



STAUDE CAPITAL

GLOBAL VALUE FUND

31st October 2020
www.globalvaluefund.com.au

Agenda

1. Introduction – The Global Value Fund
2. What are markets pricing in?
What are the second page stories?
3. Corporate Governance: The ‘G’ in ESG
4. Case study
5. Appendices
6. Disclaimer



1. Introduction - 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\$560Bn

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

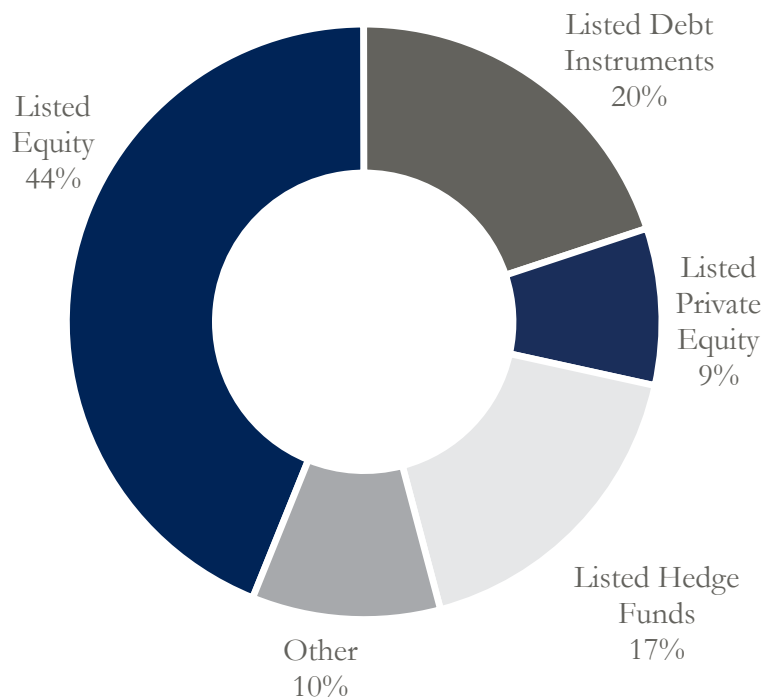
**We operate on a
global stage;
investing around
the world and
across asset classes**

STAUDE CAPITAL
GLOBAL VALUE FUND

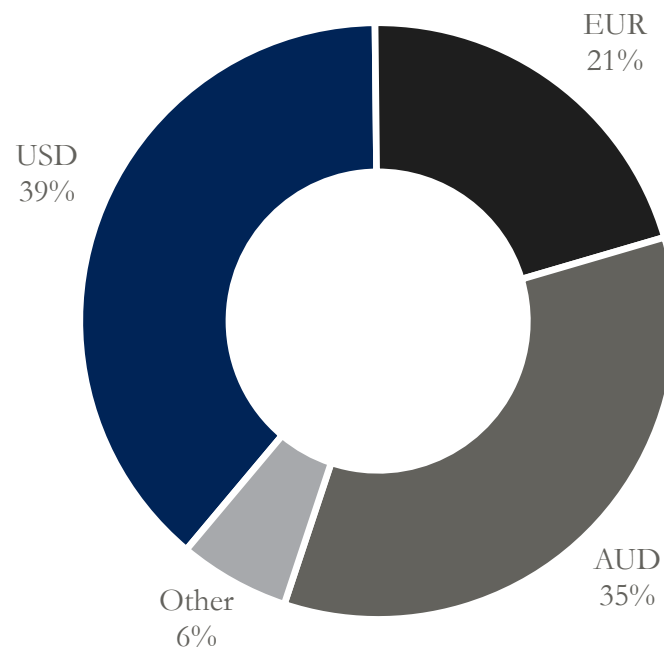


Investment Portfolio^{1,2}

Underlying Asset Classes



Underlying Currency Exposures



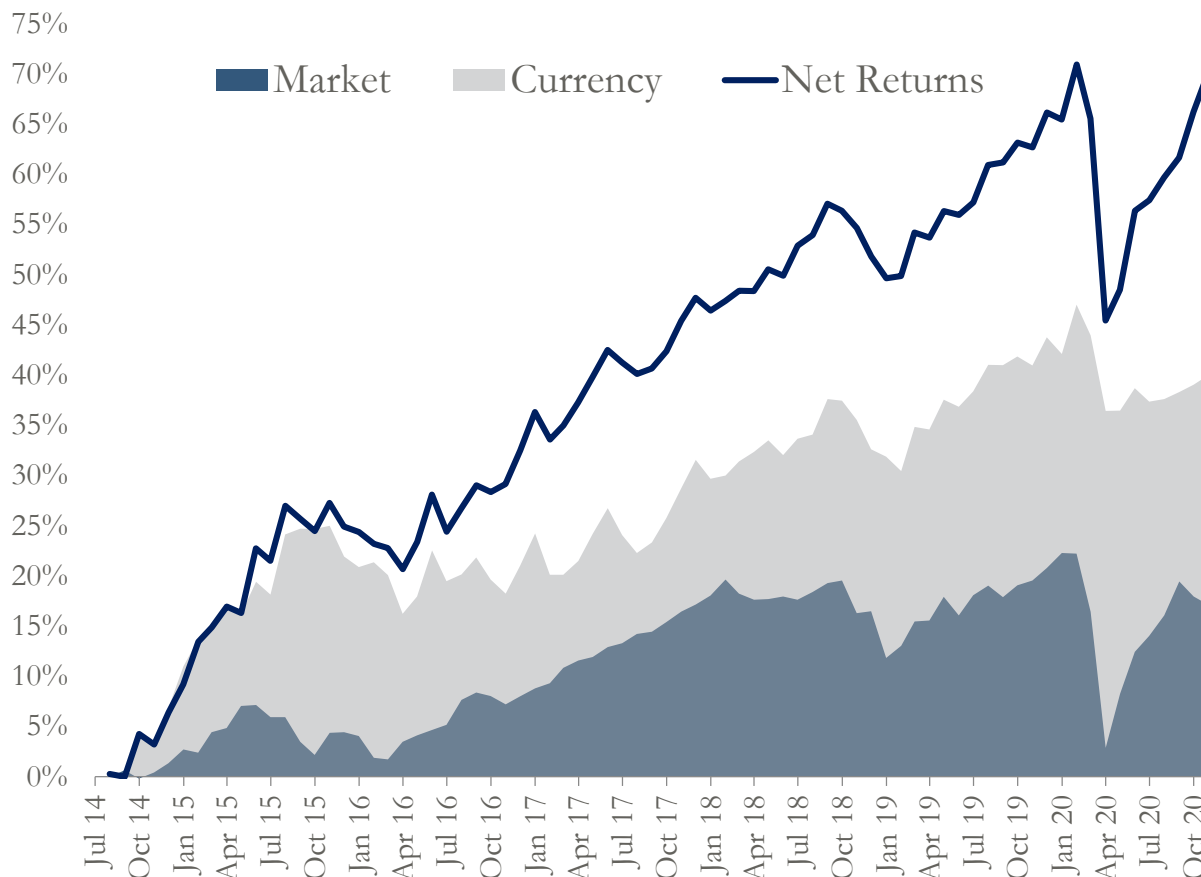
Diversification across asset classes lowers portfolio level risk

1 As at the 31st October 2020.

2 Data source: Staude Capital.

GVF net investment returns since IPO

Attributed by Market¹, Currency² and Net Returns³



- 1 Gross returns attributable to the market exposures of the underlying assets held by the fund.
- 2 Gross returns attributable to the currency exposures of the underlying assets held by the fund.
- 3 Net investment returns (after taxes paid, expenses, management fees, performance fees and the impact of dilution from exercised company options).

Data sourced from Staude Capital. As at 31st October 2020.

GVF is back to its all-time high on a net return basis

By comparison, global equity markets⁴ and the ASX⁵ on a gross basis, remain 9% and 15% below their all-time highs respectively.

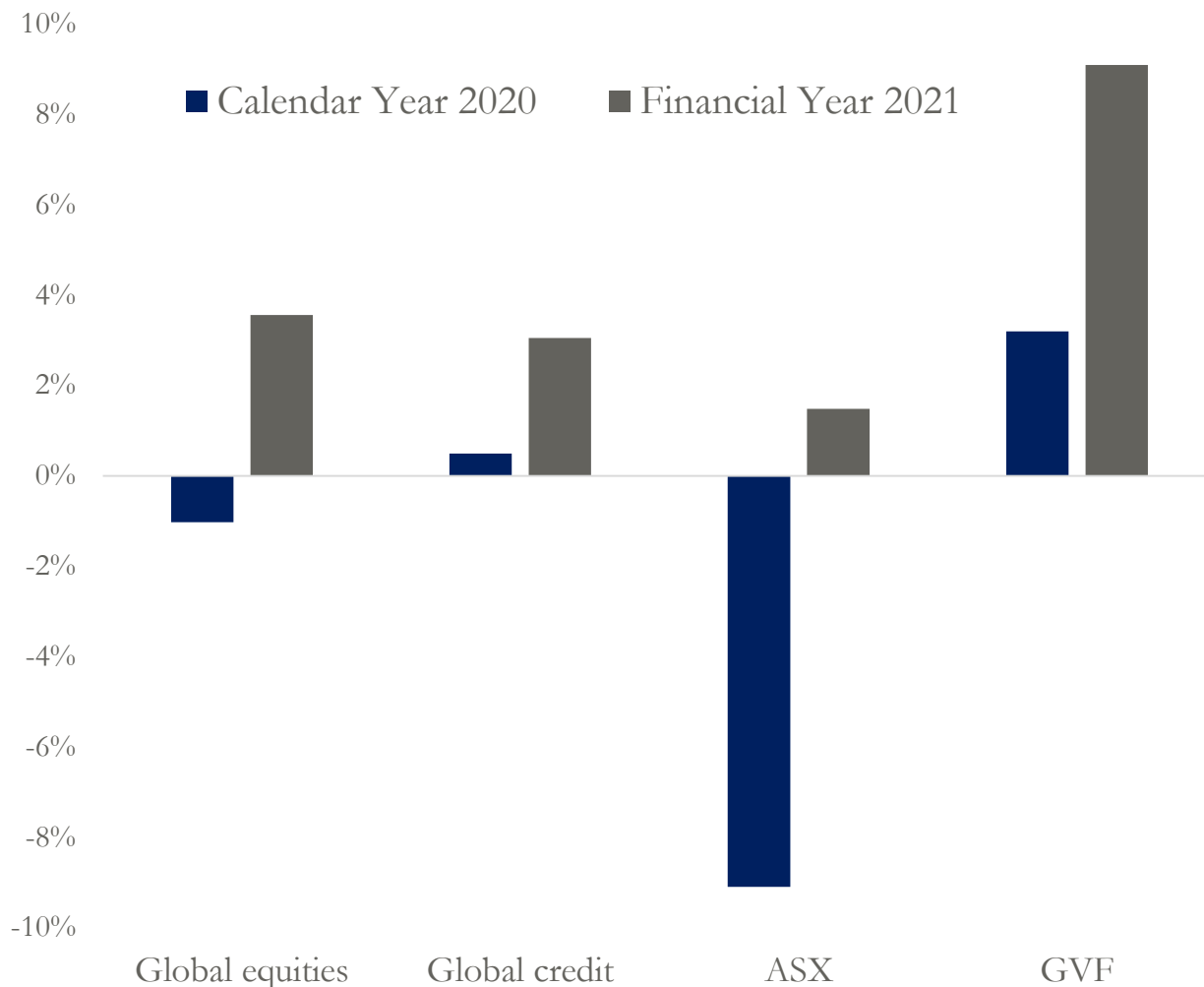
4 MSCI All Country World Index in A\$ terms.

5 S&P/ASX 200 Index.

Please note that past performance is not indicative of future returns

Strong performance, despite markets

Global equities¹, global credit², ASX³ and GVF⁴



GVF is up 9.1% for FY2021 and up 3.2% since the 1st January 2020

1 MSCI All Country World Index in A\$ terms.

2 S&P Global Leverage Loan Index in A\$ terms.

3 S&P/ASX 200 Index.

4 GVF net investment returns.

Calendar Year 2020 runs from 1st January 2020 through to 31st October 2020.

Financial Year 2021 runs from 1st July 2020 through to 31st October 2020.

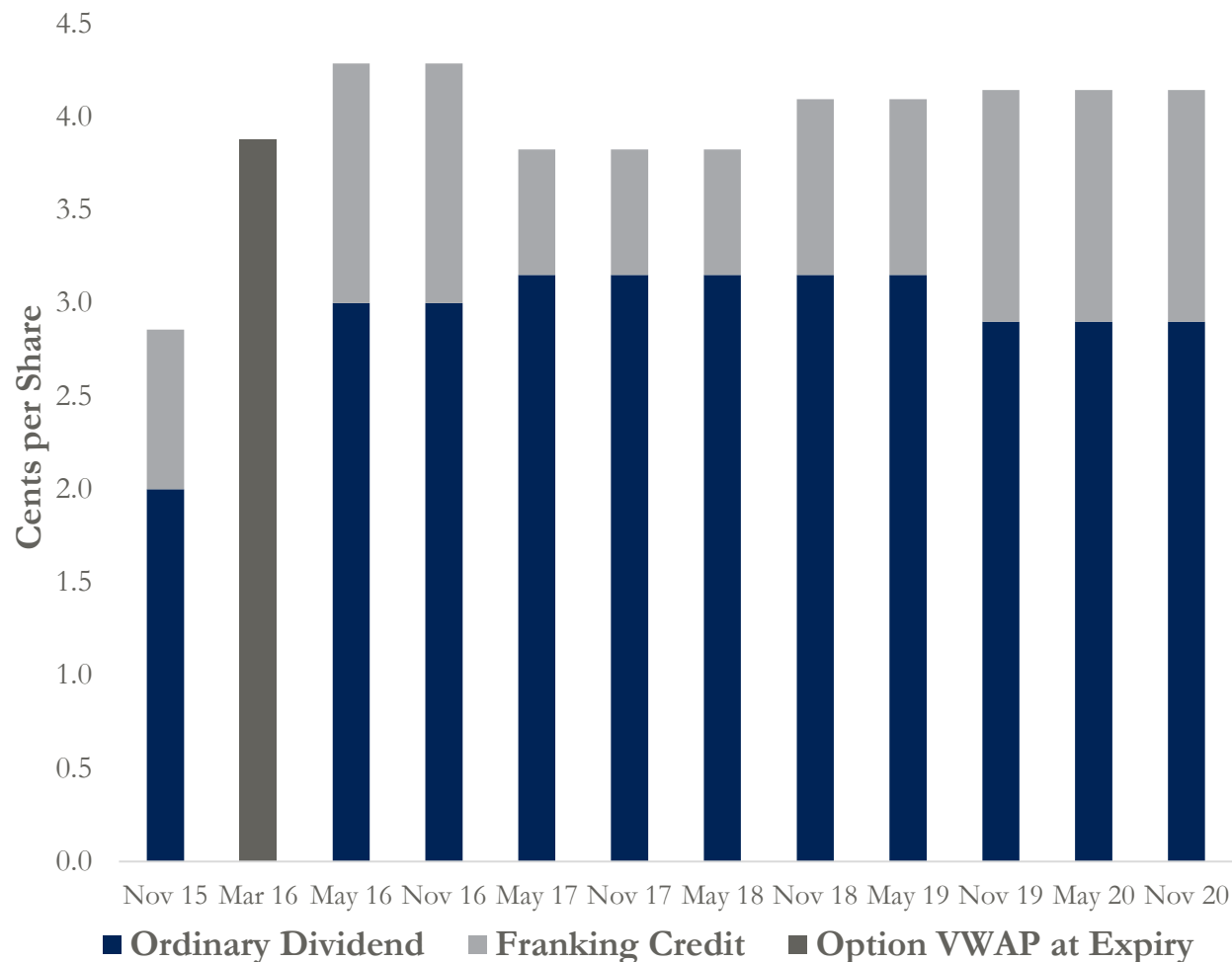
Data source: Bloomberg LP and Staude Capital.

All returns are total returns, including price and dividends.

Please note that past performance is not indicative of future returns

GVF dividend & option price history

Grossed up dividends and option VWAP¹ since IPO²



Since IPO at \$1/shr, GVF has paid grossed up dividends of 44c³ per share

- 1 Data source: The ASX The Volume Weighted Average Price of the GVF Options (GVFO) traded from IPO to Expiry on the 10th March 2016.
- 2 Data source: Annual company reports.
- 3 Grossed up dividends of 43.52c since IPO at \$1 through to 9th November 2020.

For those interested in a tabular version of this graph, please refer [here](#).

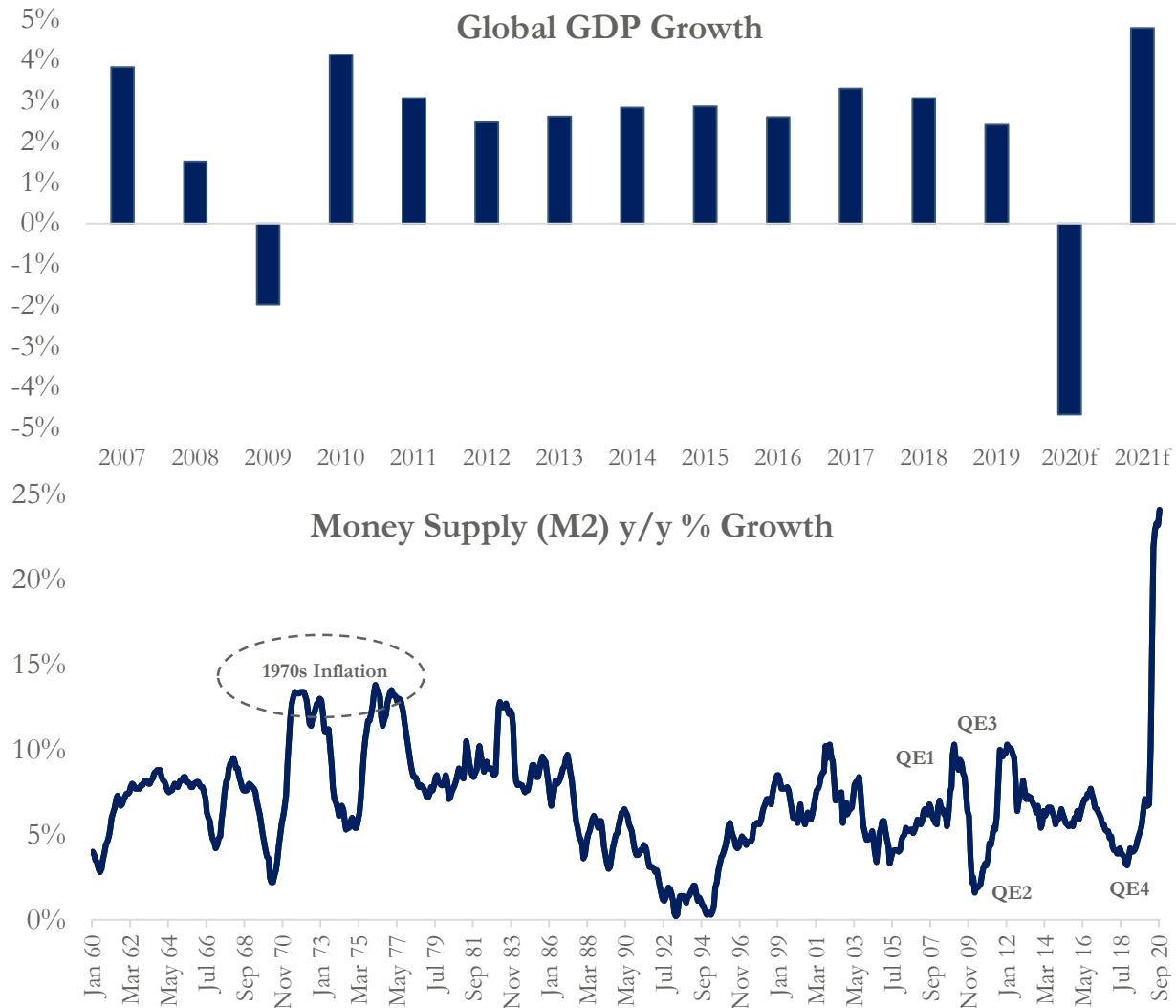
Please note that past performance is not indicative of future returns



**2. What are markets pricing in?
What are the second page stories?**

Markets see strong growth and a vaccine in 2021

Global GDP Growth¹. US Money Supply (M2) Growth²



Please note that past performance is not indicative of future returns

Global GDP growth in 2021 is set to hit a 30 year high

1 Data source: IMF, Bloomberg LP and Staude Capital as of 31st October 2020.

Money supply (M2) growth has never been greater

2 Data source: Bloomberg LP and Staude Capital as of 31st October 2020.

Real Interest Rates are now negative

US government 30-year inflation-protected bond



**Somebody has to
pay the bill...**

**...and taxing savers
is politically easier
than taxing workers**

Data source: Bloomberg LP and
Staude Capital as of 31st October 2020.

Please note that past performance is not indicative of future returns

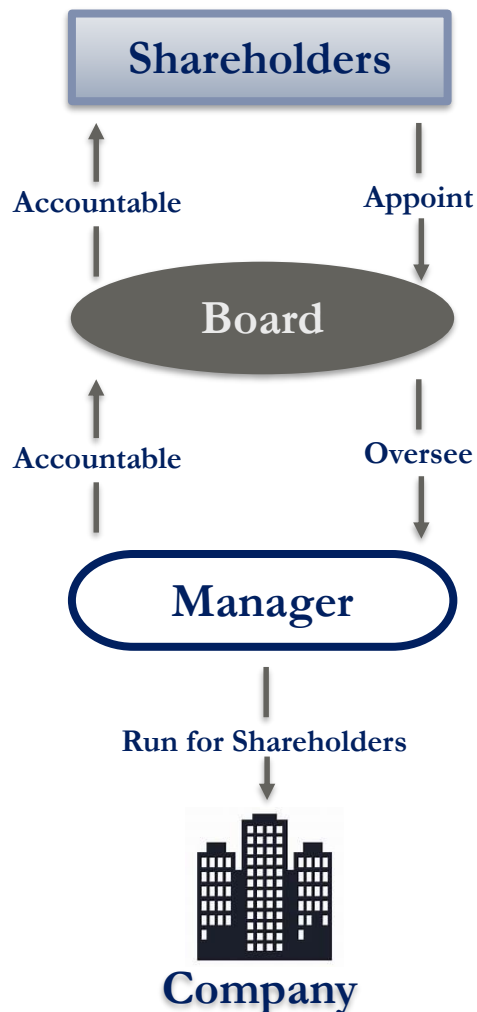


3. Corporate Governance: The 'G' in ESG

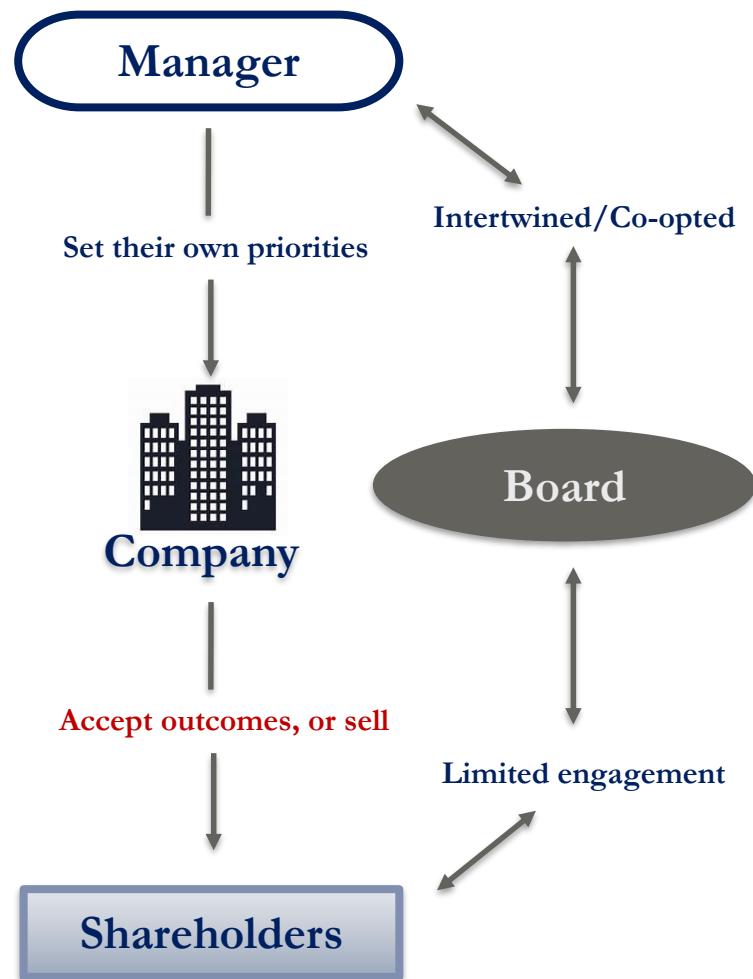


Corporate Governance: The 'G' in ESG

Healthy corporate governance



The unhealthy framework



Please note that past performance is not indicative of future returns



4. Case study

The case studies cited in this document are included for illustration purposes only and do not purport to represent all investments made by the Global Value Fund.



Case Study: Highbridge Tactical Credit Fund

Quiet Engagement: Ensuring an asymmetric investment

Description

Highbridge Tactical Credit Fund (HTCF): London-listed feeder into a hedge fund managed by NY-based Highbridge Capital Management.

HTCF's underlying master fund invests across the capital structure into a range of credit strategies, on a market-neutral basis, and with a focus on mid-market companies.

Performance this year has been terrific given the low underlying risk profile: up +12.5% year-to-date. HTCF also avoided the worst of the market crash in March 2020.

Investment Rationale

At the time of the 2019 restructuring, HTCF's articles were amended to provide for a wind-up vote if the fund had not grown to £80m by the end of 2020.

However, for HTCF to grow through equity issuance, this would first require the fund to trade at a premium to asset backing.

With the shares on a double-digit discount, this set up an asymmetric opportunity where either the shares traded at a price that gave us an exit at or above asset backing, or we could likely exit around asset backing via an orderly winding-down.

Future Investment Metrics

Discount to NAV ¹	11.5%
Share price upside to NAV ¹	13.0%
Est. IRR from discount capture ²	15.9%

¹ As at 31st October 2020.

² Net of estimated expenses

Engagement

We were able to build a large stake in HTCF to become the company's second largest shareholder, giving us a loud voice and significant influence at any wind-up vote.

Seeing a capital raise as unlikely given the persistent discount, we engaged privately with the Chairman from April 2020 onwards, to push for an earlier vote or at least ensure there was no attempt to seek an extension.

In September 2020, the Chairman acknowledged publicly that a wind-down vote was inevitable and submitted a pre-emptive redemption request to avoid any delay.

In effect this brings our exit forward. We now expect to realise our investment over 2021.



5. 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\$10Bn¹.
- 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.
- 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.

¹ Data source: Mirabella Financial Services as of October 2020.

Organisational Chart

Mirabella Financial Services
Regulatory Host

Miles Staude
Portfolio Manager & Director

Emma Davidson
Investor Relations & Director

Mark Ambrose
James Dow
Investment Managers

Emma Beall
Middle Office & Support

Biographies

Miles Staude – Portfolio Manager & Director

Miles has over eighteen 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 nineteen 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

Mark Ambrose– Investment Manager

Under Mirabella's regulatory license, Mark is a member of the GVF portfolio management team. Mark has fifteen years of experience in financial markets, covering a diverse range of sectors at Atlas Capital Group, ABN Amro, CLSA (UK) and LingBridge. Most recently, Mark spent almost ten years as a desk strategist and specialist salesman on the investment companies team at Jefferies in London before joining Staude Capital in March 2020.

Mark holds a MSc in Applied Mathematics from Imperial College London as well as a BSc in Mathematics from Northumbria University. Mark is also 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 sixteen 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.

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 Limited¹

Head of Corporate Affairs Emma Davidson

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

Prime Broker/Custodian Credit Suisse AG, Dublin Branch

Auditor Deloitte Touche Tohmatsu Limited

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

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