

27th October, 2016

GVF announces changes to its investment management arrangements; portfolio management team remain unchanged

Highlights

- Miles Staude and core members of the GVF investment team have established a new London based investment firm, Staude Capital Limited
- Staude Capital has appointed Mirabella Financial Services to act as its regulatory host
- Miles and the team will continue to manage the GVF investment portfolio with an unchanged investment mandate
- New arrangements remove a significant regulatory burden from the portfolio management team and permit a greater focus on investor communications

Global Value Fund Limited (ASX: GVF) (“GVF” or the “Company”) announces changes to the investment management arrangements of the Company. Miles Staude and the key investment personnel at Metage Capital Limited (“Metage”) responsible for the management of GVF have established a new London based investment firm, Staude Capital Limited (“Staude Capital”). Staude Capital has in turn appointed Mirabella Financial Services (“Mirabella”) to act as its regulatory host¹. In tandem with these changes the Board has executed a new investment management agreement with Mirabella, where Miles and the team will continue to manage the GVF investment portfolio with an unchanged investment mandate. The new management agreement is on substantially the same terms as the previous agreement with Metage and has the same expiry date. There is no change to the quantum of management fees payable by GVF.

The Board believes that these changes will result in a more favourable arrangement for shareholders. In recent years the regulatory environment in the United Kingdom has undergone considerable change, placing an increasing burden on smaller firms which lack the scale to maintain substantial in-house legal and compliance resources. The new investment management arrangements that have been put in place by the Board enable the continued management of the Company’s investment portfolio by Miles Staude and the core members of his investment team, whilst now drawing from the considerable expertise and compliance infrastructure available from Mirabella, one of the largest regulatory hosts in Europe. Further, due to the broader regulatory licence held by Mirabella, the new arrangements will allow for the investment management team to undertake a greater level of investor communications with the Company’s shareholders than was previously permitted.

The new arrangements with Mirabella and Staude Capital are set to take effect on 4 November 2016.

Rationale for change

Portfolio Manager Miles Staude said: “Over the past several years there has been a growing wave of new regulations governing the financial services sector. In the UK, governed by a combination of both the UK and European regulatory regimes, the compliance burden on fund managers has never been greater. Further, despite the significant changes already enacted, the regulatory burden is set to increase again in January 2018 when the second European Markets in Financial Instruments Directive (MiFID II) takes effect. To put the scale of the changes that MiFID II will require into context, the Boston Consulting Group recently estimated that just preparing for compliance with this directive would cost the financial services industry US\$2Bn in 2017².

¹ A regulatory host provides its clients with a platform from which they can undertake regulated activities with appropriate FCA permissions, without needing to be directly authorised in their own right.

² “Counting the cost of MiFID II”; Expand, a Boston Consulting Group company.

While the admirable purpose of the seismic regulatory changes which are taking place in London is to create a global benchmark in financial services regulation, the burden of compliance has been disproportionately heavy on smaller fund management companies. The team managing the GVF investment portfolio has always believed that our smaller size is a strength. It allows us to be far nimbler than many of our larger asset management cousins, and thus able to capitalise on a wider range of exciting opportunities for our investors. The challenge that we faced was how to maintain our commitment to sizing our business with our investors' best interests in mind, whilst navigating this ever expanding regulatory burden.

I believe that the new arrangements which have been put in place offer our investors the best of both worlds. By using a dedicated regulatory and compliance host of the size and standing that Mirabella comprises, our investors are assured of a best-in-class compliance commitment within what is today one of the most heavily regulated investment management jurisdictions in the world. Under the new arrangements the team and I will be freed to spend more of our time managing investor capital and, under the new framework in place, permitted to engage in a greater level of investor communications than was previously allowed".

About Staude Capital

Staude Capital is a London based independent investment firm. With the full support and backing of Metage, the company was founded by Portfolio Manager Miles Staude and comprises key members of the Metage team who have managed the Global Value Fund investment portfolio since the Company's IPO in 2014.

Staude Capital's investment professionals have fifty years of combined market experience and have worked together at Metage for the past eight years. The team are experienced global investors who specialise in finding investments trading at a discount to their intrinsic value and in identifying, or creating, catalysts to unlock this value for their clients. The investment philosophy behind this strategy places a high importance on controlling for risk whilst seeking to generate excess market returns.

Staude Capital has appointed Mirabella to act as its regulatory host. Once the new GVF investment management arrangements take effect, Mirabella will become the regulated investment management firm responsible for the Global Value Fund. The agreements that are in place between Mirabella and Staude Capital ensure that Mirabella will only remain the manager of the fund for as long as Staude Capital continues to engage the services of Mirabella.

Staude Capital is an appointed representative of Mirabella Advisers LLP, which is authorised and regulated by the Financial Conduct Authority of the United Kingdom.

For more information, visit www.staudecapital.com

About Mirabella

Mirabella is a dedicated regulatory hosting company. Having provided regulatory hosting services since 2004, today it is one of the largest regulatory hosts in Europe, with assets under management of over A\$7.5Bn.

Mirabella has no commercial links to the performance of any of the funds for which it acts as manager, nor does it have any fee sharing arrangements in place with any of the investment management teams which manage its funds. By maintaining its independence in this way Mirabella's goal is to provide a market leading regulatory and compliance framework, free from any conflicts of interests.

New arrangements commence 4 November 2016

The new arrangements with Mirabella and Staude Capital will take effect on 4 November 2016. The Australian Stock Exchange ("ASX") has confirmed that, as the new management agreement with Mirabella is on substantially identical terms to the existing management agreement between the Company and Metage, shareholder approval is not required to effect the change in manager. GVF, Mirabella and Staude Capital have also exchanged undertakings to provide GVF with confidence that Staude Capital's team will continue to provide management services under the Mirabella investment mandate.

Shareholders who have any queries related to the new management arrangements can contact the Company at ir@globalvaluefund.com.au and miles.staude@globalvaluefund.com.au.

About GVF

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

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