

Investment Update and Net Tangible Assets

Net Tangible Assets (NTA) per share

NTA before tax*	\$1.1825
NTA after tax	\$1.1241

* There were no substantive tax payments made during May.
\$ denotes Australian dollar.

May review

The most notable market development during May was the release of US inflation figures for the month of April. This showed inflation in the world's largest economy rising by 4.2% year-over-year, substantially higher than the already high expectations economists had pencilled in ahead of the release. Markets have been primed for some time for a temporary return of inflation. The underlying base effects in the data this year - which require measurements to be made against the dismal Covid-19 induced conditions of 2020 - mean that there was always going to be a period of unusually high inflation figures coming out during the middle of 2021. The great angst in markets today, however, is whether this current inflationary pulse will prove to be a transitory occurrence, or whether in fact we are on the cusp of a return of something more worrying. As it stands, investors future inflation expectations – as measured by the five-year breakeven rate - are currently at a 15 year high.

The crux of the inflation debate turns on what impact a return of inflation might have on future interest rates. Ultra-low interest rates have pushed all asset classes higher in recent years, particularly the higher-risk parts of the market. Thus, any unwinding of this ultra-low interest rate paradigm should be expected to have a similarly significant impact on markets, only in reverse. This then, is the essence of what markets are worrying about today, as they try and contend with what a return of inflation might mean.

Despite inflation anxieties coming to the fore during May, most asset classes continued their recent moves higher. That said, inflation concerns have driven a significant rotation between the various market sectors that make up the headline index levels we typically focus on. In US\$ terms, global share markets⁴ rose by 1.6%, while global credit markets rose 1.0%⁵. Notably however, the FAANG index of high-growth technology companies – a part of the market that is particularly sensitive to interest rate expectations - fell by 2.5% during the month. Over the past three months, this market sector has declined by 2.2%, compared to an 8.8% gain for global share markets in general – a significant reversal of the sorts of moves we have become used to seeing recently.

In Australia, the local share market rose by 2.3% during May, while in Australian dollar terms, global share markets rose 1.3% and global credit markets rose 0.8%.

May was a very productive month for GVF's discount capture strategy, which added 1.4% to our overall returns. We participated in one large corporate action that took place at a price significantly above our carrying value for the holding. In addition, one of our smaller holdings that we had been adding to recently had a particularly strong month. We are not yet ready to discuss this position publicly, but look forward to updating shareholders on the investment soon.

The GVF investment portfolio increased in value by 2.0% during May. The fund's discount capture strategy contributed 1.4% to returns during the month, while

Global Value Fund Limited

ASX Code	GVF
Listed	July 2014
Shares on issue	173M
Share price	\$1.10
Market cap	\$190M
Total dividends declared ¹	48 cents
Profits Reserve ²	18.3 cents
Fully franked yield ³	7.8%

Company overview

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 investors, the manager aims to provide an alternative source of market outperformance compared to more common stock selection strategies.

It is the Board's intention to pay regular dividends so long as the Company is in a position to do so.

Investment Manager

The portfolio management team is based in London and has considerable experience in finding international assets trading at a discount to their intrinsic value and in identifying, or creating, catalysts to unlock this value.

Investment Management

Miles StauDe, CFA
Fund Manager, Global Value Fund

Board of Directors

Jonathan Trollip

Chairman

Chris Cuffe

Non-executive Director

Geoff Wilson

Non-executive Director

Miles StauDe, CFA

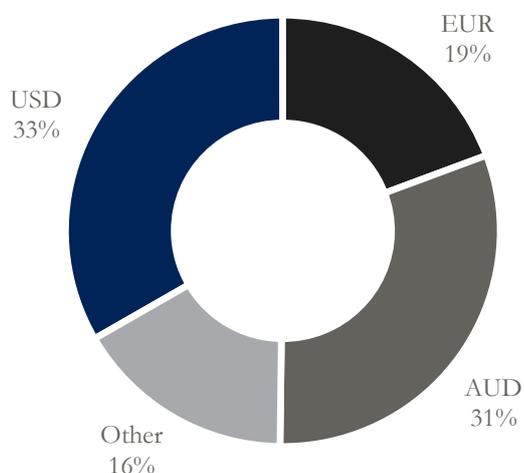
Non-executive Director

Investment Update and Net Tangible Assets. As at 31st May 2021

underlying market movements added a further 1.1%. The remaining attribution of returns during May are explained by unfavourable currency movements and the company's operating costs.

Authorised for release by Miles Staude, Portfolio Manager and Director.

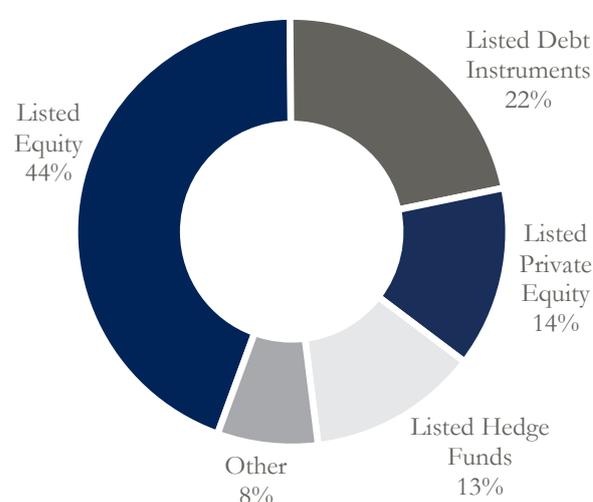
Underlying Currency Exposures



The above chart reflects the manager's estimate of the currency exposures arising from the portfolio's underlying investments and cash balances as at 31st May.

Including emerging market currencies that are chiefly pegged to the US\$, the fund's US\$ exposure is approximately 40%.

Underlying Asset Classes



The above chart reflects the manager's estimate of the underlying asset classes held through the fund's portfolio of investments as at 31st May.

Exposure to cash represents both cash balances held by the Company and the underlying cash holdings of the fund's portfolio of investments.

Significant Holdings⁶

Holding	% NTA	Summary
Ellerston Global Investments	8.3%	Australian listed investment company (LIC) that holds a portfolio of global equities. Having traded below Net Asset Value (NAV) for some time, the board implemented a restructuring of the LIC and converted the company into an open-ended trust.
VPC Specialty Lending Investments	5.8%	London-listed closed-end fund (CEF), managed by a US investment manager, that predominantly lends to middle market financial companies mainly in the US. The company currently pays a yield of c.9.4% pa based on the current share price, and trades on a discount of 16.2% to NAV. In conjunction with continuation vote in 2020, and following pressure from shareholders (including GVF), the company put in place an opportunity for shareholders to realise some or all of their investment at NAV in 2023, if discount or performance targets are not achieved.
Third Point Investors	5.6%	London-listed CEF that acts as a feeder fund into a global event-driven, value-oriented hedge fund. The CEF currently trades on a 13.7% discount to its NAV. Under pressure from shareholders, the Board recently completed a strategic review into the fund's discount problem, putting in place several initiatives to try and improve the situation. Notwithstanding this, we believe there is shareholder support for additional measures to be taken.
Highbridge Tactical Credit Fund	5.6%	London-listed CEF which acts as a feeder-fund into a market-neutral credit hedge fund run by Highbridge Capital Management, a leading global hedge fund firm based in New York. The fund has now entered into a managed wind-down and will return capital to shareholders over the next year. Given the current discount, the managed wind-down represents an exit approximately 3.6% above the current share price.
Harbourvest Global Private Equity	5.4%	London-listed CEF with a diversified portfolio of private equity funds investments. The fund trades on a wide discount to its reported asset backing, but owing to the lag with which private equity funds report their performance, the embedded value is even greater than this.



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¹ Grossed up dividends of 47.81c declared from IPO at \$1 through to 13th May 2021, the HY2021 interim dividend payment date.

² The profits reserve sits at 18.3c as of 31st May 2021. This is after the semi-annual 3c fully franked dividend was paid 13 May 2021.

³ Based on the end of month share price of 1.10 and the FY2021 dividend guidance of 6.0 cents per share, fully franked.

⁴ All references to global shares markets refer to the total return (price and dividends) of the MSCI All Country World Equity Index.

⁵ All references to global credit markets refer to the Bloomberg Barclays Global Credit Total Return Index.

⁶ In order to protect the interests of GVF shareholders, certain large holdings may not always be publicly disclosed.

Unless otherwise stated, source for all data is Bloomberg LP and data as of 31st May 2021.

Staide 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 Staide Capital to manage the Global Value Fund. This information is not an offer to buy or sell, or solicitation of an offer to buy or sell, any security or investment. Investors should read the Fund prospectus before making a decision to invest.

Past performance is not an indicator of future returns. This document is not suitable for distribution into the EEA.