

Investment Update and Net Tangible Assets

Net Tangible Assets (NTA) per share

| | |
|-----------------|----------|
| NTA before tax* | \$1.2513 |
| NTA after tax | \$1.1802 |

* This is after the deduction of tax payments totalling \$1.8M which the Company made during November.

\$ denotes Australian dollar.

November review

Foremost on the market's mind for some time now has been inflation and its potential impact on the future path of interest rates. As the monthly inflation data has steadily printed higher, expectations have been building for the pace of central bank monetary tightening to pick up. US monthly CPI inflation hit 6.2% during November, the highest rate of inflation the country has faced in over 30 years, while in Europe it reached 4.9%, a reading that was well ahead of all market expectations. In response to this incoming data, the US Fed announced that it would begin to reduce (or taper) its monthly purchases of treasury bonds and mortgage-backed securities. Financial markets now expect it to begin raising interest rates shortly after this program has been ended in the early part of next year.

How quickly central banks tighten will have far-reaching consequences, so it is understandable that financial markets have spent much of their time seesawing on this important theme in recent months. However, the final week of November reminded us that there is a much greater universe of market drivers out there than the recent myopic focus on inflation rates would suggest. In this case, sadly, it was the news of a new highly troubling Coronavirus variant, since named Omicron.

Concerns that Omicron would be both very communicable, and likely able to evade much of the benefits afforded by existing vaccines, sent financial markets sharply lower in the final week of November. Global share markets⁴ fell 2.4% in US\$ terms, while global credit markets⁵ fell 0.8%. In tandem with a sharp correction in commodity prices during the month, the A\$ fell by 5.2%, which had the effect of offsetting these market falls when measured in A\$ terms. Thus, in A\$ terms, global share and bond markets rose by 2.9% and 4.6% respectively, while the local Australian share market index fell 0.5% over the month.

Turning to the GVF portfolio, listed private equity was again a meaningful contributor to performance during November. Notably, shares in Harbourvest Global Private Equity (HVPE) were up almost 9%, the vast majority of which came from discount capture, as the share price began to anticipate the NTA performance that is yet to feed through – a 'lag effect' we have discussed in previous monthly reports and in the recent AGM presentation, a recording of which can be seen [here](#).

One of our high-conviction holdings that we have discussed this year, Amedeo Air Four Plus (AA4), fell by 8% in November, a likely reaction to the news about the new Omicron variant. However, it is worth highlighting that on the first day of December, shares in AA4 (4.4% of NTA at November month end) rallied 26%, after a positive announcement by the company. GVF has continued to add to its investment in AA4 in recent months, given what we see as a compelling deep discount, an asymmetric risk/reward profile, and improving underlying fundamentals.

For some time, our investment thesis in AA4 has been underpinned by: a large cash balance that covered most of AA4's market cap and which we expected to be distributed in due course; long-term leases to Emirates, which have continued to be

Global Value Fund Limited

| | |
|---------------------------------------|-----------|
| ASX Code | GVF |
| Listed | July 2014 |
| Shares on issue | 174M |
| Share price | \$1.165 |
| Market cap | \$202M |
| Total dividends declared ¹ | 53 cents |
| Profits Reserve ² | 22 cents |
| Fully franked yield ³ | 8.1% |

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

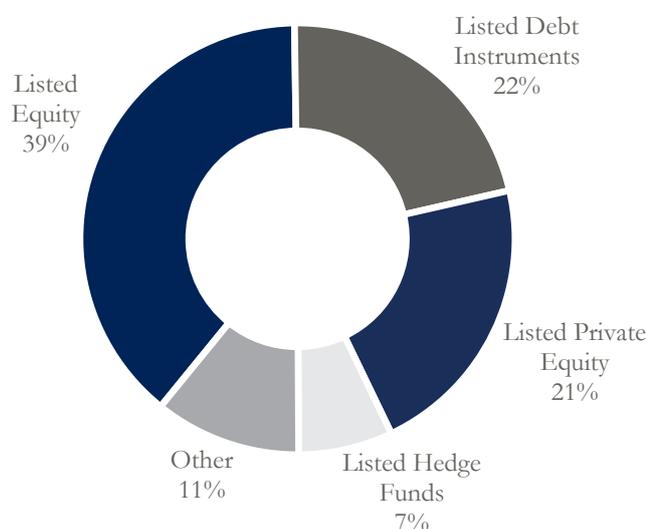
paid in-full and on time throughout the pandemic, and which we estimate could support a dividend yield of almost 20% for a number of years once dividends are reinstated; and potential further upside from the residual value of the aircraft, which we have been very conservative in assigning value to – in most cases, basing it predominantly on contractual cash payments that would be made at the end of the leases.

Pleasingly, on 1 December AA4 announced it would return £30M of cash, equivalent to 30% of the month end market capitalisation of the company, via a mandatory redemption of shares that was to take place 50% above the prevailing share price. It also said it would reinstate dividends from Q1 2022, with the quantum to be confirmed shortly. We continue to view AA4 as attractive, even after the share price move, but recognise it is not without risks – including from Omicron. We therefore continue to size the position accordingly.

GVF's investment portfolio increased by 2.9% during November. The fund's discount capture strategy added 1.6% to returns during the month, while the depreciation of the A\$ through November added a further 3.8%. These gains were offset, however, by the meaning falls recorded across financial markets during the month and the company's operating costs.

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

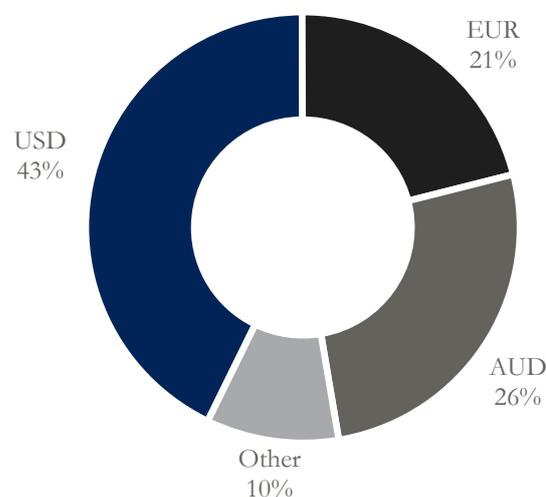
Underlying Asset Classes



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 November.

Including emerging market currencies that are chiefly pegged to the US\$, the fund's US\$ exposure is approximately 46%.

Underlying Currency Exposures



The above chart reflects the manager's estimate of the underlying asset classes held through the fund's portfolio of investments as at 30th November.

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 |
|-----------------------------------|-------|---|
| Harbourvest Global Private Equity | 7.7% | London-listed closed-end fund (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, we believe the embedded value is even greater than this. |
| Third Point Investors | 7.1% | London-listed CEF, that acts as a feeder fund into a global event-driven, value-oriented hedge fund. The CEF currently trades on a 16% 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. |

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|-----------------------------------|------|--|
| VPC Specialty Lending Investments | 6.3% | 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.8.7% pa based on the current share price, and trades on a discount of 21.5% 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. |
| NB Private Equity Partners GBP | 4.9% | London-listed CEF, managed by Neuberger Berman, with a diversified portfolio of private equity co-investments. The fund trades on a wide discount to its reported asset backing but owing to the lag with which private equity managers' report their performance, we believe the embedded value is even greater than this. |
| Empiric Student Property | 4.7% | London-listed REIT, invested in a portfolio of UK student accommodation. The business model of student accommodation is such that it was particularly disrupted by the pandemic in the short-term, and as a result ESP currently trades at a large discount to asset backing. However, the asset class enjoys a number of long-term structural tailwinds – as evidenced by M&A in the sector – and ESP is well-placed to ride out short-term disruption. |

¹ Grossed up dividends of 52.52c declared from IPO at \$1 through to 8 November 2021, the FY2021 final dividend payment date.

² The profits reserve sits at 21.5c as of 8 November 2021.

³ Based on the end of month share price of \$1.165 and the FY2022 dividend guidance of 6.6 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.

⁷ A well followed share market index of high-growth technology companies.

Unless otherwise stated, source for all data is Bloomberg LP and data as of 30th November 2021.

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