



STAUDE CAPITAL

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GLOBAL VALUE FUND

[www.globalvaluefund.com.au](http://www.globalvaluefund.com.au)

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**PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS.**

# Agenda

1. Introduction
2. The Global Value Fund Update
3. Case Study



# The Global Value Fund at a glance

**ASX code:** GVF  
**IPO Price:** \$1.00  
**Share Price:** \$1.065<sup>1</sup>  
**No. Shrs:** 147M  
**Mkt Cap:** \$157M  
**Listed:** July 2014

## 12.0%

Annualised adjusted NTA  
return since IPO<sup>2</sup>

## Objective

To generate equity market like returns when measured over time, but to do so with significantly less risk than a typical global share market portfolio.

## 22.5

Total cents per share of  
grossed up dividends  
declared since IPO

## Directors

Jonathan Trollip (Chair)  
Chris Cuffe  
Geoff Wilson  
Miles Staude

## 7.0%

Indicated FY2018 grossed  
up yield<sup>3</sup>

It is the Board's intention to pay regular dividends so long as the Company is in a position to do so

**Please note that past performance is not indicative of future returns.**

Unless otherwise stated, data sourced from Bloomberg LP and Company reports.

<sup>1</sup> Share price of GVF shares as at 30<sup>th</sup> April 2018.

<sup>2</sup> From IPO to 30<sup>th</sup> April 2018. NTA adjusted for tax paid, dividends, dilution from options exercised and other minor balance sheet items. Source: Staude Capital

<sup>3</sup> Based on \$1.065/share and Company guidance for FY2018 dividends of 6.3 cents per share, 50% franked.



# The second page stories

**Global growth has stopped  
accelerating**

**Should we be worried by  
rising interest rates**

Unclear how markets have priced in these issues



## **2. The Global Value Fund (ASX: GVF)**

# The Global Value Fund

**Our core discount  
capture strategy  
targets returns  
comparable with global  
equity markets while  
aiming for a  
significantly lower risk  
profile**

A focus on listed securities which are undervalued relative to a defined and observable asset value

- A discount to “break-up” value

Closed-end funds (CEFs) will form the core of our investment universe

- Internationally, CEFs are a mainstream asset class, with an investable universe of >US\$400Bn

A variety of passive and active techniques are used to unlock value for our investors

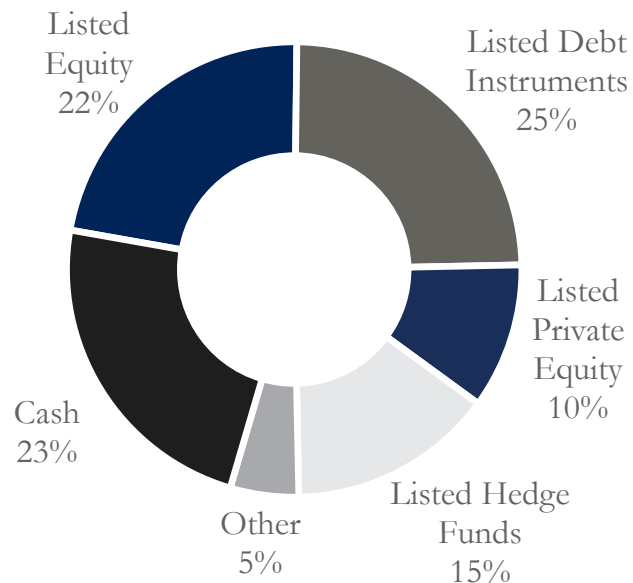
**We operate on a  
global stage;  
investing around  
the world and  
across asset classes**

**STAUDE CAPITAL**  
GLOBAL VALUE FUND

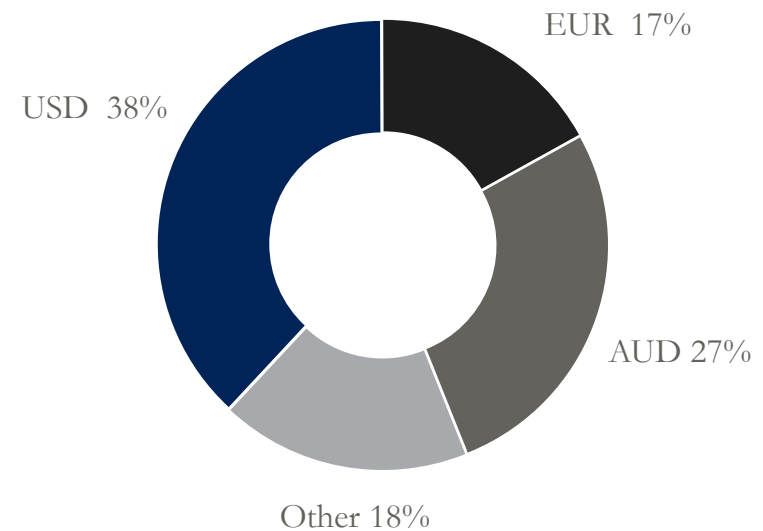


# Investment Portfolio<sup>1,2</sup>

## Underlying Asset Classes



## Underlying Currency Exposures



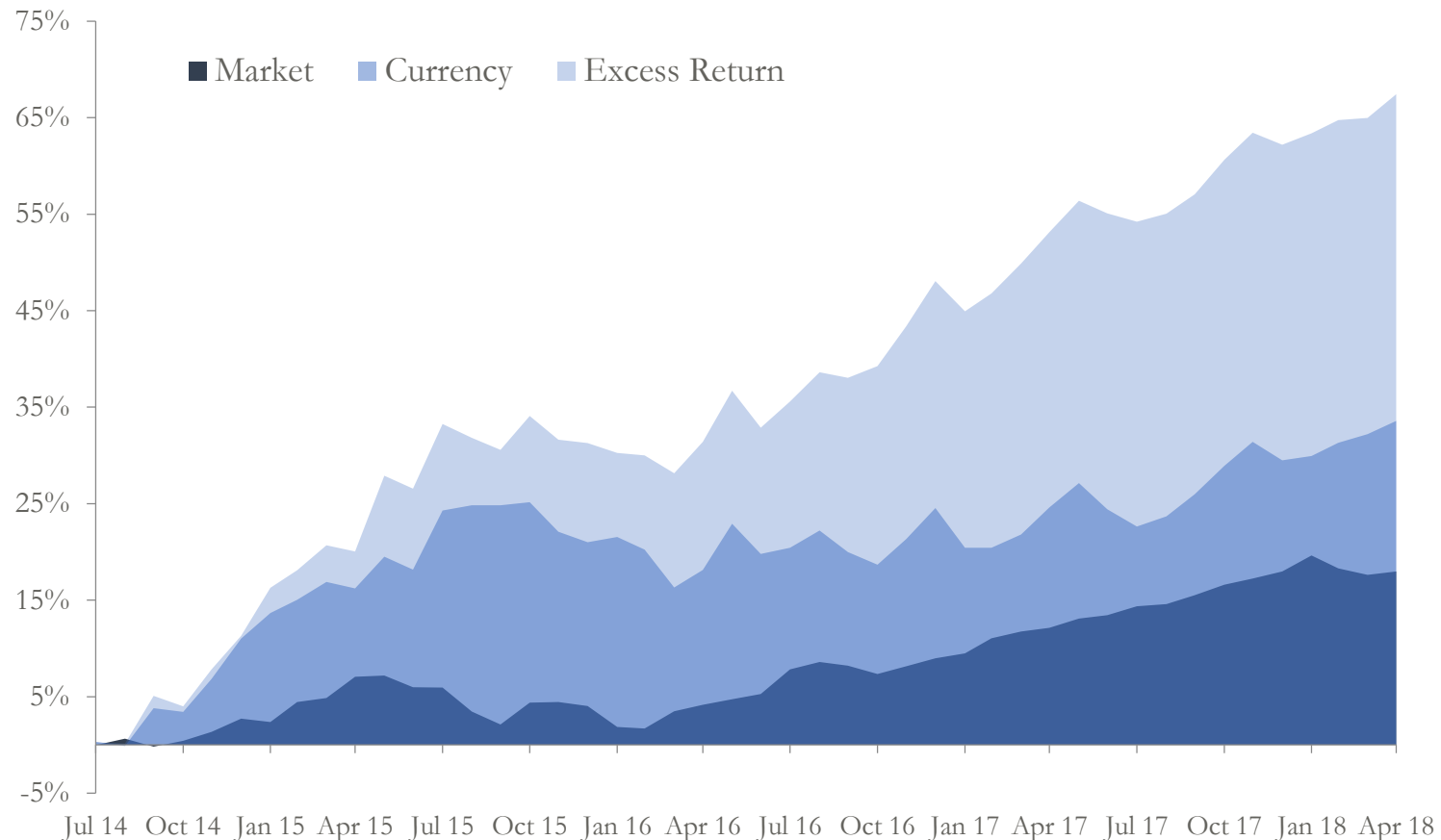
**Diversification across asset classes lowers portfolio level risk**

1 As at the 30<sup>th</sup> April, 2018

2 Source: Staude Capital

# Gross investment returns<sup>1</sup> since IPO

Attributed by market<sup>2</sup>, currency<sup>3</sup> and excess returns<sup>4</sup>



1 Gross investment returns refers to the total GVF investment return before taxes paid, expenses, management fees, dividends paid and the impact of dilution from exercised company options. Data sourced from Staude Capital.

2 Gross returns attributable to the market exposures of the underlying assets held by the fund.

3 Gross returns attributable to the currency exposures of the underlying assets held by the fund.

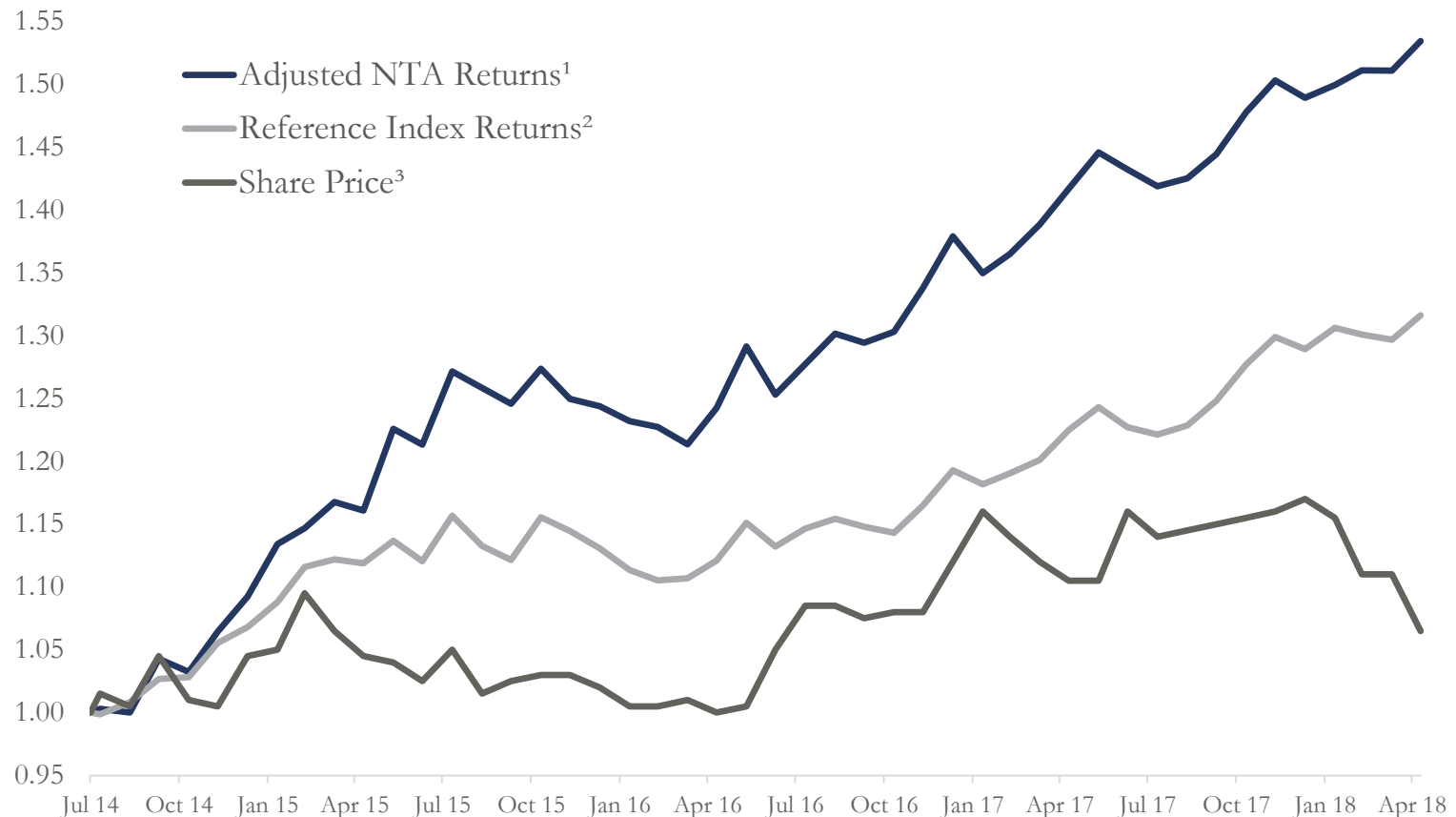
4 Excess return represents the returns in excess of currency and market returns, attributable to the manager's investment strategy.

As at 30<sup>th</sup> April 2018

**Please note that past performance is not indicative of future returns**

# Net investment returns<sup>1</sup> since IPO

NTA returns are after all fees and expenses



1 Net investment returns refers to the total GVF investment return after taxes paid, expenses, management fees, dividends paid and the impact of dilution from exercised company options. Investment returns after all costs, equivalent to 12.20% annualised.

2 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. Australian cash interest rates are derived from monthly swap rates.

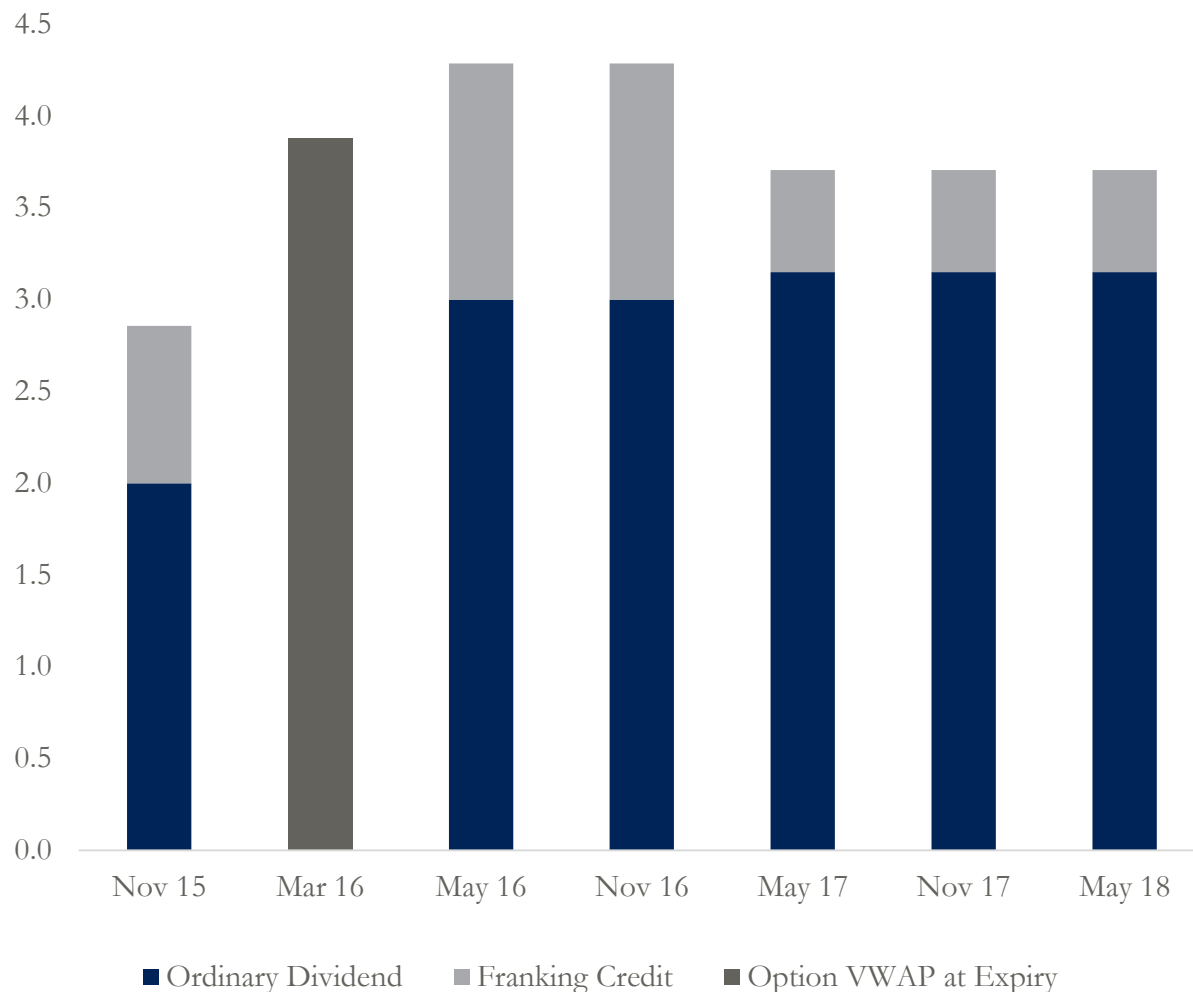
3 Month end share price as quoted on the ASX.

As at 30<sup>th</sup> April 2018. Data source: Bloomberg LP and Staude Capital.

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# GVF dividend & option price history

Declared dividends, franking credits and option VWAP<sup>1</sup> since IPO<sup>2</sup>



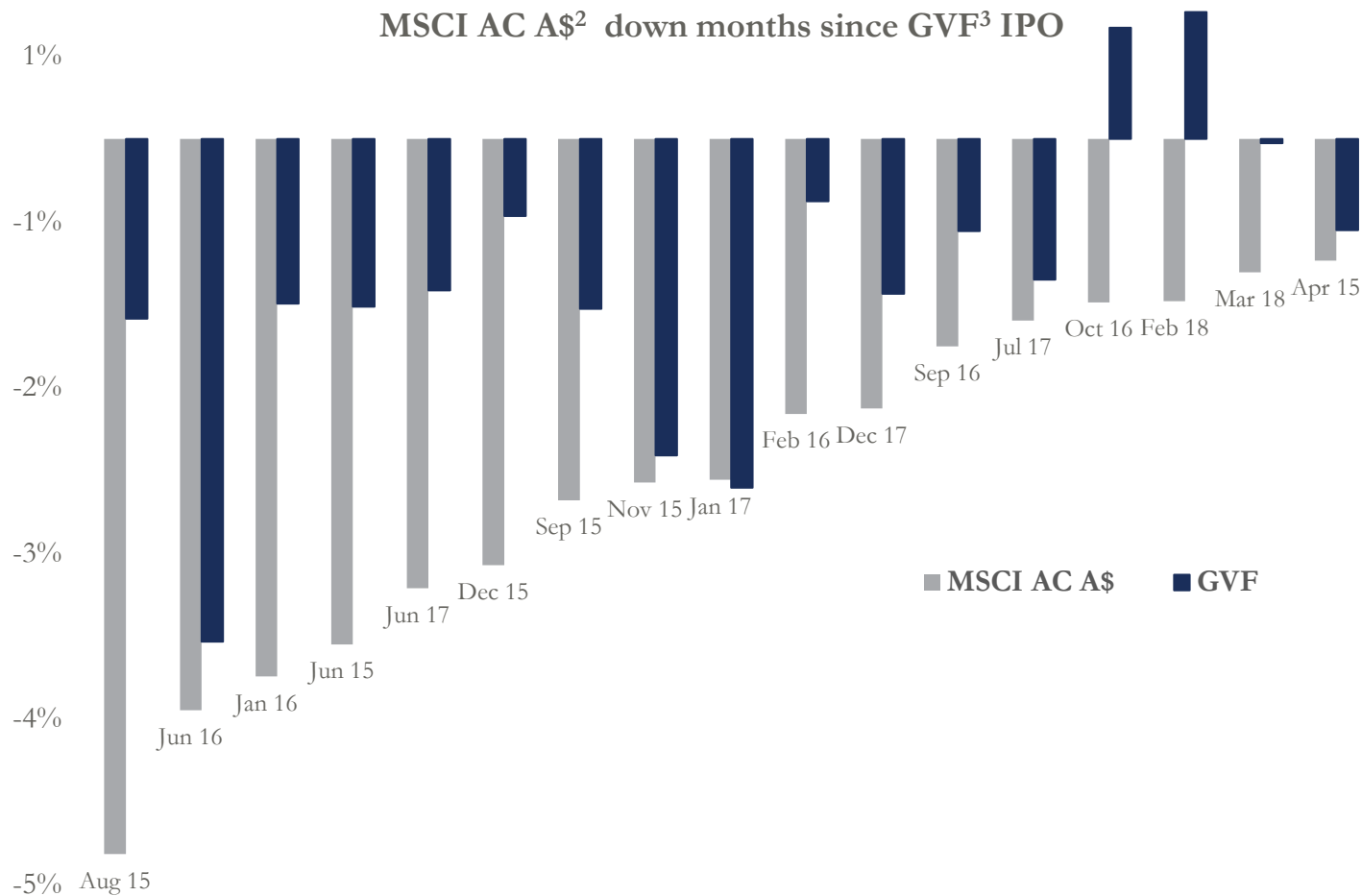
**Current Board guidance<sup>3</sup> is for FY2018 dividends of 6.3 cents per share, 50% franked**

- <sup>1</sup> The Volume Weighted Average Price of the GVF Options (GVFO) traded from IPO to Expiry on the 10 March 2016.
- <sup>2</sup> Data source: Company reports.
- <sup>3</sup> Comprising a declared 1H 2018 dividend of 3.15 cents per share, 50% franked, and Board guidance of a 2H 2018 dividend of 3.15 cents per share, 50% franked. The 2H 2018 dividend guidance is not a formal declaration of dividends. 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.

Please note that past performance is not indicative of future returns

# Focus on Risk Management

## Monthly drawdowns<sup>1</sup>



<sup>1</sup> Data source Bloomberg LP and Staude Capital.

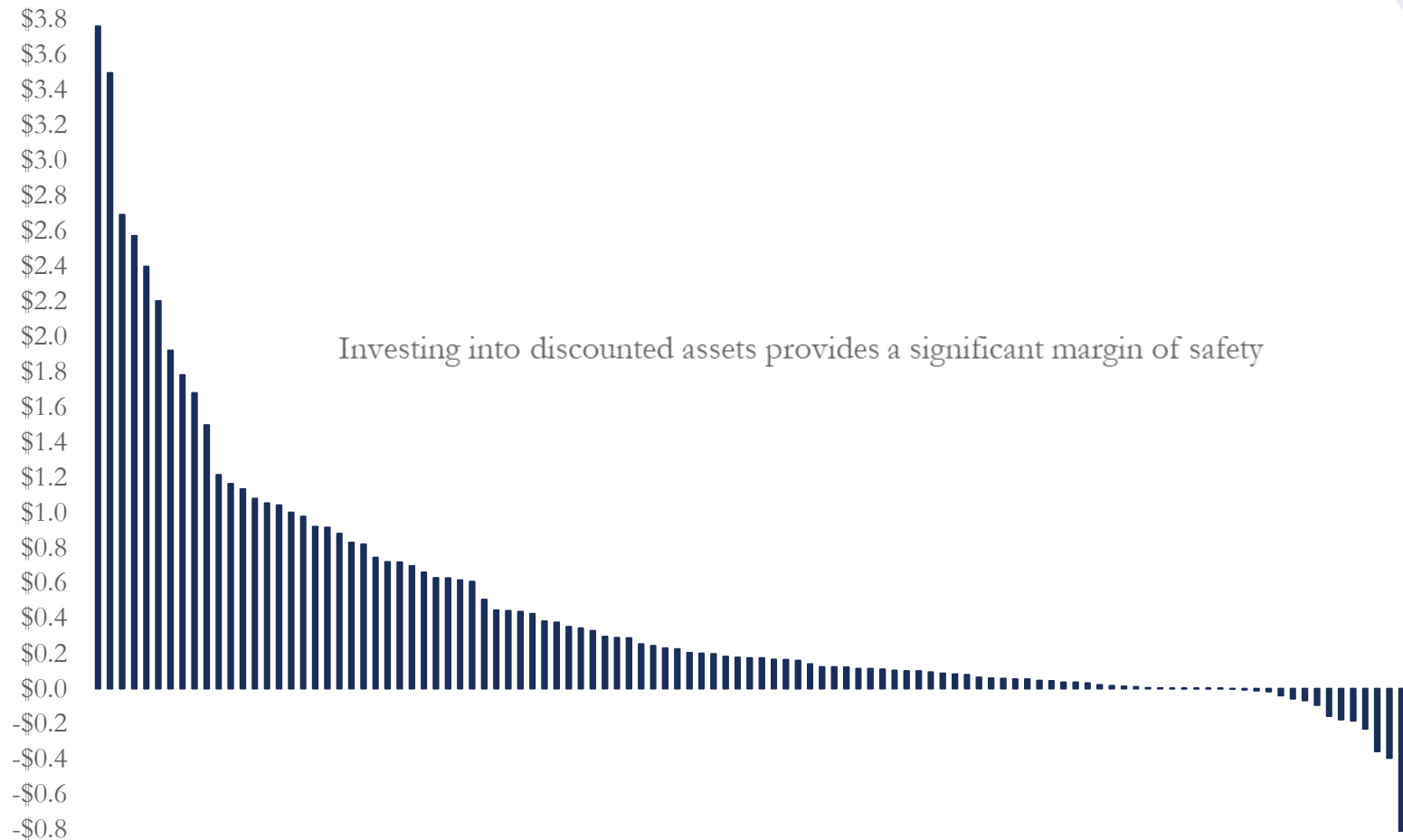
<sup>2</sup> MSCI AC A\$ is the MSCI All Country Index in Australian dollar terms.

<sup>3</sup> The GVF monthly investment return for corresponding MSCI AC A\$ down month

**Please note that past performance is not indicative of future returns**

# Focus on Risk Management

Gross return by investment<sup>1</sup> since IPO, A\$ millions



<sup>1</sup> Gross return by investment shows the gross A\$ PnL of every investment the fund has made since IPO. This excludes the PnL effect from hedging and the returns from cash balances held in non-Australian currency. Gross returns are before taxes paid, expenses, management fees and dividends paid. Data sourced from Staude Capital..

**Please note that past performance is not indicative of future returns**



### 3. Case study



# Case Study: Pershing Square Holdings

Corporate Activism: Deeply discounted investment into an activist portfolio

## Description

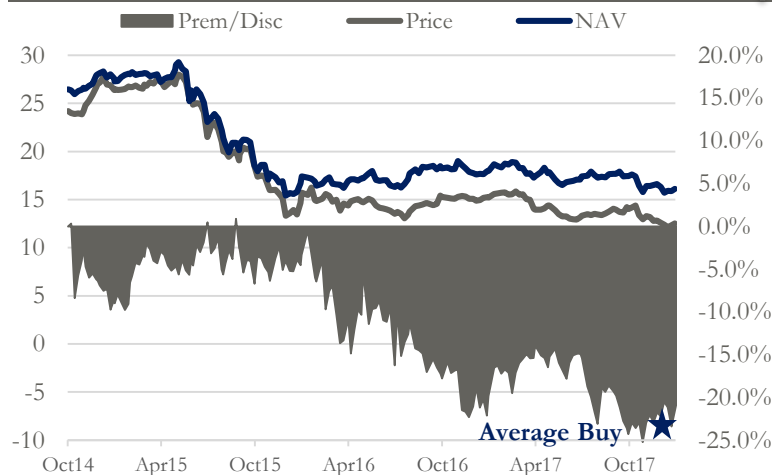
**Pershing Square Holdings Limited (PSH):** Euronext and London listed closed-ended fund, managed by high profile activist investor, Bill Ackman. The fund holds a concentrated portfolio of large-cap US stocks, which the investment manager believes to be significantly undervalued, and where shareholder activism can often help to unlock this value. Following a period of poor performance, particularly relating to one investment, Valeant Pharmaceuticals, the fund traded to an unusually wide discount level in 2016. Since that time the Board has attempted to address the discount issue, listing the company in London and commencing a share buyback.

## Investment Rationale

Despite the recent efforts by the Board, there is considerable investor fatigue with the company. A more recent period of soft performance saw the fund fall to a >20% discount, an exceptionally wide discount given the underlying portfolio of large cap US listed stocks.

Given the manager is a high-profile activist who holds undervalued companies to account, we believe the exceptionally wide discount on the manager's own fund is unsustainable. We have recently built a position in the company at an average discount of 23.1%.

## PSH: Discount history



## PSH: Portfolio

			Market Cap US\$ Billion
Long/Short	Investment	Sector	
Long	United Technologies Corp	Industrial	100.7
Long	Mondelez International	Packaged Foods	61.9
Long	Automatic Data Processing	Data Processing	50.3
Long	Restaurant Brands International	Restaurants	26.4
Long	Chipotle Mexican Grill	Restaurants	9.0
Long	Fannie Mae	Mortgage Finance	8.1
Long	Howard Hughes Corp	Real Estate Development	6.0
Long	Freddie Mac	Mortgage Finance	4.4
Long	Platform Specialty Products	Chemicals	2.8

As at 31<sup>st</sup> March 2018

<sup>1</sup> Data source: Bloomberg LP and Staude Capital. Please note that past performance is not indicative of future returns.

# Global Value Fund Limited

## Company Details

Structure Listed Investment Company

Incorporated Australia

## Service Providers

Investment Manager Mirabella Financial Services

Portfolio Manager Miles Staude  
Staude Capital Limited<sup>1</sup>

Head of Corporate Affairs Emma Davidson

Registrar Boardroom Pty Limited  
enquires@boardroomlimited.com.au  
Tel no. 1300 737 760

Prime Broker/Custodian Credit Suisse Group

Auditor Pitcher Partners Sydney

Company Secretary Mertons Corporate Services Pty Ltd  
Tel no. (03) 8689 9997

<sup>1</sup> 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.



## 7. Appendices

# Mirabella Financial Services

## Best-in-class compliance and regulatory solution

- One of the largest regulatory hosts in Europe with assets under management of over US\$10Bn.
- Mirabella is wholly independent. There are no commercial links to the performance of its hosted funds and no fee sharing arrangements in place.
- By maintaining its independence in this way Mirabella aims to provide a market leading regulatory and compliance framework, free from any conflicts of interest.

## Dedicated regulatory and compliance infrastructure

Staude Capital Limited is an appointed representative of Mirabella Advisors LLP, which is authorised and regulated by the Financial Conduct Authority.

## Organisational Chart

**Mirabella Financial Services**  
Regulatory Host

**Miles Staude**  
Portfolio Manager & Director

**Emma Davidson**  
Investor Relations & Director

**Robert Fairbairn**  
**James Dow**  
Investment Managers

**Emma Beall**  
Middle Office & Support

# Biographies

## **Miles Staude – Portfolio Manager & Director**

Miles has over seventeen years of experience in trading, investment management and research, covering a wide range of financial markets. He is the Portfolio Manager of the Global Value Fund and serves as a Director on the Global Value Fund Board. Under Mirabella's regulatory license, Miles has overall responsibility for the GVF portfolio management team's trading and investment management activities.

Prior to founding Staude Capital, Miles spent ten years as a Portfolio Manager and Investment Analyst at Metage Capital, a London based investment management firm. Before joining Metage he spent five years as a sell-side equity analyst at RBC Capital Markets, based in both Sydney and London. Miles holds an Economics degree from the University of Sydney and is a CFA Charterholder.

## **Emma Davidson – Investor Relations & Director**

Emma is an accomplished global investment advisor with over eighteen years of experience. She spent twelve years working in senior roles at a number of London investment banks, most recently as the UK head of cross asset sales at Citigroup. In 2011, she founded her own investment advisory boutique, Affinity Capital, which serves a range of global clients, and where she continues to serve as Chairman. Emma is responsible for the management and investor relations of Staude Capital and serves on the Staude Capital Board.

Emma was awarded the 2016 Enterprising Women of the Year Award, an annual tribute to the world's top female entrepreneurs. She has also been recognized as one of the Inspirational Women 2016: City innovators, awarded by Brummell magazine.

# Biographies

## **Rob Fairbairn – Investment Manager**

Under Mirabella's regulatory license, Robert is a member of the GVF portfolio management team. Prior to joining Staude Capital, he performed a variety of roles over a period of eight years at Metage Capital, including trading, research analysis and portfolio management.

Before Metage, Robert worked at Endeavour Capital Management, a hedge fund originating from the fixed income arbitrage department of Salomon Brothers. Robert holds a Master's degree in Structural Engineering from the University of Birmingham and is a CFA Charterholder.

## **James Dow – Investment Manager**

Under Mirabella's regulatory license, James is a member of the GVF portfolio management team. James has over twenty years of experience in financial markets, having managed a diverse range of financial instruments in his career.

Prior to working at Staude Capital, James spent sixteen years as an Investment Manager at Metage Capital, a London based investment management firm. Before joining Metage he spent two years as an Investment Manager at Credit Suisse and four years working in various investment support roles at Buchanan Partners, a London based hedge fund manager. James is a CFA Charterholder.

## **Emma Beall – Middle Office and support**

Emma has more than fifteen years' experience in office management and administration roles. She has successfully completed both a degree in Mathematics/Sociology from the University of Bristol and a Business and Secretarial Diploma from Lucie Clayton, a renowned finishing school in London. Since starting her career as a PA at Morgan Stanley, Emma has provided essential office management support for businesses across various sectors, including banking, housing and healthcare.



**STAUDE CAPITAL**

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