

Investment Update and Net Tangible Assets

Net Tangible Assets (NTA) per share

NTA before tax*	\$1.2751
NTA after tax	\$1.1966

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

December review

The most important development in financial markets over the past few months has been the shifting position of the US Fed with regards to the near-term threat of inflation. Throughout most of 2021, Fed officials stuck to a line that rising rates of inflation would be a temporary phenomenon, and as such did not require an adjustment to the ultra-accommodative monetary policies currently in place. In the face of relentlessly rising inflation prints, however, this position has changed quite rapidly. As recently as of August of last year, markets were not expecting a Fed rate rise until April 2023. Today, markets are pricing in at least three Fed hikes this year, and possibly four, with the first of these expected to occur in March.

Despite expectations for interest rate rises being brought forward considerably, broader share markets to date have remained relatively well behaved. The exception to this has been FANG⁹ stocks, which are particularly sensitive to interest rate movements. In US\$ terms, global share markets⁴ rose by 4.0% during December, a stark contrast to the 3.2% fall in the FANG index. Elsewhere global bond markets⁵ rose by 0.3% during the month. In Australian dollar terms, global share markets rose by 2.1%, while global credit markets fell by 1.6%. The local Australian share market rose by 2.7%.

Last month we highlighted that prior to the market open on 1 December, Amedeo Air Four Plus (AA4) had announced it would return £30M of capital, equivalent to 30% of the end-November market capitalisation, via a mandatory redemption. Pleasingly, AA4 was the leading contributor to investment performance in December, as we benefited from the announced capital return and other positive news. As well as GVF redeeming one-fifth of its holding 50% above the end-November price, the remaining four-fifths of our holding benefitted from AA4 shares closing the month up 24%. During the month the company announced that it had completed a restructuring of its leases to Thai Airways, paving the way for it to reinstate dividends. The first of these reinstated dividends was declared on 4 January, and as a result AA4 shares have continued to move higher in January.

Turning to other contributors, once again listed private equity was a significant contributor to performance. During the month Q3 portfolio valuations were released for our investee companies, which enjoyed valuation uplifts ranging from 5 to 10% for the quarter. These uplifts were in contrast to a 4.4% fall in the Russell 2000 index (a representative US mid cap index) seen during Q3, but were in line with what we had been anticipating, adding further weight to our previously discussed 'lag effect' thesis in these investments.

The GVF investment portfolio increased in value by 1.9% during December. The fund's discount capture strategy contributed 2.7% to returns during the month, while adverse currency movements detracted 1.2% from performance. The remaining attribution of returns during December are explained by gains from underlying market movements and the company's operating costs.

Global Value Fund Limited

ASX Code	GVF
Listed	July 2014
Shares on issue	174M
Share price	\$1.205
Market cap	\$209M
Total dividends declared ¹	53 cents
Profits Reserve ²	26 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

Historical Investment Returns

An exercise we have promised to do for our shareholders for some time, has been to produce a historical return series over the life of the Company on a before tax and other non-investment items basis. The reason for this is that looking at the investment returns of a listed investment company (LIC) in this manner is comparable to looking at the investment returns reported by open-ended investment trusts, which are the most common collective investment vehicle used in Australia. The most important difference between the two investment vehicles is that trusts typically do not pay tax on behalf of their investors in the way a LIC does.

In our view, the LIC is a wonderful corporate structure available to Australian investors, and one that is well suited to many of the investment strategies that are available today. Unlike a trust, a company comes with a board of directors who are tasked with representing shareholders' best interests in a far broader manner than what the trustee of a trust is charged with. A company is also its own legal entity under law, making it a much more flexible corporate vehicle. In practice this means that boards can adjust a company's objectives through time to reflect, say, shareholder feedback or changing market conditions.

Probably the most important benefit of the LIC structure, however, is its ability to accumulate retained profits over time, and thus build up a dividend reserve that can be drawn down against in leaner investment years. This important feature of the LIC means shareholders in these vehicles can benefit from a reliable dividend stream when planning out into the future.

In building retained profits LICs pay tax on behalf of their shareholders (and generate franking credits in the process). This process of paying tax can make it hard to assess what a LICs investment returns have been over time, or to compare their investment returns to those reported by investment trust offerings, which essentially operate on a pre-tax basis. Looking simply at the changes in a LIC's NTA between two months will miss how much tax was paid on behalf of shareholders during that period. It can also miss the accretion or dilution to NTA that occurs when new shares in the company are issued, something that is separate to the investment returns a manager generates.

Calculating these investment returns for GVF over its seven and a half year life has been a painstaking exercise, one that has taken longer than we had hoped. We are pleased to present the information publicly today and going forward we will provide the data on a regular basis in both our monthly reports and on the Company's website.

For reference, over the life of the Company, our annualised net investment returns calculated on this basis have been 11.8%.

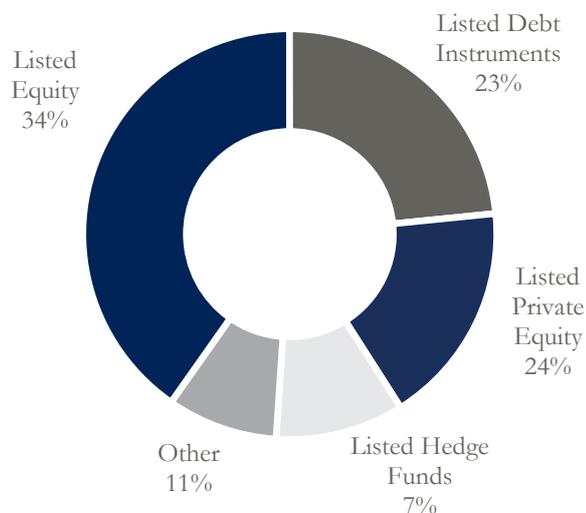
Authorised for release by Miles Staude, Portfolio Manager and Director.

Adjusted NTA Returns⁶

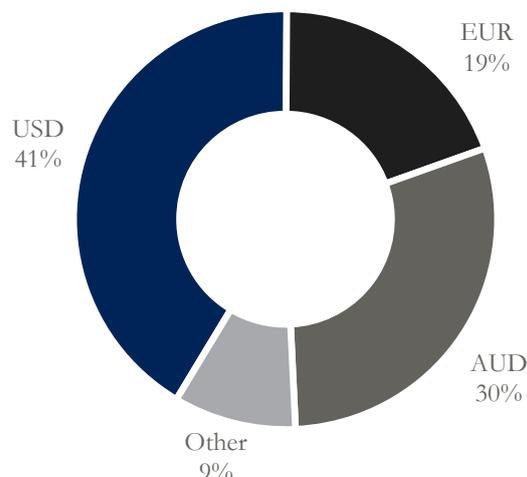
Financial Year	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	YTD ⁷
FY2022	2.8%	2.4%	0.5%	0.0%	2.7%	1.9%							10.7%
FY2021	1.6%	1.4%	3.2%	2.7%	5.4%	1.4%	2.7%	0.7%	0.4%	2.9%	2.0%	1.8%	29.3%
FY2020	2.7%	0.2%	1.4%	-0.3%	2.4%	-0.5%	3.7%	-3.5%	-13.5%	2.4%	6.0%	0.8%	0.2%
FY2019	0.8%	2.3%	-0.5%	-1.2%	-2.1%	-1.6%	0.2%	3.2%	-0.4%	1.9%	-0.3%	0.9%	3.2%
FY2018	-0.9%	0.4%	1.3%	2.3%	1.7%	-0.9%	0.7%	0.8%	0.0%	1.6%	-0.5%	2.2%	9.1%
FY2017	2.0%	1.9%	-0.5%	0.7%	2.7%	3.1%	-2.1%	1.1%	1.8%	2.0%	2.1%	-1.0%	14.5%
FY2016	4.6%	-1.0%	-1.0%	2.3%	-1.9%	-0.4%	-1.0%	-0.4%	-1.7%	2.3%	4.0%	-3.0%	2.4%
FY2015	0.3%	-0.3%	4.3%	-1.0%	3.1%	2.6%	3.9%	1.3%	1.8%	-0.6%	5.6%	-1.0%	21.6%



Underlying Asset Classes



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 December.

Including emerging market currencies that are chiefly pegged to the US\$, the fund's US\$ exposure is approximately 45%.

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

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

Significant Holdings⁷

Holding	% NTA	Summary
Harbourvest Global Private Equity	8.0%	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	6.5%	London-listed CEF, that acts as a feeder fund into a global event-driven, value-oriented hedge fund. The CEF currently trades on a 14.3% discount to its NAV. Under pressure from shareholders, last year the Board 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.
NB Private Equity Partners GBP	6.4%	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.
VPC Specialty Lending Investments	6.2%	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 18.9% 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.
Empiric Student Property	4.9%	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.



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

¹ Grossed up dividends of 52.52c declared from IPO at \$1 through to the FY2021 final dividend.

² The profits reserve sits at 25.6c as of 12 January 2022.

³ Based on the end of month share price of \$1.205 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 Adjusted NTA returns are after all fees and expenses and are adjusted for the payment of taxes, dividends, and the effects of capital management initiatives. Performance data is estimated and unaudited. Source: Staude Capital Ltd.

⁷ Refers to the full-year returns for a given Financial Year, or the year-to-date returns in the current Financial Year.

⁸ In order to protect the interests of GVF shareholders, certain large holdings may not always be publicly disclosed.

⁹ 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 31st December 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.