

Global Value Fund Limited (the “Company”)
(ACN 168 653 521)

Board ESG Policy

1. Introduction

Global Value Fund (GVF) is a listed investment company which invests in a portfolio of global securities purchased at a discount to their underlying asset value. Central to the investment strategy is the team's ability to source returns from 'discount capture' which relies on finding companies that are trading at a discount to their asset backing and identifying a catalyst to unlock value. GVF aims to provide shareholders with an alternative source of market outperformance by capturing this discount.

GVF recognises that ESG (environmental, social and governance) factors have become increasingly important to investors due to heightened regulatory expectations and scrutiny, reputational risk, competition for capital, community expectations, and increasing activism and litigation. Further, GVF believes that incorporation of ESG factors into the investment process has the potential to reduce portfolio risk and enhance shareholder returns.

GVF takes seriously its responsibilities as a steward of clients' capital. GVF is committed to managing material ESG risks and opportunities via company research and analysis and active engagement with portfolio investee companies.

GVF's focus on companies with realizable asset backing draws the investment manager to listed investment companies (LICs), real estate investment trusts (REITs), business development companies (BDCs) or holding companies, which may have a diversified asset base including a range of companies and industries.

GVF's strategy of holding a high-conviction portfolio of a limited number of individual investments means extensive research is undertaken on all holdings. For this reason, rather than applying a strict ESG screen to filter out investments, GVF considers underlying exposures on a case-by-case basis. GVF focuses on the ESG factors we consider most likely to have a material impact on the performance of the investments.

2. Purpose

The purpose of this policy is to:

- Align GVF's ESG investment approach with its organisational values, purpose, and strategic intent;
- Acknowledge that ESG risks and opportunities can have material impacts on investment performance;
- Articulate how ESG risks and opportunities are incorporated into the investment process;
- Communicate GVF's ESG approach to key stakeholders including shareholders, employees, suppliers, and regulators;
- Ensure GVF's behaviours, decisions and actions are aligned to GVF's Corporate Governance Charter and Code of Conduct;
- Provide assurance to shareholders and other stakeholders that ESG risks and opportunities are being appropriately managed within GVF's portfolio; and
- Enhance GVF's reputation as a responsible investor.



Policy

GVF is committed to appropriately managing ESG risk in the pursuit of its investment objectives. In particular, GVF is committed to:

- Minimising the impact of ESG risks that the company can meaningfully and realistically control;
- Protecting its shareholders and other stakeholders' interests;
- Embedding an appropriate corporate culture regarding ESG investment;
- Modelling ESG best practice within the company; and
- Establishing clear accountability throughout the company for ESG risk management.

GVF's approach to management of the financial and non-financial risks presented by ESG is aligned with the 4th Edition of the ASX Corporate Governance Principles, 2020 and GVF's Corporate Governance Statement (section 7.1 Recognise and manage risk).

3. Approach to ESG Investing

GVF considers that ESG factors can impact earnings and valuations within companies and across sectors. When making investment decisions, GVF considers a range of non-financial ESG risk and value drivers alongside financial drivers.

Governance

Governance encompasses the structures and processes by which an organisation is directed and controlled and the mechanisms by which it is held to account. GVF's experience demonstrates that governance is often the most important of the three ESG factors, and an independent board, acting in the interests of shareholders, is key to optimising long-term total shareholder returns.

GVF advocates for the highest level of corporate governance and will actively challenge boards or managers that demonstrate poor governance practices.

GVF believes in having a constructive engagement with the boards and managers of our investments, as well as with our fellow shareholders, regarding matters such as capital allocation, discount control, and structure.

Within GVF's main area of focus, closed-end funds, poor corporate governance often manifests itself in shares trading at a significant discount to a fund's asset backing. GVF's efforts to unlock value in these situations are thus generally efforts to improve corporate governance for the benefit of all shareholders.

Environmental and Social

GVF takes its responsibility to environmental and social matters seriously and believes that companies that operate the highest environmental and social standards are less prone to financial and reputational risks from adverse litigation, government sanction, or scandal.

GVF does not actively exclude companies or sectors that rank poorly on environmental and social matters. Instead, as with GVF's approach to governance issues, if we believe a company is undervalued because of poor environmental or social practices, we will actively engage to try and rectify these issues for the benefit of all shareholders.

4. Company Engagement

Responsible active ownership is integral to GVF's investment approach. Questioning and challenging companies about issues we perceive may affect their value and voting our shares consistent with our beliefs is integral to our engagement. Our intention in exercising our votes is to deliver on our fiduciary responsibilities to our investors to enhance returns. Having a concentrated portfolio allows GVF to spend significant time considering proposals in detail before voting. GVF 'owns' its vote and never blindly follows the recommendations of boards, proxy advisers, or others. GVF aims to support company management and boards of investee companies, however we will vigorously oppose their decisions if we believe that is in the best interests of our shareholders.



5. Responsibilities

The Board

The GVF board is ultimately responsible for ESG risk management within the company. In particular, the board is responsible for:

- Approving this policy;
- Setting and communicating an appropriate ESG approach for the company in light of the company's investment objectives;
- Supporting an appropriate ESG investment culture within the company; and
- Reviewing and assessing the company's ESG investment approach.

The investment manager

The investment team at Staude Capital has been seconded into Mirabella Financial Services LLP to manage the GVF portfolio. Staude Capital is responsible for:

- Establishing, implementing, and maintaining GVF's ESG approach;
- Identifying, analysing, and taking appropriate action on ESG risks and opportunities identified during the investment process; and
- Fostering an appropriate ESG investment culture within GVF.

6. Review

This policy will be reviewed by the board periodically, or whenever there is a significant change to the ESG investment environment.

7. ESG Definition*

ESG factors	<p>Environmental</p> <ul style="list-style-type: none"> • Climate change and carbon emissions • Air and water pollution • Biodiversity • Deforestation • Energy efficiency • Waste management • Water scarcity <p>Social</p> <ul style="list-style-type: none"> • Customer satisfaction • Data protection and privacy • Gender and diversity • Employee engagement • Community relations • Human rights • Labor standards <p>Governance</p> <ul style="list-style-type: none"> • Board composition • Audit committee structure • Bribery and corruption • Executive compensation • Lobbying • Political contributions • Whistleblower schemes
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* Reference CFA Institute. <https://www.cfainstitute.org/en/research/esg-investing>

Related Documents

- GVF Corporate Governance Charter
- GVF Corporate Governance Statement