

Investment Update and Net Tangible Assets

Net Tangible Assets (NTA) per share

NTA before tax*	\$1.2040
NTA after tax	\$1.1419

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

June review

Throughout the pandemic, the anchor that markets have held onto in the face of the daunting challenges that Covid 19 has brought, has been a resolute belief that monetary policy would remain exceedingly loose. June put a sizeable dent into the market's faith of that world view. At their June meeting, US Federal Reserve officials signalled they expect to raise interest rates in 2023, sooner than they had previously thought, with growth recovering rapidly alongside a (hopefully) temporary spurt of very high inflation. Reenforcing their concerns on the latter, US consumer prices for May were released during the month. These showed prices rising by 5% compared a year ago, the fastest pace of price acceleration in nearly 13 years.

Risk assets recorded a sizeable sell-off on the back of the announcement by the Fed, while the US dollar strengthened against most currencies. That mix, of a sell-off in riskier assets in general, and broad US dollar strength, combined to push the Australian dollar down by 3.1% during June, its largest monthly fall since March of last year. By month end, global share markets⁴ had recovered their losses, ending the month 1.3% higher in US\$ terms, and once again at an all-time high. In contrast, global credit markets⁵ failed to recover their losses following the Fed's announcement, ending June down 0.1% in US\$ terms.

In Australia, the local share market rose by 2.3% during June, while the large fall in the Australian dollar greatly boosted global investment returns for local investors. In Australian dollar terms, global share markets and global credit markets moved 4.5% and 3.1% higher respectively.

The prospect of increasing interest rates are now on the horizon. Markets in turn are going to have to decide if they are comfortable letting go of the crutch that has supported them since the pandemic began, and trust that the economic cycle is now firmly enough established to be self-sustaining. Looking ahead, market pricing from here is likely going to be defined by a new debate – one that we have not seen for some time – the risk of central bank 'policy mistakes' - i.e. the risk that policy makers begin to tighten too fast.

June was a quieter month for GVF. The fund opened one new trade while continuing to add to a number of existing positions. The fund also participated in one small corporate action.

The GVF investment portfolio increased in value by 1.9% during June. The fund's discount capture strategy contributed 0.2% to returns during the month, while the depreciation of the Australian dollar added a further 1.4%. The remaining attribution of returns during June are explained by the fund's underlying market exposures and the company's operating costs.

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

Global Value Fund Limited

ASX Code	GVF
Listed	July 2014
Shares on issue	173M
Share price	\$1.13
Market cap	\$195M
Total dividends declared ¹	48 cents
Profits Reserve ²	20 cents
Fully franked yield ³	7.6%

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

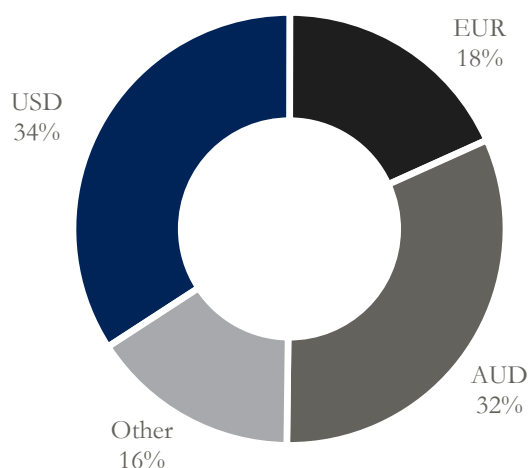
Non-executive Director

Miles Staude, CFA

Non-executive Director



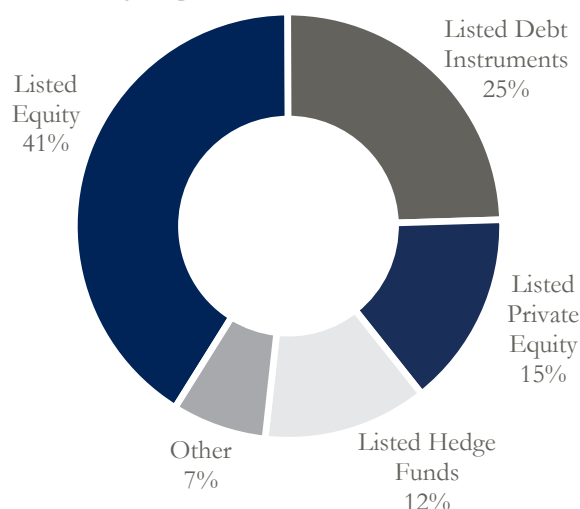
Underlying Currency Exposures



The above chart reflects the manager's estimate of the currency exposures arising from the portfolio's underlying investments and cash balances as at 30th June.

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 30th June.

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	8.5%	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.
Third Point Investors	6.1%	London-listed closed-end fund (CEF), that acts as a feeder fund into a global event-driven, value-oriented hedge fund. The CEF currently trades on a 11.4% 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.
VPC Specialty Lending Investments	5.8%	London-listed 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.9.5% pa based on the current share price, and trades on a discount of 19.0% 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.
Highbridge Tactical Credit Fund	5.5%	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 3.4% above the current share price.
Harbourvest Global Private Equity	5.5%	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.

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 20c as of 30th June 2021.



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³ Based on the end of month share price of 1.13 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 30th June 2021.

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. 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.