

## Investment Update and Net Tangible Assets

### Net Tangible Assets (NTA) per share

NTA before tax*	\$ 1.1954
NTA after tax	\$ 1.1532

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

### April review

It's said that financial markets "climb a wall of worry", a phrase meaning that markets can continue to rise in the face of a bleak prognosis about the future. And so far this year, the market has had its climbing gear on. What we find interesting today is that, despite near universal bearishness from market commentators, asset prices continue to grind higher. The list of fundamental concerns that analysts and strategists are rolling out are certainly daunting: stubbornly high core inflation has led to one of the fastest interest rate hiking cycles on record; the US and Europe look likely to enter recession in the second half of this year; a new banking crisis is unfolding across the US; and a nasty fight about the US debt ceiling limit is about to play out again, dragging financial markets through a chilling game of chicken. If that list doesn't send a shiver down your spine, you have a stronger constitution than the investment team at GVF.

This disconnect between the bearish arguments that fundamental forecasters are making, and the actual price action seen in markets, is most acute when it comes to expectations for the future path of US interest rates. As far as we can see, the strategy teams at all the large investment banks today expect interest rates to stay higher for longer and dismiss any notion that we will see rate cuts later this year. A few floors down in the same buildings, however, the traders at these same institutions are pricing in cumulative interest rate cuts of 0.8% before year end, implying a very fast and sharp cutting cycle.

To support current asset prices, and for markets to continue to move higher, the traders need to be right. In contrast, if the professional forecasters win the day, it would be rational to assume a significant market correction lies ahead. For now at least the traders remain ascendant. April saw global share<sup>4</sup> and bond<sup>5</sup> markets rise by 1.4% and 1.2% respectively, making the four-month year-to-date returns for each index 8.8% and 4.5% - figures that are not far off what the long-term average *annual* return for each asset class would be. In Australia, the local share market rose by 1.8%, while in Australian dollar terms global equity and bond markets were 2.5% and 2.2% higher respectively.

Turning to the performance of the GVF portfolio, April was a mirror image of March as, in general, last month's largest detractors become this month's biggest contributors. We commented last month that March's exaggerated sell-off in UK closed end funds appeared to look like a tax year-end phenomenon, and April's price action appears to support this view. Discounts that had widened significantly last month on non-fundamental reasons snapped back this month. Pleasingly this means that discount capture was the biggest driver of fund performance over the month.

The GVF investment portfolio increased by 2.7% during April. The fund's discount capture strategy added 1.5% during the month, while favourable currency movements added a further 1.2% to returns. The remaining attribution of returns are explained by the Company's market exposures and operating costs.

### Global Value Fund Limited

ASX Code	GVF
Listed	July 2014
Shares on issue	175M
Share price	\$1.14
Market cap	\$199M
Total dividends declared <sup>1</sup>	67.0 cents
Profits Reserve <sup>2</sup>	30 cents
Grossed-up yield <sup>3</sup>	8.3%

### 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



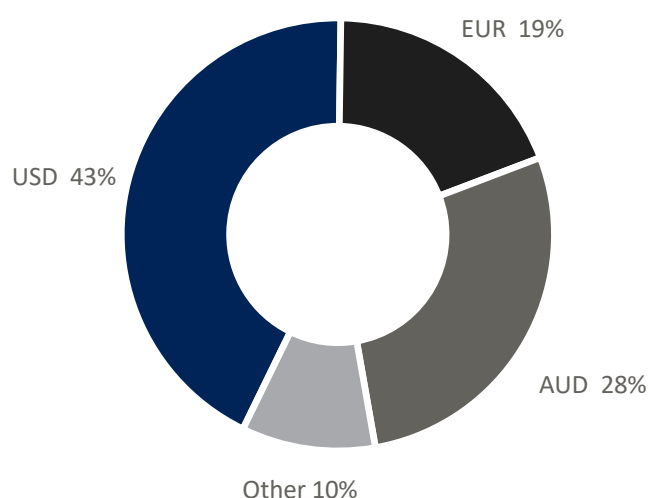
Authorised for release by Miles Staude, Portfolio Manager and Director.

Over the life of the Company, GVF's annualised adjusted NTA returns have been 10.7%.

## Adjusted NTA Returns<sup>6</sup>

Financial Year	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	YTD <sup>7</sup>
FY2023	1.5%	2.3%	-0.5%	2.5%	1.0%	1.1%	0.6%	3.4%	-0.9%	2.7%			14.5%
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%

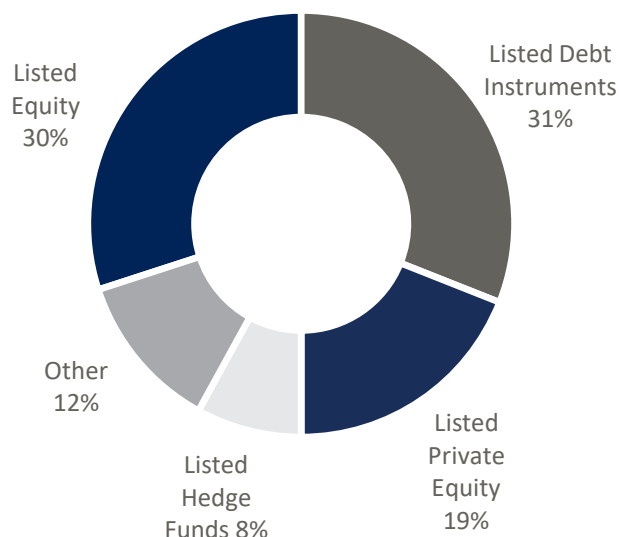
## Underlying Currency Exposures



The above chart reflects the manager's estimate of the currency exposures arising from the portfolio's underlying investments and cash balances as at 30<sup>th</sup> April.

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 30<sup>th</sup> April.

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 Holdings<sup>8</sup>

Holding	% NTA	Summary
Pantheon International Participations	6.0%	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	5.9%	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.
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.16.5% pa that is more than covered by contractual lease payments from Emirates.
Starwood European Real Estate Finance	5.8%	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	5.8%	Australian-listed CEF which invests into large-cap, blue-chip stocks globally. Currently at a discount to asset backing of 18.2% while the fund has a very active on-market buy-back program in place.

<sup>1</sup> Grossed up dividends of 66.67c declared from IPO at \$1 through to 15<sup>th</sup> May 2023, the HY2023 interim dividend payment date.

<sup>2</sup> The profits reserve sits at 30.49c as of 30<sup>th</sup> April 2023.

<sup>3</sup> Based on the end of month share price of \$1.14 and the FY2023 dividend guidance of 6.6 cents per share, fully franked.

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

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

<sup>6</sup> 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.

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

<sup>8</sup> 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 30<sup>th</sup> April 2023.

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