

Investment Update and Net Tangible Assets

Net Tangible Assets (NTA) per share

NTA before tax*	\$ 1.1638
NTA after tax	\$ 1.1309

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

March review

With inflation running at multi-decade highs, and most forecasters expecting key economies like the United States to soon enter recession, you would have thought that policy makers had enough on their plates to worry about. Sadly not. During March, a series of bank runs - depositors fleeing institutions they feared may go under – gripped several US lenders exposed to the technology and cryptocurrency sectors. The most high-profile of these was Silicon Valley Bank (SVB), which saw US\$42Bn worth of deposits leave in a single day. By the middle of March, three US banks had collapsed, with two of these, SVB and Signature Bank, representing the second and third largest bank failures in US history. While the US Fed and the US government quickly stepped in with a series of measures to backstop the broader financial system, pressure on banks with weak balance sheets continues to remain very high. By the end of March this pressure had claimed another victim, with Credit Suisse, once one of the most venerable investment banks in the business, forcibly folded into long-time rival UBS, with Swiss banking regulators determining that the bank was about to fail.

One of the main challenges that policy makers face when trying to tackle a serious problem like inflation, is that the tools at their disposal are typically very crude. Economic orthodoxy suggests that it can take up to a year for the full impact of interest rate rises to be felt across the broader economy, and there is considerable debate about whether that lag might be longer still today. Thus, with the US Fed having lifted interest rates by a staggering 4.75% over the past year (including by another 0.25% during March), it makes it very hard for investors and policy makers alike to judge how much pressure is still working its way through the system. Regrettably, a banking crisis only adds to this dynamic. A large number of smaller banks are now under considerable stress. This may or may not lead to further bank failures, but it will almost certainly lead to tighter lending standards and reduced credit availability, weighing further on future GDP growth. How serious this reduction in the flow of credit will be is very hard to know in advance, while its effects, like those of interest rate rises, won't be discernible for some time to come.

In response to these developments, markets have doubled down on their bet that central banks will be forced to 'pivot' and will begin lowering interest rates by a significant margin very soon. As such, March saw the yield on US 2-year bonds fall by 0.79%, one of the sharpest monthly falls in history. Falling interest rates typically boost asset prices, thus as counter intuitive as it may seem, by the end of the month, despite all of the troubles discussed above, financial markets had enjoyed a broad rally. In US\$ terms, global share⁴ and bond markets⁵ rose by 3.1% and 2.8% respectively over March. Within equity markets, the biggest beneficiaries of these gains were the high-growth technology companies that are particularly sensitive to interest rate assumptions. Notably, the FANG⁹ stock index rallied by 13.0% over the month, which had the effect of dragging higher many of the broad-based global share market indices. In Australia, the local share market fell by 0.2%, while in Australian

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	67.0 cents
Profits Reserve ²	29 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



dollar terms global equity and bond markets were 3.8% and 3.5% higher respectively.

Unfortunately, March was a challenging month for GVF's discount capture strategy. One of our key investment focus areas is the UK closed-end fund (CEF) sector, an investment universe that provides us with access to a wide range of different global asset classes, alongside the best corporate governance regime in the world. While GVF's exposure to actual UK assets is relatively modest, the fact that many of our investment are listed in London can expose us to UK specific developments for short periods of time. March was one of those occasions. The UK stock market¹⁰ bucked the buoyant global trend over the month, falling by 3.4% in GBP terms. More pertinently, however, March marks the end of the UK tax year, and during the month we saw a number of UK CEFs sell-off in an exaggerated fashion, indicative to us of a substantial tax year-end effect. As is typically the case when discounts on our holdings widen, we view periods like this as an opportunity, not something to be fearful of. We have been using this development as an opening to add to both existing holdings at more attractive levels, and to invest into new names that have appeared on our radar. In the near-term, however, a noticeable discount widening on several of our key holdings impacted the fund's performance by 2.2% over the month.

The GVF investment portfolio decreased by 0.9% during March. The fund's discount capture strategy detracted 2.2% from performance while a weaker Australian dollar added 1.1% to returns. The remaining attribution of returns are explained by the Company's market exposures and operating costs

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

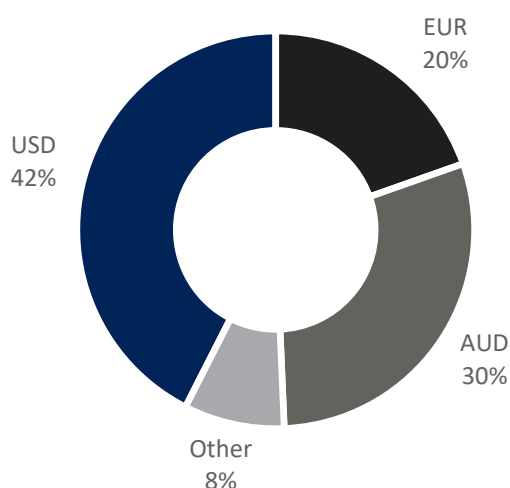
Over the life of the Company, GVF's annualised adjusted NTA returns have been 10.5%.

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%	3.4%	-0.9%				11.4%
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%



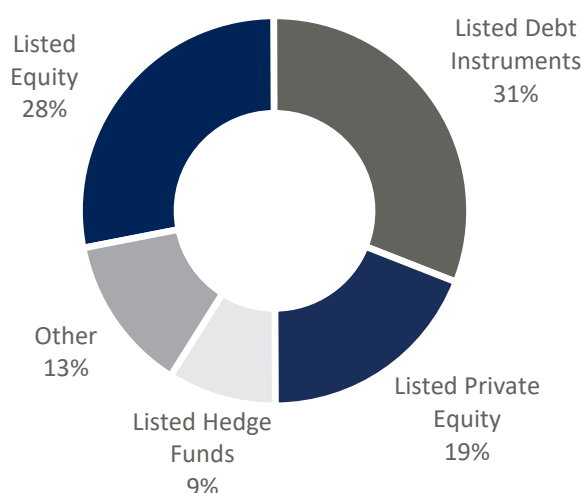
Underlying Currency Exposures



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 March.

Including emerging market currencies that are chiefly pegged to the US\$, the fund's US\$ exposure is approximately 44%.

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 March.

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 pays a dividend yield of c.16% pa that is more than covered by contractual lease payments from Emirates.
Starwood European Real Estate Finance	5.8%	London-listed closed-end fund (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.
Harbourvest Global Private Equity	5.8%	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.
Magellan Global Fund	5.6%	Australian-listed CEF which invests into large-cap, blue-chip stocks globally. Currently at a discount to asset backing of 18.3% while the fund has a very active on-market buy-back program in place.
Pantheon International Participations	5.5%	London-listed 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.



Investment Update and Net Tangible Assets. As at 31st March 2023

¹ Grossed up dividends of 66.67c declared from IPO at \$1 through to 13th May 2023, the HY2023 interim dividend payment date.

² The profits reserve sits at 29.05c as of 31st March 2023.

³ Based on the end of month share price of \$1.15 and the FY2023 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.

⁹ A well followed share market index of high-growth technology companies.

¹⁰ As represented by the total return (price and dividends) of the FTSE All-Share index.

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

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 Fund prospectus before making a decision to invest.

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