

Investment Update and Net Tangible Assets

Net Tangible Assets (NTA) per share

NTA before tax*	\$ 1.1690
NTA after tax	\$ 1.1437

* There were no substantive tax payments made during January.
 \$ denotes Australian dollar.

January review

'I never look at the glass as half empty or half full. I look to see who is pouring the water, and deal with them'.

Since the end of September last year, and certainly throughout January, whoever has been pouring the drinks has had a heavy hand. Over this time, global share markets⁴ are 17.6% higher, while global bond markets⁵ have rallied 9.2%, both in US\$ terms (or +6.7% and -0.9%, in A\$ dollar terms). Over January alone, those figures were 7.2% and 3.7% respectively. Despite a gloomy economic outlook, the glass half-full crowd has been winning the recent market battle. There are two main reasons why.

First, the incoming economic data has been 'less bad' than first feared. For example, Europe has enjoyed an unusually warm winter, providing a lucky escape from the worst of the heavy economic costs Russian energy sanctions are causing. While in the US, 4.5% of cumulative interest rate rises look to have started to tame inflation, without yet causing a large increase in unemployment or much wider economic damage. In aggregate, the less bad incoming data has prompted economists to revise upwards their previously very gloomy expectations for 2023. Perhaps the most noticeable example of this is the market's evolving expectations for the US - the world's largest economy - to enter a recession this year. In October of last year, market consensus was heavily in the camp of anticipating a US contraction in 2023. Today, expectations are much more finely balanced. Indeed, Goldmans Sachs recently estimated the probability of a US recession this year to be as low as 25%.

Secondly, rightly or wrongly, financial markets are refusing to take their cues from the US Fed. For months, US policy makers have been at pains to communicate that they expect interest rates to continue to rise, and to stay high for some time. Despite this, markets expect the US Fed to 'pivot' later this year and begin to deliver interest rate cuts by year-end. At face value, the market's cavalier disregard of Fed guidance seems to fly in the face of one of the most famous rules about investing, "don't fight the Fed". The reality, however, is more nuanced. While policy makers expect interest rates to stay high for some time, they also say all decisions will be governed by the incoming economic data. What has happened recently, is that commercial market forecasters are increasingly seeing the evidence they need to predict that the Fed will soon have to change course.

The combined impact of upward revisions to economic forecasts, and increasing market boldness in predicting future interest rate cuts, has been what has driven markets recently. To the extent that this represents a near-term outlook that may be less bad than first feared, this represents a good news story for investors. At the risk of sounding like a glass half-full exponent, however, the corollary of these recent developments is that these new and improved expectations are now firmly incorporated into market pricing today.

Global Value Fund Limited

ASX Code	GVF
Listed	July 2014
Shares on issue	175M
Share price	\$1.15
Market cap	\$201M
Total dividends declared ¹	62.0 cents
Profits Reserve ²	26 cents
Grossed-up yield ³	8.2%

Company overview

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

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

Investment Manager

The portfolio management team is split between London and Sydney and has considerable experience in finding international assets trading at a discount to their intrinsic value and in identifying, or creating, catalysts to unlock this value.

Investment Management

Miles Staude, CFA
 Fund Manager, Global Value Fund

Board of Directors

Jonathan Trollip

Chairman

Chris Cuffe

Non-executive Director

Geoff Wilson

Non-executive Director

Miles Staude, CFA

Non-executive Director



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Meanwhile, it will be some time before the outcomes of these competing financial forecasts are known. If, for example, the Fed's forecasts are correct, and expected interest rate cuts don't arrive later this year, we are likely to see a significant correction in higher-risk assets ahead.

The largest contributor to performance in January was Amedeo Air Four Plus (AA4) with the shares up 10% on a total return basis. AA4, a London listed investment company that owns 12 widebody aircraft that are predominantly leased to Emirates, is a special situation investment that we have spoken about in several previous commentaries. During the month, AA4 announced it was adding a new director to the board, appointing a shareholder representative. This is a development something we have advocated for some time and which we welcome.

GVF also benefited from a notable corporate action in January from Trian Investors 1 (TI1) – providing a positive contribution to returns. As discussed in a case study we gave at GVF's last AGM, this investment was a high-profile activist campaign for GVF in 2022, as GVF and several major shareholders worked together to fight a particularly egregious change of investment policy. Our efforts culminated in shareholders voting to remove the company's previous Chairman, appoint an experienced independent director that we had nominated, and ultimately succeeding in securing a commitment from the company to return at least 90% of asset backing before June 2023, and thereafter wind-down. During January, the company announced a distribution of 90% of assets in the form of its shares in Ferguson Plc, five months ahead of schedule. The remaining 'stub' should be returned later this year, closing out what has been a profitable final leg of a three-stage investment.

The GVF investment portfolio increased by 0.6% during January. The fund's discount capture strategy added 0.6% during the month, while the company's underlying market exposures added a further 2.6%. Offsetting these gains was a large rise in the value of the A\$ against most other major currencies over January. This detracted 2.4% from performance, with the balance of the attribution of returns during the month accounted for by company costs and the rounding of the figures presented above.

Authorised for release by Miles Staude, Portfolio Manager and Director.

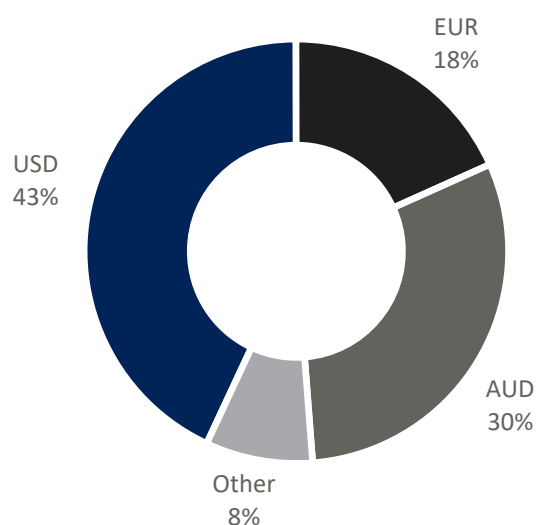
Over the life of the Company, GVF's annualised adjusted NTA returns have been 10.4%.

Adjusted NTA Returns⁶

Financial Year	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	YTD ⁷
FY2023	1.5%	2.3%	-0.5%	2.5%	1.0%	1.1%	0.6%						8.7%
FY2022	2.8%	2.4%	0.5%	0.0%	2.7%	1.9%	-0.6%	-2.3%	-1.7%	1.3%	-1.7%	-2.2%	2.8%
FY2021	1.6%	1.4%	3.2%	2.7%	5.4%	1.4%	2.7%	0.7%	0.4%	2.9%	2.0%	1.8%	29.3%
FY2020	2.7%	0.2%	1.4%	-0.3%	2.4%	-0.5%	3.7%	-3.5%	-13.5%	2.4%	6.0%	0.8%	0.2%
FY2019	0.8%	2.3%	-0.5%	-1.2%	-2.1%	-1.6%	0.2%	3.2%	-0.4%	1.9%	-0.3%	0.9%	3.2%
FY2018	-0.9%	0.4%	1.3%	2.3%	1.7%	-0.9%	0.7%	0.8%	0.0%	1.6%	-0.5%	2.2%	9.1%
FY2017	2.0%	1.9%	-0.5%	0.7%	2.7%	3.1%	-2.1%	1.1%	1.8%	2.0%	2.1%	-1.0%	14.5%
FY2016	4.6%	-1.0%	-1.0%	2.3%	-1.9%	-0.4%	-1.0%	-0.4%	-1.7%	2.3%	4.0%	-3.0%	2.4%
FY2015	0.3%	-0.3%	4.3%	-1.0%	3.1%	2.6%	3.9%	1.3%	1.8%	-0.6%	5.6%	-1.0%	21.6%



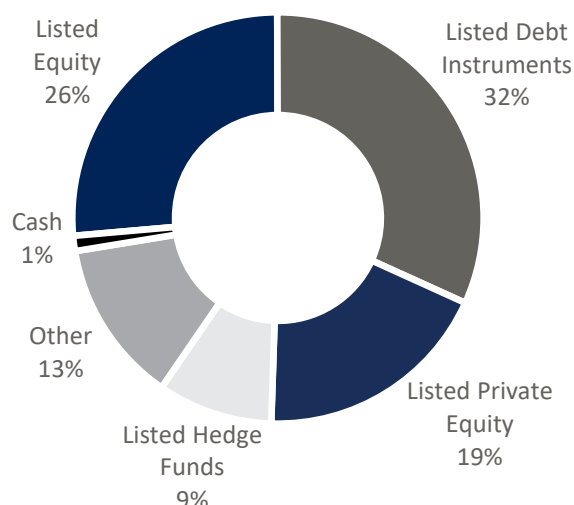
Underlying Currency Exposures



The above chart reflects the manager's estimate of the currency exposures arising from the portfolio's underlying investments and cash balances as at 31st January.

Including emerging market currencies that are chiefly pegged to the US\$, the fund's US\$ exposure is approximately 45%.

Underlying Asset Classes



The above chart reflects the manager's estimate of the underlying asset classes held through the fund's portfolio of investments as at 31st January.

Exposure to cash represents both cash balances held by the Company and the underlying cash holdings of the fund's portfolio of investments. If not separately disclosed above, 'Cash' is included in 'Other'.

Significant Holdings⁸

Holding	% NTA	Summary
Amedeo Air Four Plus	5.9%	London-listed investment company that owns twelve widebody aircraft on long term leases. A special situation that GVF first invested into in 2020, Amedeo continues to offer an attractive long-term risk reward proposition. The company currently pays a dividend yield of 15% pa that is more than covered by contractual lease payments from Emirates.
Pantheon International Participations	5.8%	London-listed closed-end fund (CEF) with a diversified portfolio of private equity fund investments. Following last year's sell-off in markets, Pantheon trades on a wide discount to its reported asset backing as the market has seemingly priced in write-downs that, in our view, are overly pessimistic. Even assuming conservative assumptions about underlying fund performance, we estimate the fund trades on a discount to asset backing that is unsustainable over the medium term.
Harbourvest Global Private Equity	5.7%	London-listed CEF with a diversified portfolio of private equity fund investments. Following last year's sell-off in markets, the fund trades on a wide discount to its reported asset backing, as the market has seemingly priced in write-downs that, in our view, are overly pessimistic. Even assuming conservative assumptions about underlying fund performance, we estimate the fund trades on a discount to asset backing that is unsustainable over the medium term.
Starwood European Real Estate Finance	5.5%	London-listed CEF with a portfolio of senior, predominantly floating rate, loans secured on commercial real estate in the UK and Europe. The fund's original terms offered a realisation opportunity at the end of 2022. In October 2022, the board proposed that this was replaced by the fund entering a managed wind down for all shareholders and the fund has subsequently moved into run-off.
Magellan Global Fund	5.2%	Australian-listed CEF which invests into large-cap, blue-chip stocks globally. Currently at a discount to asset backing of 18.7% while the fund has a very active on-market buy-back program in place.



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¹ Grossed up dividends of 61.95c declared from IPO at \$1 through to 8th November 2022, the FY2022 final dividend payment date.

² The profits reserve sits at 26.23c as of 31st January 2023.

³ Based on the end of month share price of \$1.15 and the FY2022 dividend guidance of 6.6 cents per share, fully franked.

⁴ All references to global share markets refer to the total return (price and dividends) of the MSCI All Country World Equity Index.

⁵ All references to global credit markets refer to the Bloomberg Barclays Global Credit Total Return Index.

⁶ Adjusted NTA returns are after all fees and expenses and are adjusted for the payment of taxes, dividends, and the effects of capital management initiatives. Performance data is estimated and unaudited. Source: Staude Capital Ltd.

⁷ Refers to the full year returns for a given Financial Year, or the year-to-date returns in the current Financial Year.

⁸ In order to protect the interests of GVF shareholders, certain large holdings may not always be publicly disclosed.

Unless otherwise stated, source for all data is Bloomberg LP and data as of 31st January 2023.

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Past performance is not an indicator of future returns. This document is not suitable for distribution into the EEA.