liquidity and performance potential. Eastern Europe Small Cap Fund began liquidating its positions from late in 2019 and returning capital to investors. A monthly NAV continues to be published monthly where the Portfolio Manager models the change in price and currency, since the last published NAV, on the underlying holdings, to obtain a NAV estimate. Given the lack of liquidity in the investment (and the underlying holdings of Eastern Europe Small Cap Fund), the Company has applied an estimated liquidity discount of 23% which is based on discount applied to the last traded parcel and reflects the low liquidity of the underlying holdings.

4 Fair value measurements (continued)

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

Name of Investments	**Fair value at 30 June 2020 $**	**Fair value at 30 June 2019 $**	**Valuation Technique**	**Description of valuation technique and inputs used in respect of underlying asset**
Blue Capital Alternative Income Fund	1,005,593	2,655,989	Discount to 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 trust 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	698,233	826,925	Discount to 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 traded price and applies this discount to any new information released prior to the valuation date. The last traded discount to NAV was 10.85%. This discount is applied to the latest NAV that is released on a monthly basis by the company.
Boussard & Gavaudan Eire Fund Class A EUR	5,531,762	-	Discount to NAV	In October 2019, GVF elected to convert it's holding in a listed closed end fund into an unlisted fund called Boussard & Gavaudan Eire Fund Class A EUR. Redemptions of this fund are limited to 4% per month from 2022. To value the security, the Portfolio Manager uses a straight-line tightening of the discount to NAV, starting with the last trade price before delisting and ending at parity in 2024, when GVF expects to have redeemed its entire position. The discount used in June 2020 is 19.84%.
Highbridge Multi Strategy Fund	1,257,312	-	Discount to NAV	An investment trust in liquidation that delisted in September 2019 and returned 75% of capital in October 2019. The balance of capital is expected shortly. To value the security, the Portfolio Manager applies a 10% discount to NAV for the remaining assets.
Vietnam Phoenix PE	325,555	955,190	Third party broker price	The price is the average of the highest bid and lowest offer provided by third party brokers.
Others	443,479	1,137,196	Discount to NAV	These investments are generally valued at an estimated discount to their NAV.
TOTAL	**10,624,018**	9,372,114		

4 Fair value measurements (continued)

(c) Valuation sensitivity

The following summarises the financial impacts of a hypothetical 5% increase and decrease in the estimated discount to NAV of the Level 3 investments:

A 5% increase/ decrease in the estimated discount to NAV of East Capital Eastern Europe Small Cap Fund would increase/ decrease the estimated fair value by $68,104.

A 5% increase/ (decrease) in the estimated discount to NAV of Blue Capital Alternative Income Fund would increase/ (decrease) the estimated fair value by $50,280.

A 5% increase/ decrease in the estimated discount to NAV of Life Settlement Assets would increase/ decrease the estimated fair value by $34,912.

A 5% increase/ decrease in the estimated discount to NAV of Boussard & Gavaudan Eire Fund Class A EUR would increase/ decrease the estimated fair value by $276,587.

A 5% increase/ decrease in the estimated discount to NAV of Highbridge Multi Strategy Fund would increase/ decrease the estimated fair value by $62,866.

A 5% increase/ decrease in the estimated discount to NAV of Vietnam Phoenix PE would increase/ decrease the estimated fair value by $16,278.

There were no transfers of financial assets from Level 1 to Level 3 (2019: $826,922) and no transfers of financial assets from Level 2 to Level 3 of the fair value hierarchy during the year (2019: $4,191,912). Total realised gains/ (losses) on sale of Level 3 investments included in “net realised gains on disposal of investments” in the Statement of Profit or Loss and Other Comprehensive Income are as follows:

	$
Vietnam Phoenix Fund	35,628
East Capital Eastern Europe Small Cap Fund	121,822
Life Settlement Assets	86,454
	166,920

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.

Cash and cash equivalents and trade and other receivables are short-term assets whose carrying amounts are equivalent to their fair values.

5 Income tax expense

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

	2020 $	2019 $
Prima facie tax on profit before income tax at 30% (2019: 30%)	9,579	1,488,356
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Foreign income tax offset and franking credits gross up	100,310	121,041
Foreign income tax offset and franking credits	(287,709)	(403,466)
Other non-assessable items	70,932	(81,439)
Income tax (benefit)/ expense	**(106,888)**	1,124,492
The applicable weighted average effective tax rates are as follows:	**(334.77%)**	22.67%

Total income tax expense results from:

	2020 $	2019 $
Current tax liability	1,039,932	1,212,808
Deferred tax liability	(900,386)	(78,816)
Deferred tax asset	(246,434)	71,938
Other	-	(81,438)
Income tax expense	**(106,888)**	1,124,492

(b) Current tax (asset)/ liability

	2020 $	2019 $
Opening balance	-	(62,278)
Prior year income tax refund/ (paid)	(41,564)	810,615
Current year income tax paid	(492,638)	(1,908,307)
Under/(over) provision	-	(52,838)
Credited to statement of profit or loss and other comprehensive income	1,039,932	1,212,808
Closing balance	**505,730**	-

(c) Deferred tax assets

The balance comprises temporary differences attributable to:

	2020 $	2019 $
Accruals	32,817	26,848
Fair value adjustments	281,653	-
Capitalised costs	69,927	111,115
	384,397	137,963
Movements:		
Opening balance	137,963	214,988
Under/ (over) provision	-	(5,087)
(Charged) /credited:		
- to statement of profit or loss and other comprehensive income	246,434	(71,938)
- to equity	-	-
Closing balance	**384,397**	137,963

(d) Deferred tax liabilities

The balance comprises temporary differences attributable to:

	2020 $	2019 $
Fair value adjustments	61,907	987,464
Accruals	44,861	19,690
	106,768	1,007,154
Movements:		
Opening balance	1,007,154	1,085,970
Under/ (over) provision	-	-
Charged/credited:		
- to statement of profit or loss and other comprehensive income	(900,386)	(78,816)
Closing balance	**106,768**	1,007,154

	2020 $	2019 $
6 Cash and cash equivalents		
(Bank overdraft)/ Cash at bank	**(2,040,146)**	18,239,672

7 Trade and other receivables

	2020 $	2019 $
Dividends receivable	102,723	65,635
Interest receivable	229,943	137,649
GST receivable	3,803	23,481
Withholding tax recoverable	110,106	55,714
Other receivable	113,867	99,520
	560,442	381,999

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:

	2020 $	2019 $
Australian and overseas listed equity securities	148,434,605	153,620,609
Convertible and corporate bonds	11,990,444	2,555,293
	160,425,049	156,175,902

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

	2020 $	2019 $
Australian and overseas listed equity securities sold short	10,456,475	17,325,799
Derivative financial instruments	11	1,700
	10,456,486	17,327,499

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.

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.

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.

9 Trade and other payables

	2020 $	2019 $
Management fees payable	-	48,464
Performance fees payable	-	-
Dividends payable	15,626	16,282
Interest payable	50,309	39,181
Administration services payable	21,030	22,147
Audit fees payable	31,957	33,671
Other accruals and payables	81,583	76,645
	200,505	236,390

Trade and other payables are non-derivative financial liabilities. Management and performance fees payable to the Portfolio Manager are usually paid within 30 days of recognition. All other trade and payables are due within 12 months of the reporting date.

10 Issued capital

(a) Share capital

	30 June 2020 No of shares	30 June 2020 $	30 June 2019 No of shares	30 June 2019 $
Ordinary shares	**147,828,607**	**151,350,505**	147,695,772	151,227,208

(b) Movements in ordinary share capital

	Number of Shares	Issue price	$
30 June 2020			
Opening balance at 1 July 2019	147,695,772		151,227,208
Shares issued to participants in the dividend reinvestment plan *	132,835	0.9282	123,297
Closing balance	**147,828,607**		**151,350,505**
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

* Under the terms of the Dividend Reinvestment Plan ('DRP'), 132,835 shares were acquired on-market for DRP participants at $0.9282 per share. These shares were applied to the holdings of the DRP participants as at the fully-franked interim FY2020 dividend payment date of 13 May 2020.

As the share price for the Company was less than the Company's net tangible asset value per share at the time of the final dividend for FY2019 payment on 11 November 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.

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 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 net tangible assets 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.

	2020 $	2019 $
11 Profits reserve and accumulated losses		
(a) Profits reserve		
Profits reserve	**11,687,506**	8,974,562
Movements:		
Opening balance	8,974,562	14,429,042
Transfer of profits during the year	11,279,298	3,836,693
Dividends paid	(8,566,354)	(9,291,173)
Balance as at the end of the year	**11,687,506**	8,974,562
(b) Accumulated losses		
Accumulated losses	**(14,977,758)**	(3,837,277)
Movements:		
Opening balance	(3,837,277)	(3,837,277)
Net profit for the period	138,817	3,836,693
Transfer of profits during the year	(11,279,298)	(3,836,693)
Balance as at the end of the year	**(14,977,758)**	(3,837,277)
12 Dividends		
(a) Dividends paid		
Interim fully-franked ordinary dividend of 2.90 cents per share (2019: 3.15 cents per share)	4,283,177	4,652,417
Final fully-franked dividend of 2.90 cents per share (2019: 3.15 cents per share)	4,283,177	4,638,756
	8,566,354	9,291,173
(b) Dividends not recognised at the end of the financial year		
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 2020 and a record date of 1 October 2020, expected to be paid on 9 November 2020 out of the profits reserve at 30 June 2020, but not recognised as a liability at year end, is:	**4,287,030**	4,283,177

(c) Dividend reinvestment plan

The Company's dividend reinvestment plan ('DRP') will be in effect for the fully-franked FY2020 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 Net Tangible Asset ('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 per share, dividends are paid as newly issued shares in the Company. If the share price for GVF is above the Company's NTA per share 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 per share of the Company on this day. If the share price for GVF is less than its NTA per share 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 onmarket 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.

	2020 $	2019 $

12 Dividends (continued)

(d) Dividend franking account

The franked portions of the final dividends recommended after 30 June 2020 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 2020.

	2020 $	2019 $
Opening balance of franking account	4,435,940	5,851,850
Franking credits on dividends received	275,916	273,756
Franking credits on dividends paid	(3,671,295)	(2,787,358)
Tax paid during the year	534,203	1,097,692
Closing balance of franking account	**1,574,764**	4,435,940
Adjustments for tax payable in respect of the current year's profits and the receipt of dividends	505,730	-
Adjusted franking account balance	**2,080,494**	4,435,940
Impact on the franking account of dividends proposed or declared but not recognised as at 30 June 2020	(1,837,298)	(1,835,647)
Franking credits available for subsequent reporting periods based on a tax rate of 30.0%	**243,196**	2,600,293

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

	2020 $	2019 $
Short-term employee benefits	77,625	77,625
Post-employment benefits	7,375	7,375
	85,000	85,000

Detailed remuneration disclosures are provided in the remuneration report on pages 16 to 18.

(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.

2020

Director	Balance at 1 July 2019	Acquisitions	Disposals	Balance 30 June 2020
Jonathan Trollip [1]	425,000	-	-	425,000
Chris Cuffe [2]	1,374,969	115,031	-	1,490,000
Geoffrey Wilson [3]	1,380,581	-	-	1,380,581
Miles Staude [4]	135,000	20,000	-	155,000
	3,315,550	**135,031**	**-**	**3,450,581**

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

[2] 350,000 shares beneficially held by Cherryoak Investments Pty Limited ATF C & N Family Trust, 1,100,000 shares beneficially held by Australian Philanthropic Services Pty Limited ATF Australian Philanthropic Services Foundation and 40,000 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] 155,000 shares beneficially held by Staude Capital Pty Limited

(b) Equity instrument disclosures relating to key management personnel

(i) Shareholdings (continued)

2019

Director	Balance at 1 July 2018	Acquisitions	Disposals	Balance 30 June 2019
Jonathan Trollip [5]	425,000	-	-	425,000
Chris Cuffe [6]	1,001,230	686,011	312,272	1,374,969
Geoffrey Wilson [7]	1,346,590	33,991	-	1,380,581
Miles Staude [8]	115,000	20,000	-	135,000
	2,887,820	740,002	312,272	3,315,550

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

[6] 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

[7] 1,380,581 shares beneficially held by GW Holdings Pty Limited <Edwina A/C>

[8] 135,000 shares beneficially held by Staude Capital Pty Limited

14 Remuneration of auditors

The Company appointed Deloitte Touche Tohmatsu ('current auditor') to replace Pitcher Partners ('former auditor') as auditor of the company on 12 November 2019.

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

	2020 $	2019 $
Auditing and reviewing the financial report	-	49,500
Other services provided by a related practice of the auditor:		
Taxation services	11,442	13,900
Other non-assurance services	-	-
Total auditor remuneration to Pitcher Partners	**11,442**	63,400

From 12 November 2019, the following fees were paid or payable for services provided by the current auditor of the Company and its related practices:

	2020 $	2019 $
Auditing and reviewing the financial report	42,000	-
Other services provided by a related practice of the auditor:		
Taxation services	23,500	-
Other non-assurance services	-	-
Total auditor remuneration to Deloitte Touche Tohmatsu	**65,500**	-

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 non-audit related services provided by 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 2020.

16 Related party transactions

All transactions with related parties were made on normal commercial terms and conditions and at market rates.

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.

Mirabella Financial Services LLP ('Mirabella') is the Investment Manager of the Company. Mirabella has a legal agreement with Staude Capital Limited, an entity associated with Miles Staude who is a Director of the Company, whereby certain individuals from Staude Capital Limited are seconded into Mirabella to perform portfolio management services for the Company. Miles Staude benefits from the manager fees payable to Mirabella, as listed below:

Assignment fee

Mirabella has assigned all rights, 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.

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.

Management fee

In its capacity as manager, the Mirabella 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 2020 the manager was entitled to a management fee of $2,319,409 (2019: $2,366,652), of which $579,852 was paid to BIM. As at 30 June 2020, the balance payable was $nil (2019: $48,464).

Performance fee

In return for the performance of its duties as manager of the investment portfolio, Mirabella 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 2020, no performance fee was payable to the manager (2019: $nil). As at 30 June 2020, the balance payable was $nil (2019: $nil).

The management agreement was for an initial term of five years from 18 May 2014 and which was automatically renewed for a further term of five years on 18 July 2019.

17 Events occurring after the reporting period

Since year end the Company has declared a fully-franked final dividend for FY2020 of 2.90 cents per share, to be paid on Monday 9 November 2020. The ex-dividend date is Wednesday 30 September 2020 and the record date for entitlement to the FY2020 final dividend is Thursday 1 October 2020.

The Company's DRP will be in effect for the final FY2020 dividend payment.

The DRP participation enrolment deadline for the final dividend is 5.00 pm (AEDT) Friday 2 October 2020.

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

	2020 $	2019 $
Profit for the year	138,817	3,836,693
Unrealised foreign exchange (gains)	(46,814)	(206,361)
Unrealised losses on market value movement	1,112,166	3,440,417
Change in operating assets and liabilities:		
(Increase) in trade and other receivables	(178,441)	(306,799)
(Increase)/ Decrease in investments held for trading	(12,232,326)	13,118,468
(Increase)/ Decrease in deferred tax assets	(246,435)	77,025
(Decrease) in trade and other payables	(35,885)	(908,851)
Increase in provision for income taxes payable	505,730	935,839
(Decrease) in deferred tax liabilities	(900,387)	(952,376)
Net cash (outflow)/ inflow from operating activities	**(11,883,575)**	19,034,055

(b) Non cash financing activities

	2020 $	2019 $
Dividends reinvested	**123,297**	469,053

19 Earnings per share

	2020 $	2019 $
Profit after income tax used in the calculation of basic and diluted earnings per share	**138,817**	3,836,693

(a) Basic and diluted earnings per share

	Cents	Cents
Basic and diluted earnings per share attributable to the ordinary equity holders of the Company	**0.09**	2.60

(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	**147,712,467**	147,538,945

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 21 to 43 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 2020 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 made pursuant to section 298(2) of the *Corporations Act 2001*.

Jonathan Trollip
Chairman

Sydney
21 August 2020

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Independent Auditor's Report to the Members of Global Value Fund Limited

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 2020, statement of profit or loss and other 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 the Company 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 2020 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 (including Independence Standards) (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 in 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 for the current period. 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 the scope of our audit responded to the Key Audit Matter
Valuation and existence of financial assets and liabilities held at fair value through profit or loss As at 30 June 2020, the Company's financial assets and liabilities held at fair value through profit or loss amounted to $149,968,563 (including both long and short positions). The Company's financial assets and liabilities held at fair value represent the most significant driver of the Company's revenue and its performance. The fluctuations in financial assets and liabilities held at fair value also impact the realised and unrealised gains/(losses) recognised in the statement of profit or loss and other comprehensive income, which in turn also affects the current and deferred tax provisions.	In conjunction with our valuation specialists, our procedures included, but were not limited to: • evaluating relevant controls in place at the outsourced service providers (i.e. administrator and custodian) in relation to the valuation and existence of financial assets at fair value through profit or loss, including any exceptions noted; • obtaining an understanding of the design and implementation of relevant controls in relation to the valuation of Company's unlisted equity securities; • agreeing on a sample basis, the valuation of listed equity securities to an independent pricing source; • assessing and challenging the valuation methodology used by the management to estimate the fair value of investments in unlisted equity securities;

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As disclosed at Note 4 and 8 to the financial statements, the financial assets and liabilities held at fair value through profit or loss comprised of: • listed equity securities, • listed corporate bonds, • listed convertible notes; and • unlisted equity securities. The Company exercises judgement in valuing certain financial assets and liabilities, where there are significant unobservable inputs required for determining their fair value. These assets and liabilities are known as Level 3 financial instruments. For the Company, these Level 3 financial instruments predominantly consist of investments in unlisted equity securities. Judgement is required in estimating the fair value of these financial instruments.	• obtaining the most recent financial statements and net asset value statements, as available, and assessing the movements in the net asset value of the unlisted equity securities; • performing sensitivity analysis on a sample of unlisted equity securities and evaluating the potential impact of upside or downside changes in the key management's inputs and assumptions; • reviewing publicly published information, post 30 June 2020, to corroborate the value of unlisted equity securities; • agreeing on a sample basis, the investment holdings to the external custodian's holdings statement; and • reperforming a reconciliation of the financial assets balance for the year, including the 1 July 2019 investment balance, purchases, sales, other relevant transactions and the 30 June 2020 investment balance. We also assessed the appropriateness of the disclosures in Notes 4 and 8 to 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 2020, 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 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 control 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 has 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.

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- 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 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.

- 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, actions taken to eliminate threats or safeguards applied.

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 16 to 18 of the Directors' Report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of Global Value Fund Limited, for the year ended 30 June 2020, 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.

Deloitte Touche Tohmatsu

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David Salmon

David Salmon
Partner
Chartered Accountants
Canberra, 21 August 2020

The Shareholder information set out below was applicable as at 3 August 2020.

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	178	32,859	0.02
1,001 – 5,000	231	824,925	0.56
5,001 – 10,000	523	4,216,778	2.85
10,001 – 100,000	2,036	69,225,983	46.83
100,001 and over	231	73,528,062	49.74
	3,199	**147,828,607**	**100.00**

There was 1 security holder 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 (%)**
J P Morgan Nominees Australia Pty Limited	9,989,906	6.758
Australian Executor Trustees Limited <No 1 Account>	5,297,243	3.583
Mr Eric George Baker & Mrs Janine Marie Baker <Emu Bay Super Fund A/C>	3,095,707	2.094
BNP Paribas Nominees Pty Ltd Hub24 Custodial Serv Ltd <DRP A/C>	2,921,229	1.976
Tanz Investments Pty Ltd	2,063,606	1.396
Bridgestar Pty Ltd	2,000,000	1.353
Mr Eric George Baker & Mrs Janine Marie Baker	1,800,000	1.218
Dadiaso Holdings Pty Ltd <David Shein Investment A/C>	1,800,000	1.218
HSBC Custody Nominees (Australia) Limited	1,660,782	1.123
G W Holdings Pty Ltd <Edwina A/C>	1,301,036	0.880
Netwealth Investments Limited <Wrap Services A/C>	1,208,823	0.818
Australian Philanthropic Services Foundation Pty Ltd <Aps Foundation A/C>	1,100,000	0.744
Charanda Nominee Company Pty Ltd <Greycliffe Super Fund A/C>	1,000,000	0.676
Plush Nominees Pty Ltd <Plush Superannuation A/C>	500,000	0.338
English Family Super Fund Pty Ltd <N English No1 Super Ben A/C>	496,173	0.336
Netwealth Investments Limited <Super Services A/C>	480,861	0.325
Mr Nicholas Paul Jenkins	467,398	0.316
Piaster Pty Ltd <Trollip Family S/F A/C>	425,000	0.287
Mr Stephen Ronald Hobson <Hobson Investment A/C>	416,090	0.281
Mr Jeremy Peter Shea & Ms Danielle Romani <Super Cat Uncle S/Fund A/C>	406,460	0.275
Total	**38,430,314**	**25.997**
Total remaining holders balance	**109,398,293**	**74.003**

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)	9,548,601	6.47

D. Voting rights

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 2020, the Company recorded 1,371 transactions (2019: 1,203) in securities. Total brokerage paid and accrued was $773,631 (2019: $480,348) for the year.

I. On market buy-back

There is currently no on market buy-back.