



STAUDE CAPITAL

GLOBAL VALUE FUND

31st December 2021
www.globalvaluefund.com.au

Agenda

1. Introduction and update – The Global Value Fund
2. Market outlook – the return of inflation
3. Case studies
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5. Disclaimer

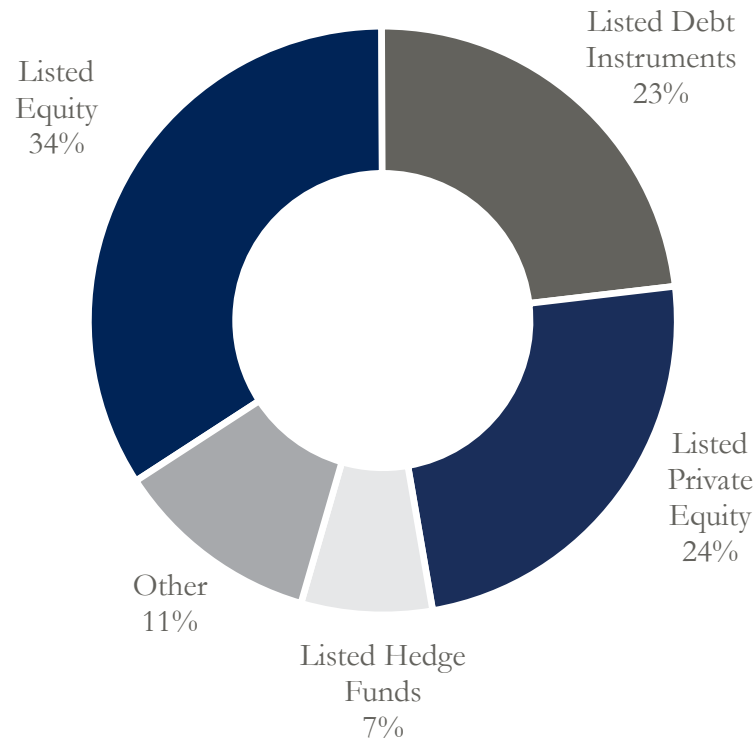


- 1. Introduction and update –
The Global Value Fund (ASX: GVF)**

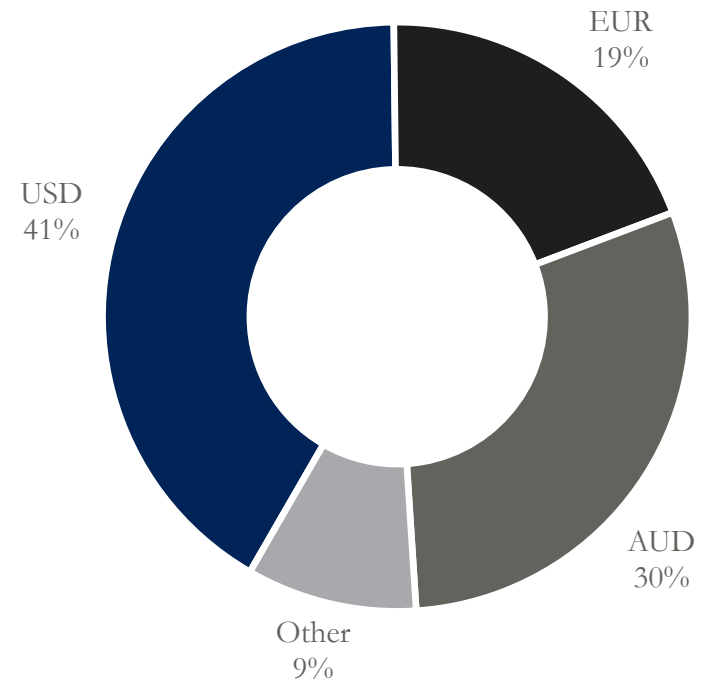


Investment portfolio^{1,2}

Underlying asset classes



Underlying currency exposures



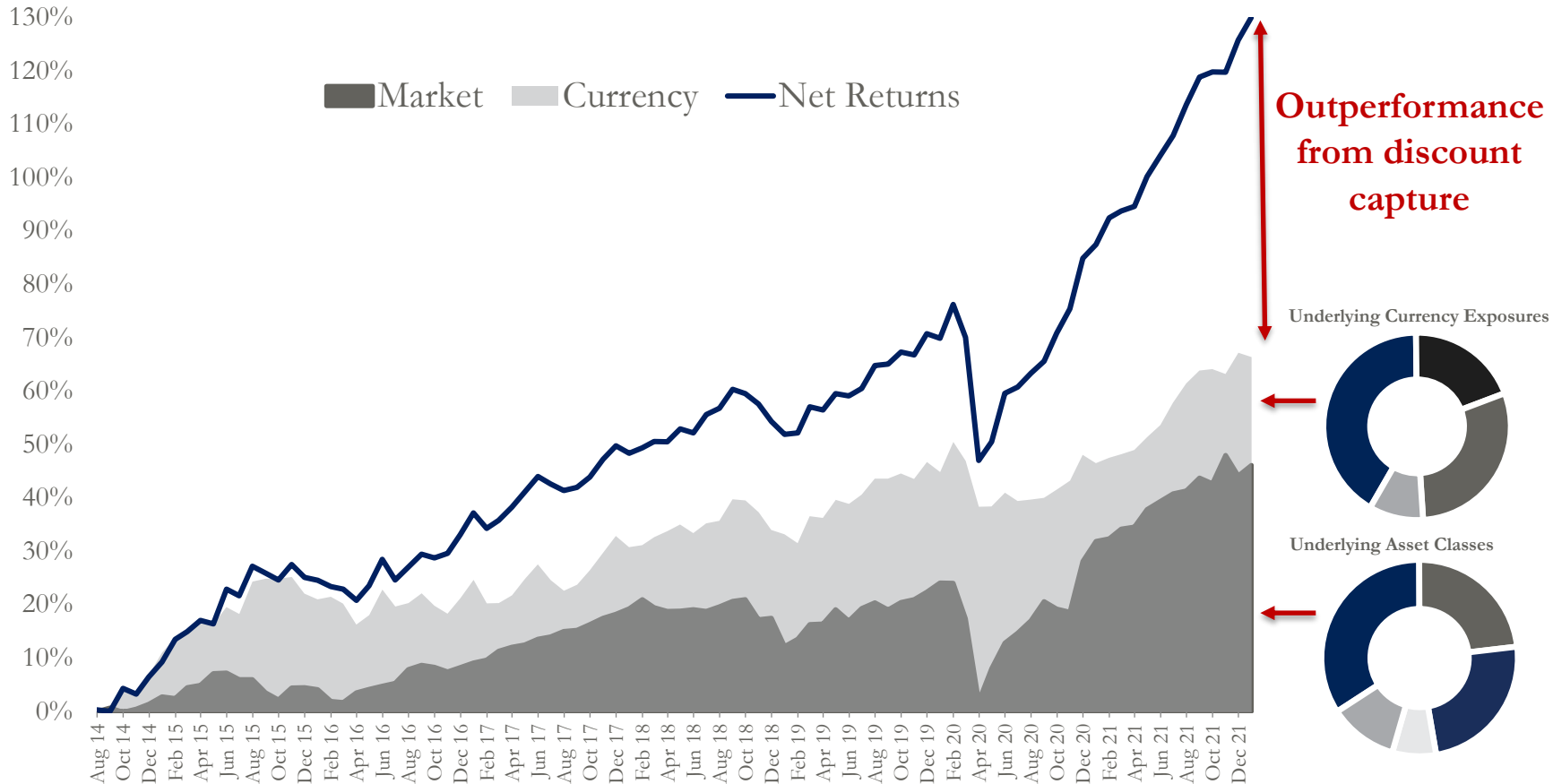
Diversification across asset classes lowers portfolio level risk

- 1 As at the 31st December 2021.
- 2 Data source: Staude Capital.



GVF net investment returns since IPO

Attributed by market¹, currency² and net returns³



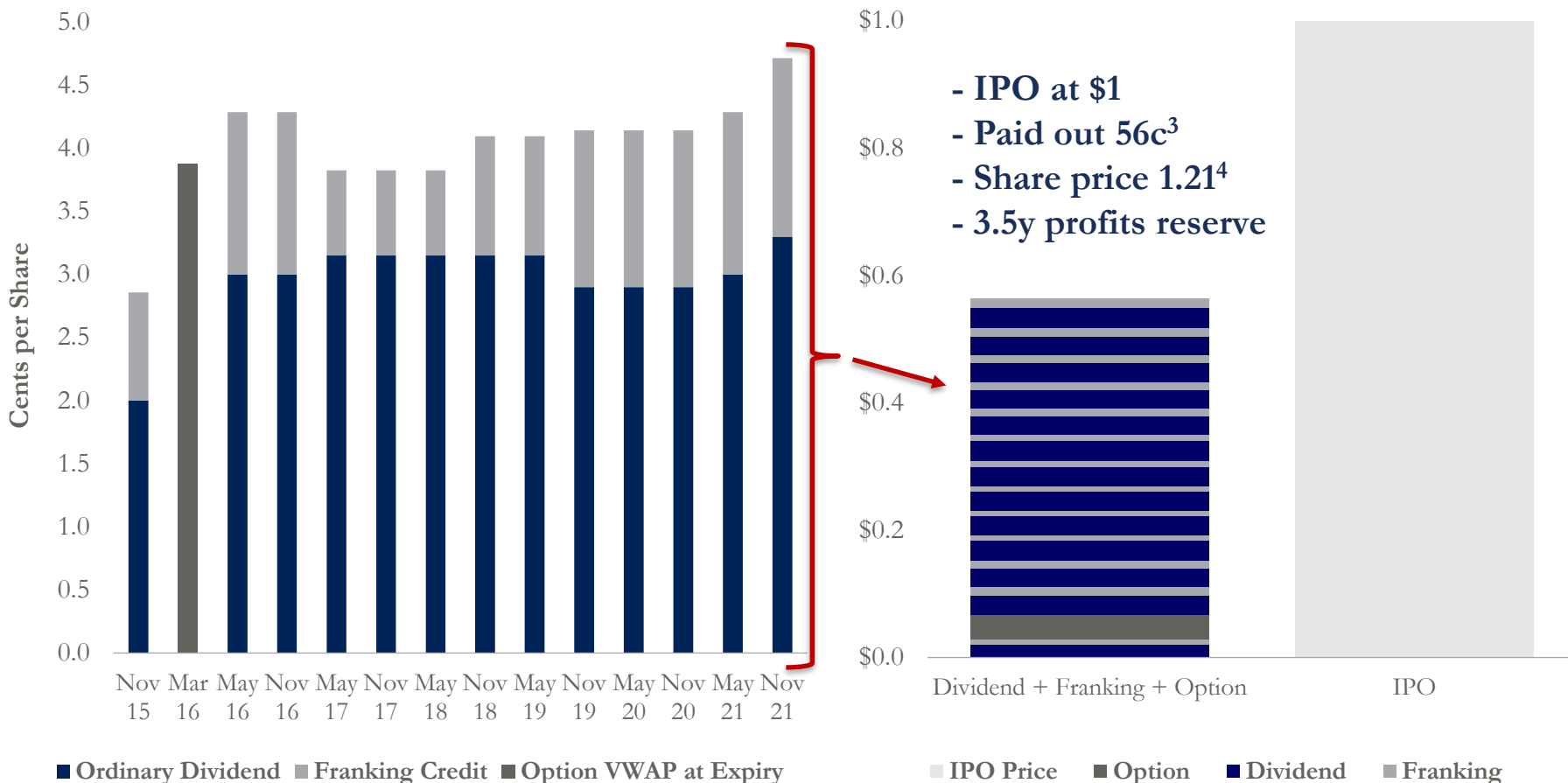
- 1 Gross returns attributable to the market exposures of the underlying assets held by the fund.
- 2 Gross returns attributable to the currency exposures of the underlying assets held by the fund.
- 3 Net investment returns (after taxes paid, expenses, management fees, performance fees and the impact of dilution from exercised company options).
- 4 Data sourced from Staude Capital. As at 31st December 2021.

Please note that past performance is not indicative of future returns



GVF dividend & option price history

Declared grossed up dividends and option VWAP¹ since IPO²



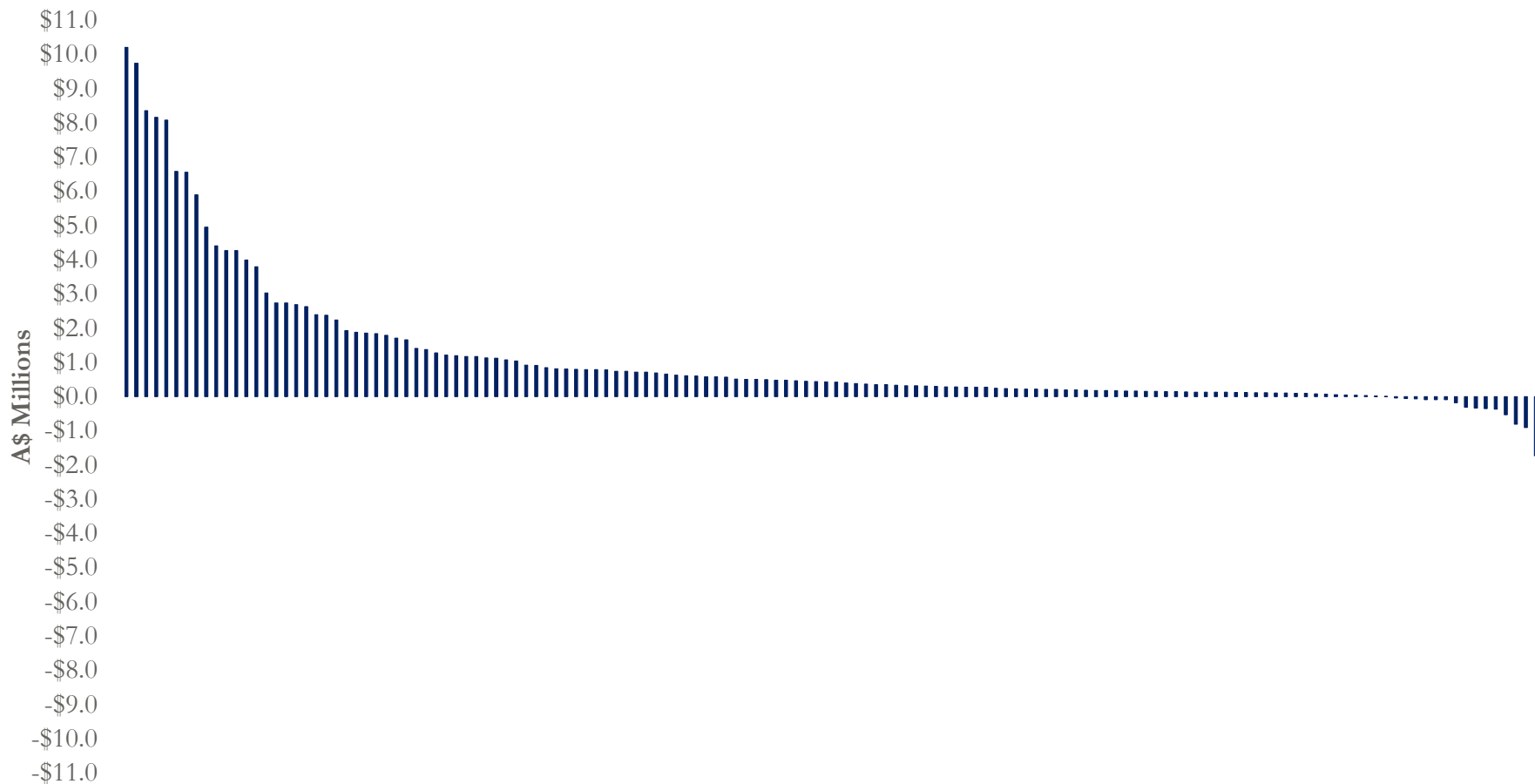
1 Data source: The ASX, the Volume Weighted Average Price (VWAP) of the GVF Options (GVFO) traded from IPO to expiry on the 10 March 2016.
 2 Data source: Annual company reports.
 3 Grossed up dividends of 52.5c per share since IPO at \$1 plus 3.9c in VWAP option value = 56.4c per share.
 4 Data sourced from Staude Capital. As of 31st December 2021.

Please note that past performance is not indicative of future returns



Total return by investment

Profit or loss on every investment made by GVF since IPO^{1,2,3,4}



- 1 Total return by investment shows the gross A\$ PnL of every investment the fund has made since IPO, including any associated hedging activities.
- 2 These figures exclude the returns from cash balances held in non-Australian currency.
- 3 Gross returns are before taxes paid, expenses, management fees and dividends paid.
- 4 Data sourced from Staude Capital. As of 31st December 2021.

Please note that past performance is not indicative of future returns

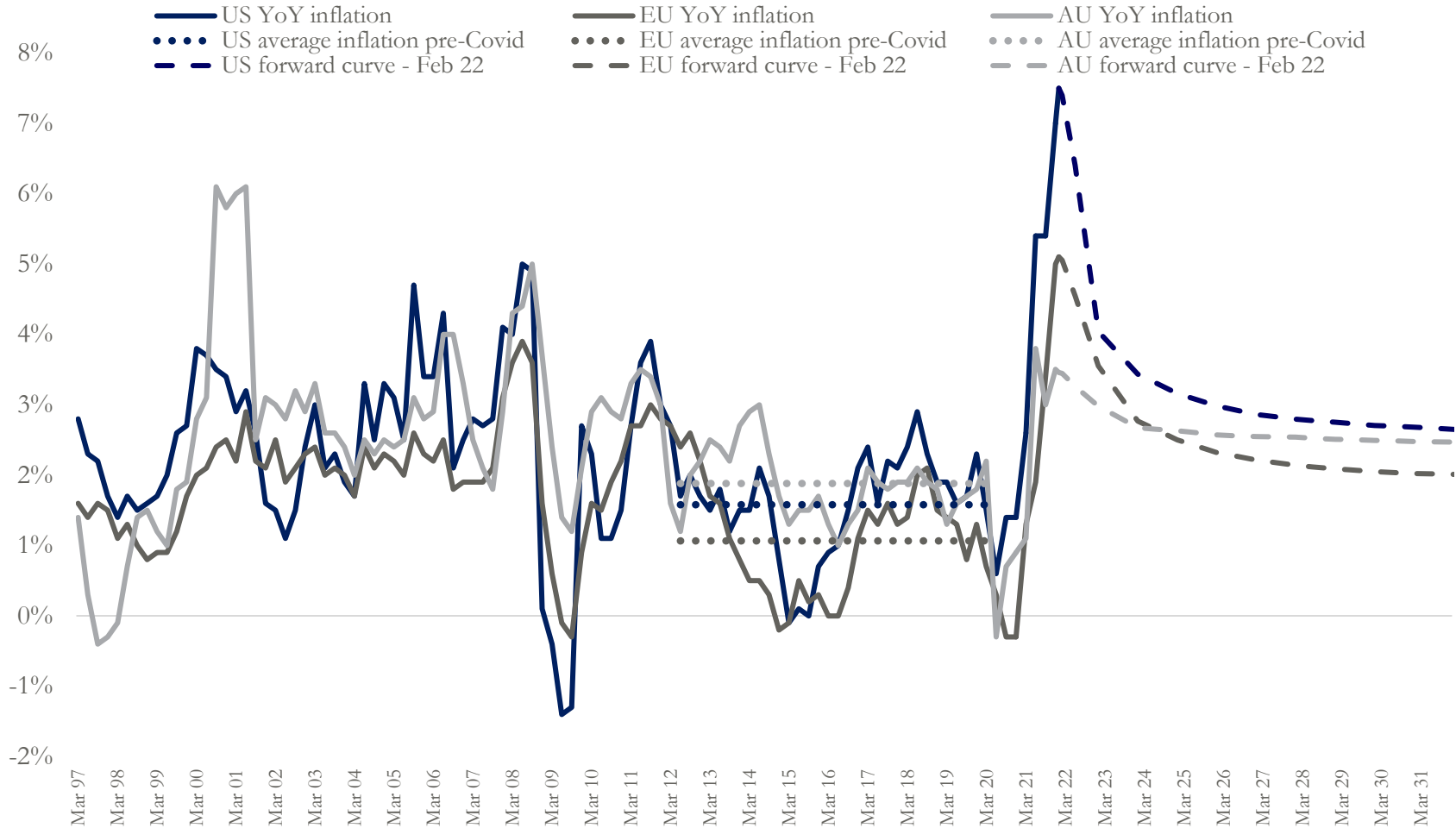


2. Market outlook – the return of inflation



Inflation has moved dangerously higher

But current expectations are that it is not sustained



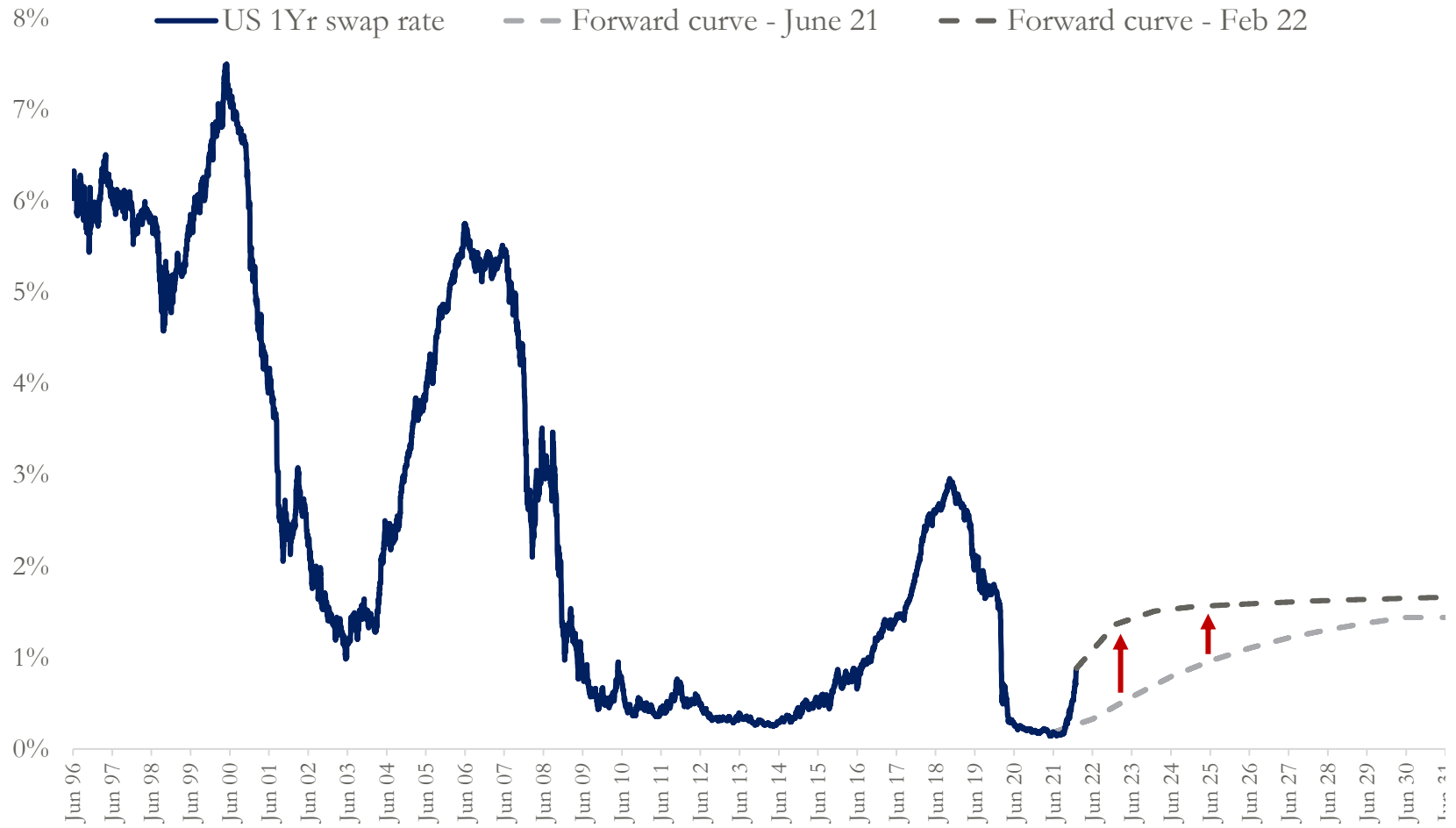
1 Data sourced from Staude Capital and Bloomberg LP. As of February 2022.

Please note that past performance is not indicative of future returns



US interest rates and forward curves

Near-term expectations have risen dramatically



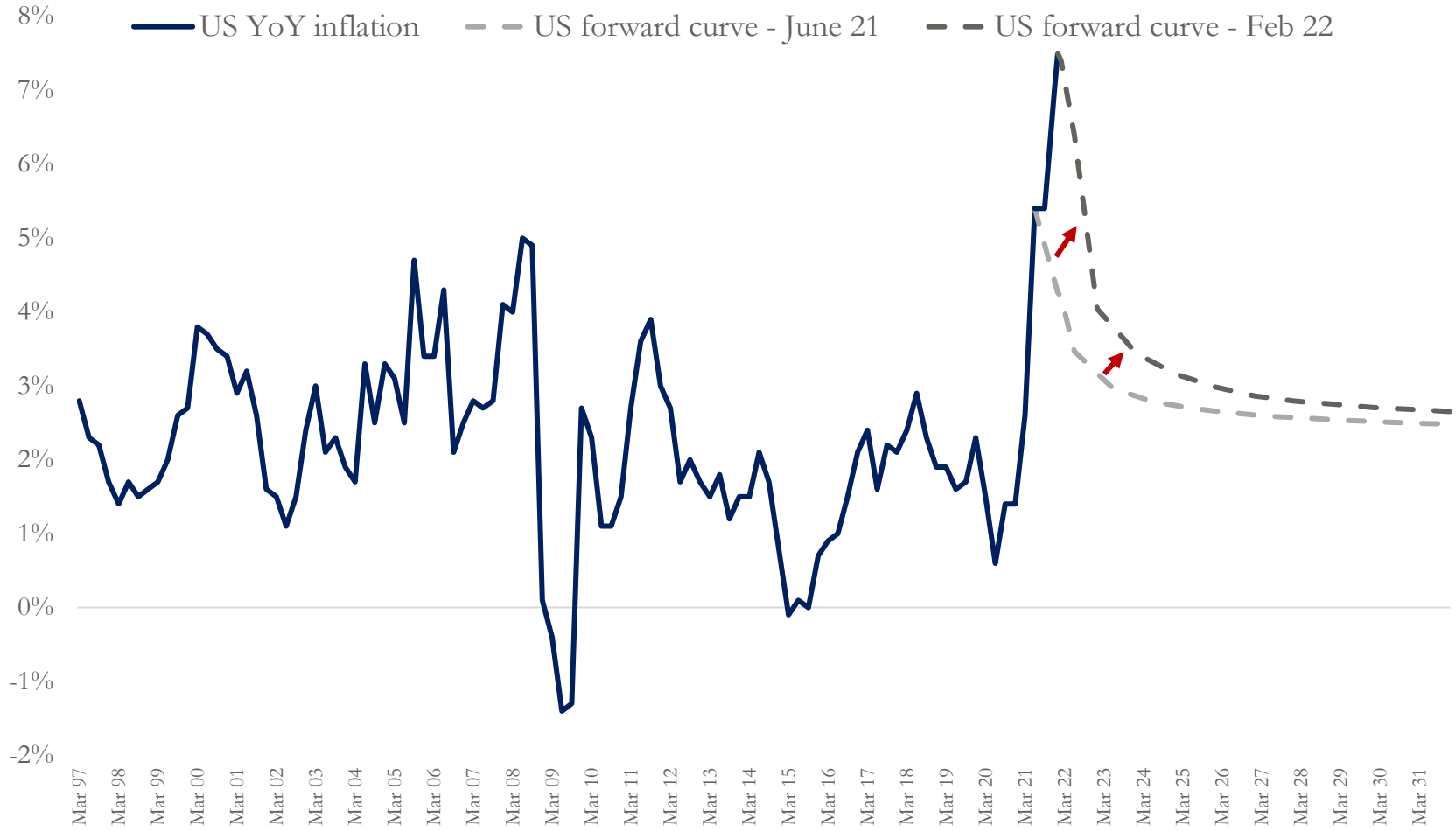
1 Data sourced from Staude Capital and Bloomberg LP. As of February 2022.

Please note that past performance is not indicative of future returns



US inflation and forward curves

Expectations have been moving higher, weighing on markets



1 Data sourced from Staude Capital and Bloomberg LP. As of February 2022.

Please note that past performance is not indicative of future returns



3. Case study

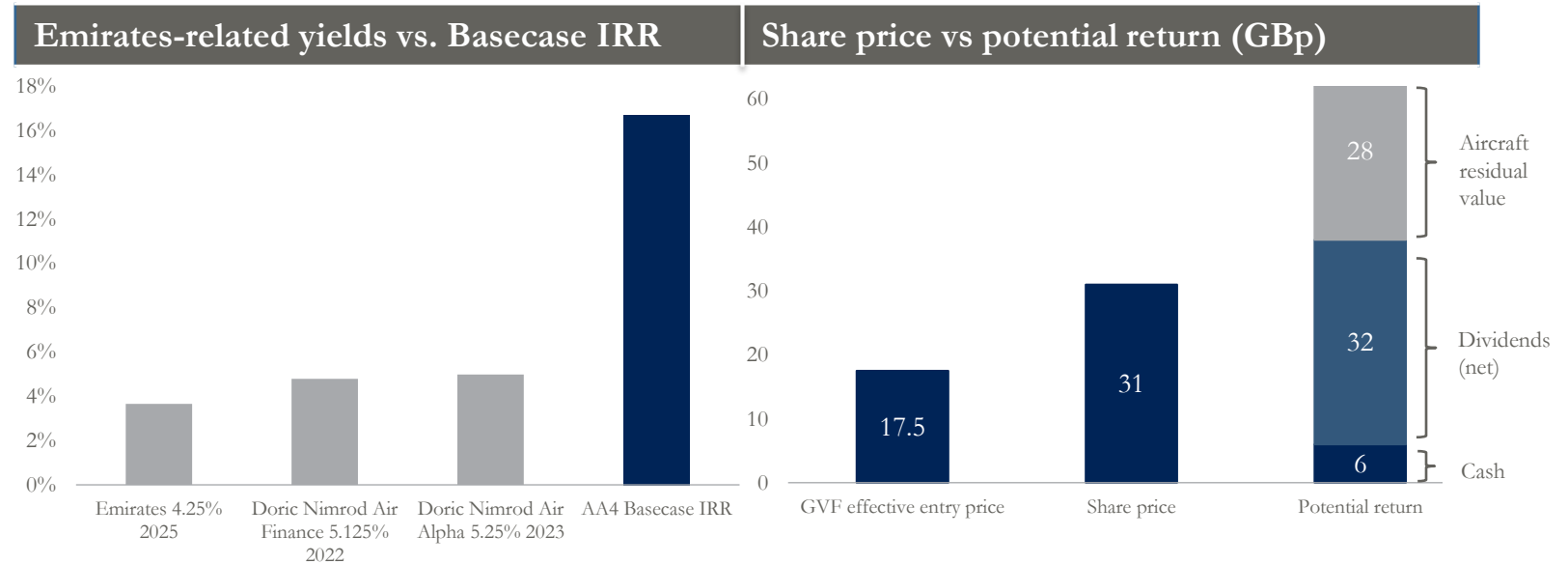
The case study cited in this document is included for illustration purposes only and does not purport to represent all investments made by the Global Value Fund.



Case Study: Amedeo Air Four Plus

Deep Value / Special Situation

Description	Investment Rationale
<p>AA4 is a London-listed aircraft leasing fund, originally sold to income-oriented institutional investors in the UK. At its peak the company had a market cap of almost £700 mln.</p> <p>AA4 owns 6x A380s and 2x Boeing 777s leased to Emirates, and 4x A350s leased to Thai.</p> <p>As well as these assets, AA4 went into the pandemic with significant cash, owing to a sale of two aircraft in early 2020.</p> <p>Sentiment towards the company, however, was understandably negative given a collapse in international air travel.</p> <p>This was exacerbated by the suspension of regular dividends.</p>	<p>AA4's depressed share price did not reflect a substantial cash balance (at one point more than the share price), and income from Emirates that was received throughout the pandemic.</p> <p>Since our initial investment, AA4 has completed two large capital returns, giving GVF a low effective entry price.</p> <p>Emirates leases fund a dividend yield of 16.1% on the current share price (and running costs), with scope to grow this.</p> <p>Our base case IRR is c. 16.7% on the current share price, based on pessimistic residual values, largely based on contractual end-of-lease payments. Over three-quarters is Emirates-related.</p>





Case Study: Empiric Student Property

Opportunity in the depths of the pandemic

Description

Empiric Student Property (ESP) owns and operates premium purpose-built student accommodation (PBSA) across the UK.

UK PBSA has several attractive supply/demand dynamics: structural undersupply (one PBSA bed for every three students); a desirable destination for international students; and a domestic demographic ‘bulge’ of 18 year olds until 2026.

Unsurprisingly, then, the sector attracts strong private equity interest.

A ‘reset’ of the rent-roll each academic year allows owners to capture strong rental growth. In the pandemic, however, the business model was particularly hard hit.

Investment Rationale

We did not see the pandemic impacting the long-term story, or disrupting operational improvements underway at ESP.

After a forensic analysis, we concluded ESP was well-placed to survive the pandemic given cash levels and debt maturities. We also felt share price declines were disproportionate relative to any likely actual loss of value from low occupancy.

GVF has used periods of extreme price weakness to invest at a deep discounts to asset backing – as much as c.45%.

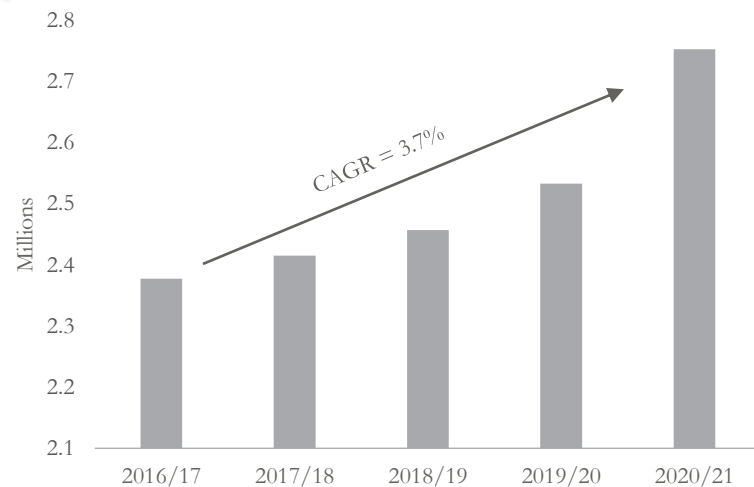
ESP remains cheap relative to the leading UK peer, Unite Group (UTG), or where another peer (DIGS) was acquired.

M&A activity provides potential upside or a backstop.

ESP prem./disc. to NTA vs. peers



UK higher education enrolments by year





4. 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\$26.3Bn¹.
- 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 30 September 2021.

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 Goldman Sachs International²

Auditor Deloitte Touche Tohmatsu Limited

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

- ¹ 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.
- ² Prime Broker as of 11th February 2022.



5. Disclaimer



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