STAUDE CAPITAL
GLOBAL VALUE FUND

24th August 2022

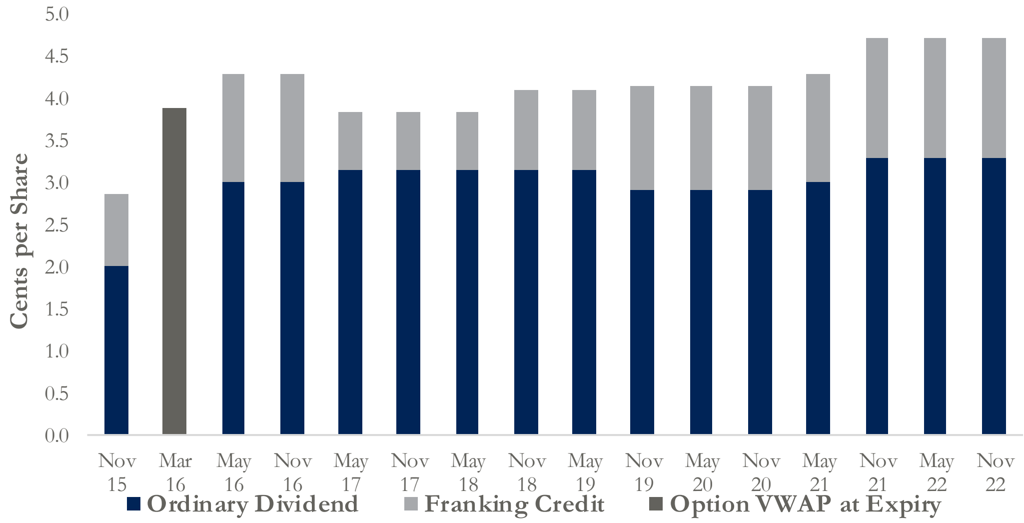
GVF delivers positive returns despite market falls

Highlights

- Operating profit before tax of $6.2M
- Positive investment performance of 3.3%, inclusive of franking
- Shareholder total returns of 5.2% for the year
- Company maintains high dividend pay-out rate, despite market falls

Global Value Fund Limited (ASX: GVF) ('GVF' or 'the Company') announces an operating profit before tax of $6.2 million and an operating profit after tax of $5.5 million, for the full year ended 30 June 2022. Despite there being significant falls recorded for most asset classes during FY2022, the Company was pleased to generate positive investment returns for shareholders. Adjusted pre-tax Net Tangible Assets (NTA) increased by 2.8%[1], or 3.3% if we include the benefits of franking credits the company received during the year. Shareholder total returns for the period were +5.2%[2], driven by the continued high level of dividend payments the Company makes. Once again, the biggest contributor to the Company's investment returns over the year was GVF's discounted capture strategy, which generated gross returns of +6.1%. The successful application of this investment strategy was thus able to more than offset the losses incurred from the falls seen in markets over the period.

Company Chairman Jonathan Trollip said: "FY2022 was a challenging year for investors, with most traditional asset classes recording noticeable losses over the period. Despite these headwinds, it is pleasing to report that the Company delivered positive investment returns over the year. The positive investment returns, and the healthy profit reserves that the Company has built up in prior years, has allowed the board to declare a fully franked final dividend of 3.3 cents per share for FY2022, maintaining the Company's high current dividend payment rate. The Company's profit reserve stood at 22 cents per share at the end of June 2022, while the chart below shows GVF's dividend payment history."



1 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.
2 Shareholder total returns include dividend payments and franking credits. Source Bloomberg LLP.

FY2022 review and Company outlook

Portfolio Manager Miles Staude said: “FY2022 will be remembered as the year that central banks finally took away the proverbial punch bowl. With consumer prices across the rich world rising by more than 9% year-on-year, central banks have begun tightening monetary policy at one of the fastest rates on record. Leading the way has been the US Federal Reserve, which lifted interest rates from 0.25% to 2.5% between just March and July of this year, while guiding the market to expect interest rates to reach 3.5% by December this year, and 4% the year after. Not since before the Global Financial Crisis (GFC) in 2008 have interest rates been that high. Indeed, in 9 out of the last 14 years, short-term US interest rates have effectively been zero, (or said another way, anybody under the age of 35 in the market today has only ever experienced money as essentially being ‘free’).

Three main factors have led us to where we are. In trying to prevent a complete economic collapse during the Covid-19 pandemic, policy makers erred on the side of too much stimulus, rather than too little. In their defence, worrying about high rates of inflation had become almost an antiquated concern pre-pandemic, while the risk of providing insufficient support during the depths of the crisis seemed catastrophic. Next, the voracious surge in consumer demand that followed this stimulus ran headlong into China’s zero-covid policy, which shuttered factories across the country and greatly slowed the Chinese economy - right at a time of peak rich world demand. Finally, Russia’s invasion of Ukraine in February compounded already bunged up supply chains and sent food and fuel prices soaring.

The result of these forces has been inflation surging to 40-year highs in many countries. Central banks, which until recently had been behind the curve, have moved quickly to get out in front of the problem by aggressively tightening monetary conditions. In doing so, they precipitated the significant market falls we saw during the second half of FY2022.

FY2022 hopefully represents a good example of the benefit that GVF’s unique investment approach can provide to shareholders. In what was a particularly bleak year for most asset classes and investment strategies, the Company generated positive investment returns. Adjusted pre-tax NTA[3] increased by 2.8%, or 3.3% if we include the benefits of franking credits the company received during the year. Once again, the biggest contributor to the Company’s returns over the year was our discounted capture strategy, which generated gross returns of +6.1%. The strong performance from our underlying core strategy was thus able to more than offset the losses we incurred from the falls in markets seen over the year.

Over FY2022, GVF ran with an average see-through equity market exposure of 37%, and with an average see-through credit market exposure of 23%. The Company’s investment return of +2.8% thus compares very favourably to the returns seen in both global equity and bond markets, which fell 8.5% and 9.5% respectively in Australian dollar terms over the same period.

Inflation will be the key issue that drives asset price returns over the coming few years. Chiefly, whether its rapid reappearance is a short-term phenomenon caused by our response to the pandemic, or whether what we are seeing now represents the start of a new economic backdrop. Rightly or wrongly, investors today are betting on the former. Current market pricing predicts that inflation is about to peak, and that central banks will be able to move back to a more accommodative stance later this year or early next. At the same time, a significant growth slowdown is clearly ahead of us, one that could end in recession. With inflation supposedly peaking and growth slowing, we have seen a reappearance of the ‘bad news is good news’ thematic in

[3] 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

markets. Indeed, one of the key reasons that riskier assets have been rallying from their June lows, is that markets currently expect the US Fed to begin cutting interests rates again in the second half of 2023.

The danger to this consensus view, of course, is that markets have been betting that inflation was about to peak for over a year now, a prediction that has been consistently wrong.

As ever, we do not pretend to be able to divine what lies around the corner in terms of market directionality. Our process focuses on investing into a diversified basket of global assets, all purchased at a discount to their intrinsic value, and then seeking to unlock this value for the benefit of all investors. For our particular investment strategy, the silver lining to the recent market correction is that it has thrown up several interesting opportunities for us to invest into at very favourable levels, a development that hopefully sets us up well for the year ahead. Finally, one of the most important guiding principles for the team is that we remain acutely aware of the fact that the capital we are investing represents other peoples' savings. To the extent we can, our process seeks to mitigate the risk of capital losses through diversification and thoughtful risk management, a discipline we will always adhere to, even if it means foregoing some of the upside during times of very strong markets.

Pleasingly, our process came together as best as we could have hoped during FY2022, with the Company generating positive investment returns despite noticeable falls in most other asset classes. For FY2023, we expect little to change in terms of our approach. We see considerable value embedded within the current GVF portfolio, value we will work to unlock regardless of what markets throw at us during the year ahead."

GVF AGM

As previously announced to shareholders, GVF portfolio manager, Miles Staude, and GVF head of corporate affairs, Emma Davidson, will be opening a new Staude Capital office in Sydney in November of this year, and relocating their family back to Australia. This development should allow both Miles and Emma to spend more time meeting with shareholders over the years ahead. The new Sydney office will complement the portfolio management teams' existing London office, allowing the team to cover the various Asian markets more closely as part of their global investment remit. In anticipation of opening their second office, Staude Capital recently hired Marios Charalambous to work alongside Mark Ambrose and James Dow in London. Marios joins Staude Capital from Coremont LLP and holds a BA in Mathematics from the University of Oxford.

The Board is pleased to see Staude Capital expanding the portfolio manager team and has confidence that the initiative to open a second office will be a success.

Taking advantage of their new domicile, Emma and Miles will be able to attend the FY2022 AGM in person, where they will provide a presentation to investors following the conclusion of the Company's AGM business on the day. Shareholders who cannot attend the Sydney meeting in person will be able to participate in the presentation through a live video facility and a recording of the presentation will also be circulated to shareholders after the event.

The AGM and shareholder presentation will be held on 24 November 2022 at 15.00 AEDT and the Company will circulate details on how to particulate in the event closer to the date.

FY2022 final dividend of 3.3 cents per share, fully franked

The Board has resolved to pay a final fully franked dividend of 3.3 cents per share for FY2022. The record date for the FY2022 final dividend is 3 October 2022 and the final dividend will be paid on 8 November 2022. GVF shares will trade ex-dividend on 30 September 2022.

FY2022 key dates*

Ex-dividend date	30 September 2022
Dividend record date	3 October 2022
Last election date for DRP	4 October 2022
Dividend payment date	8 November 2022

*These dates may be subject to change

Dividend reinvestment plan

The Company's dividend reinvestment plan ('DRP') will be in effect for the fully-franked FY2022 final dividend of 3.3 cents per share.

The DRP has been designed so that participants will always receive the lowest reinvestment price possible, without their reinvestment diluting the pre-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 on market 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 FY2022 final dividend is 5.00 pm (AEDT) Tuesday 4 October 2022. Details of the DRP are available on the Company's website, click here.

FY2023 dividend guidance

The Board currently anticipates that both the interim and final dividend for FY2023 will be 3.3 cents per share, franked as fully as possible. Whether a further increase in dividend payments in FY2023 is possible will depend on the Company's investment performance during the year.

The above dividend guidance is not a formal declaration of dividends for FY2023. The size and payment of any interim or final dividend for FY2023 will be subject to the Company having sufficient profit reserves and the dividend payment being within prudent business practices. If a FY2023 interim dividend is declared, the Board expects that it would be payable during May 2023.

Contact

Shareholders or interested parties who would like to discuss the full year results, or who have general enquires about the Company, are welcome to contact Portfolio Manager, Miles Staude, at miles.staude@globalvaluefund.com.au or 0423 428 972, and Head of Corporate Affairs, Emma Davidson, at emma.davidson@globalvaluefund.com.au or 0401 299 885.

About GVF

Global Value Fund Limited (ASX: GVF) is a listed investment company that provides shareholders with the opportunity to invest globally through a portfolio of securities purchased at a discount to their underlying asset value. By capturing this discount for its shareholders, the Company aims to provide an alternative source of market outperformance compared to more common stock selection strategies.

Staude Capital is based in London and its investment team has considerable experience in finding international assets trading at a discount to their intrinsic worth, and in identifying or creating catalysts that will be used to unlock this value. The investment team at Staude Capital has been seconded into Mirabella Financial Services LLP to manage the Global Value Fund portfolio.

For more information, visit www.globalvaluefund.com.au

Authorised for release by the board of GVF.