

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%¹ 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 through 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

For the year FY2020, the Company's adjusted pre-tax NTA increased by 0.2%¹. Shareholder total returns for period were +3.4%², 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%³.

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.

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.

³ 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%.



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.

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

Staude Capital Limited is an appointed representative of Mirabella Advisers LLP, which is authorised and regulated by the Financial Conduct Authority. Mirabella Financial Services LLP is the investment manager of the Global Value Fund and has seconded the investment team at Staude Capital to manage the Global Value Fund.