

28th February, 2018

GVF outperforms¹, announces capital raising initiative and declares 1H dividend

Highlights

- Operating profit before tax of \$5.4M
- Investment strategy generated 1.7% of outperformance against its underlying market and currency exposures
- Capital raising initiative announced
- Interim dividend of 3.15 cents per share declared, 50% franked

Global Value Fund Limited (ASX: GVF) ("GVF" or the "Company") announces an operating profit before tax of \$5.4 million and an operating profit after tax of \$4.1 million for the half-year to 31 December 2017. On 7 February 2018, the Company declared a dividend of 3.15 cents per share, 50% franked, for the December half-year period.

For the half-year ended 31 December 2017, the Company's investment portfolio generated net investment returns of 4.3%^{2,3}, with the fund's discount capture strategy generating a 1.7%³ (gross) return over the period. Positive returns from this strategy represent outperformance over the underlying market and currency exposures of the investment portfolio, and the Company believes that the 1.7% return represents a meaningful level of market outperformance over a six-month period.

Company Chairman Jonathan Trollip said: "The second half of 2017 was dominated by a significant improvement in the global economic outlook. From a financial market point of view, one of the most striking features of this recent upturn is how broad-based it has been, with most of the major economic regions of the world seemingly in far better health today than was anticipated just six months ago. Against this backdrop higher-risk and growth sensitive financial assets performed very strongly. In a relative sense, GVF's returns for the period may seem less impressive than some of these asset classes currently benefiting greatly from the improving economic outlook, however they remain entirely consistent with what the Company is seeking to achieve with its lower-risk portfolio. Pleasingly, the returns generated over the period have allowed the Board to continue the Company's current dividend payment rate to shareholders".

December 2017 half-year review and Company outlook

Portfolio Manager Miles Staupe said: "Financial markets in the second half of 2017 were dominated by a significant acceleration in global growth, with global GDP growth rates reaching an estimated 3.6%, their fastest pace in five years. On the back of this move, growth sensitive assets classes performed extraordinarily well. Industrial commodities like oil, iron ore and copper increased in value by 39.5%, 27.3% and 22.1% respectively. Equity markets, particularly those in high-growth countries, or dominated by high-growth sectors

¹ Outperform refers to GVF's investment returns as compared to the underlying market and currency exposures of the investment portfolio.

² Net investment returns are after management fees and trading costs, but before company expenses and tax.

³ Source: Staupe Capital Limited.

Staupe 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 Staupe Capital to manage the Global Value Fund.



like technology, also rallied strongly. Emerging market equities rallied by 15.9%, while the tech-stock heavy S&P500 increased by 11.4%. In Australian dollar terms, the MSCI All Country World Index returned 9.3%⁴.

Just how strongly the technology sector is driving global equity markets now is often underappreciated. Seven of the top ten largest constituents in the MSCI All Country World Index are now tech companies (six incorporated in the USA and one in China), and a simple average weighted basket of these seven stocks would have generated a 21.9%⁵ return in the six-month period ending December 2017. To put those kinds of investment returns into perspective, the 20-year annualised total return for the MSCI All Country World Index is just 6.6%⁵.

To state the obvious, a basket of stocks that can rise by 21.9% in six months can also fall by 21.9% in six months, and at GVF we remain determined to seek a decidedly calmer investment journey through life. The 4.3% net investment return for the period was generated with an average underlying equity market exposure of just 29%, and the 1.7% of gross returns generated from our discount capture strategy represents respectable outperformance over a six-month period, in our view. While large parts of the investment community today seem hypnotised by the share price charts of Amazon and Google, we continue to run with low levels of general equity market exposure. As equity markets continue to rally, our focus remains on generating the best risk-adjusted returns we can, seeking to protect shareholder capital from any future market correction."

GVF announces a capital raising initiative

GVF today announces the opportunity for shareholders to participate in a capital raising program, comprising an Entitlement Offer and a Shortfall Offer for existing shareholders, followed by a Public Offer (together the Offers). Taylor Collison will act as Lead Manager, and Ord Minnett as Co-Manager, for the Offers.

The Entitlement Offer comprises the right to subscribe for 1 New Share for every 4 Existing Shares, and the right to participate in the shortfall (if any) of those shares not taken up under the Entitlement Offer, at an issue price of \$1.10 per New Share. The issue price represents a discount of approximately 2.7% to the 30-day volume weighted average price (VWAP) of the Company's shares traded on the ASX over the 30 trading days prior to the date of announcement of the Entitlement Offer, and is in line with the estimated net tangible asset backing per Share (after all tax balances) as at 27 February 2018.

If fully subscribed, the Entitlement Offer will result in the issue of 30.4M New Shares (subject to rounding) raising \$33.5M before expenses of the Entitlement Offer. The net proceeds from the Entitlement Offer will be invested using GVF's proven discount capture strategy, providing shareholders with exposure to a diversified portfolio of carefully selected global assets, all trading at significant discounts to their intrinsic value. The Portfolio Manager has considerable expertise in finding such investments and in identifying or creating catalysts that will be used to unlock this value for its investors.

Since the Company's IPO in July 2014 through to 31 December 2017, GVF's adjusted movement in Net Tangible Assets (NTA)⁶ has been +12.2% per annum compound. Over this same period, the Company's reference index⁷ has returned +7.6% per annum compound.

The Entitlement Offer provides Eligible Shareholders with an opportunity to benefit from the future growth of GVF. Eligible Shareholders may apply for all or part of their Entitlement under the Entitlement Offer (and may also apply for additional Shares under the Shortfall Offer provided that such allocation does not breach the Listing Rules or any applicable law). To participate in the Shortfall Offer, you must apply at the same time as

⁴ All returns quoted are total returns, including both price and dividends.

⁵ In US\$ terms

⁶ NTA adjusted for tax paid, dividends, the dilution from options exercised, and other minor balance sheet items. Source: Staude Capital Ltd.

⁷ The Company's reference index is calculated using a weighting of 50% to the MSCI All Country World Index in Australian dollar terms, and 50% to Australian cash interest rates which are derived from monthly swap rates. Source: Staude Capital Ltd.



you apply for your Entitlement under the Entitlement Offer. Details of how to apply, along with an application form and a Prospectus will be dispatched to all shareholders on the Company's register as at 5 March 2018.

As the Entitlement and Shortfall Offers are not underwritten, it is possible that a shortfall will remain following completion of these offers. Any remaining shortfall available after this time will be made available through a Public Offer to New Investors. Investors who wish to participate in the Public Offer should contact Hamish Nairn at Taylor Collison at +61 8 8217 3908 or hnairn@taylorcollison.com.au

The Entitlement Offer closes at 5:00pm (Sydney time) on Friday, 21 March 2018 (unless extended). To participate, you need to ensure that you have lodged your Entitlement Acceptance Form with your Application Monies so that they are received before this time. The Public Offer will close 27 March 2018.

If you require advice as to whether to accept your Entitlement, you should seek professional advice from your legal, investment or other professional adviser.

Shareholders or interested parties who have general enquires about either the Entitlement Offer or the Public Offer are welcome to contact Portfolio Manager, Miles Staude, at miles.staude@globalvaluefund.com.au or 0423 428 972, and Head of Corporate Affairs, Emma Davidson, at emma.davidson@globalvaluefund.com.au or 0401 299 885.

Interim Dividend of 3.15 cents per share declared

On 7 February 2018, the Company declared a 3.15 cent per share dividend, 50% franked, payable to all shareholders on the Company's register on 10 April 2018. GVF shares will trade ex-dividend on 9 April 2018 and shareholders who are issued shares under the Entitlement Offer, Shortfall Offer or Public Offer will be paid this dividend on all new shares that are issued.

Dividend reinvestment plan

The Company's dividend reinvestment plan (DRP) will be in effect for the FY2018 interim dividend payment of 3.15 cents per share, 50% franked.

The DRP has been designed so that participants will always receive the lowest reinvestment price possible, without their reinvestment diluting the post-tax Net Tangible Asset value per share (NTA) of those shareholders who choose not to participate in the plan. When the Company's share price is greater than or equal to its NTA, dividends are paid as newly issued shares in the Company. If on 9 April 2018, the Company's closing share price is greater than its current NTA, shareholders will be issued new shares at the greater of, a 2.5% discount to the volume weighted average share price over the three trading days commencing 9 April 2018, or the 9 April 2018 NTA value of the Company. If the share price for the Company is less than the Company's NTA at this time, cash available for distribution as dividends on shares subject to the DRP will be used to acquire the Company's shares on-market in accordance with the terms set out in the plan.

Shareholders who would like to participate in the DRP can enroll at www.investorserve.com.au. Alternatively, please contact the Company's share registrar, Boardroom, on 1300 737 760. The enrolment deadline for the FY2018 interim dividend is 5:00 pm (AEDT) Wednesday 11 April 2018. Details of the DRP are available on the Company's website at: <http://www.globalvaluefund.com.au/wp-content/uploads/2017/11/GVF-Dividend-Reinvestment-Plan-ASX-Release-Nov-2017.pdf>

FY2018 full year dividend guidance

The Board currently anticipates that the FY2018 full year dividend payment will be the same size as the declared FY2018 interim dividend, being a 3.15 cent per share dividend, 50% franked.



The above dividend guidance is not a formal declaration of the Company's full year FY2018 dividend. The size and payment of any final dividend for FY2018 will be subject to the Company having sufficient profit reserves and the dividend payment being within prudent business practices.

Key Dates

Announcement of Offers	28 February 2018
Lodgement Date – Appendix 3B and Prospectus lodged with ASIC and ASX	28 February 2018
Despatch of notice to Shareholders containing the information required by Appendix 3B	1 March 2018
Ex-Date – The date on which Existing Shares commence trading without the Entitlement to participate in the Entitlement Offer	2 March 2018
Record Date – The date for determining Entitlements of Eligible Shareholders to participate in the Entitlement Offer (7:00pm Sydney time)	5 March 2018
Entitlement Offer opens	7 March 2018
Entitlement Offer closes (5:00pm Sydney time)	21 March 2018
New Shares under the Entitlement Offer quoted on a deferred settlement basis	22 March 2018
Notification to ASX of undersubscription Public Offer opens	26 March 2018
Public Offer closes	27 March 2018
Issue Date – Issue of New Shares under the Entitlement Offer completed and announced (deferred settlement trading in New Shares under the Entitlement Offer ends)	28 March 2018
Expected commencement of normal trading in New Shares issued under Entitlement Offer on ASX	29 March 2018
Issue Date – Issue of New Shares under the Public Offer completed and announced	6 April 2018
Expected commencement of normal trading in New Shares issued under Public Offer on ASX	9 April 2018
Ex-dividend date	9 April 2017
Dividend record date	10 April 2017
Last election date for DRP	11 April 2017
Dividend payment date	10 May 2017

*These dates may be subject to change



About GVF

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

Staude Capital is based in London and its investment team has considerable experience in finding international assets trading at a discount to their intrinsic worth, and in identifying or creating catalysts that will be used to unlock this value. The investment team at Staude Capital has been seconded into Mirabella Financial Services LLP to manage the Global Value Fund portfolio.

For more information, visit www.globalvaluefund.com.au

Important Disclaimers

Unless otherwise stated, source for all data is Bloomberg LP and data as at 31 December 2017.

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 Company prospectus before making a decision to invest.

Past performance is not an indicator of future returns.