



STAUDE CAPITAL

GLOBAL VALUE FUND

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Agenda:



1. **Key issues driving global financial markets**
2. **The Global Value Fund**
3. **New investment management arrangements**
4. **Performance since IPO**
5. **Investment portfolio update**



1. Key issues driving global financial markets



The headline issues

**Does “Brexit”
mean “Smexit”**

**Improving
global economy
overshadowed by
event risks**

**Trump, Brexit
and the populist
revolution**

Important to remember what is already in the price



The second page stories

Expectations for
Trump have
been set very low

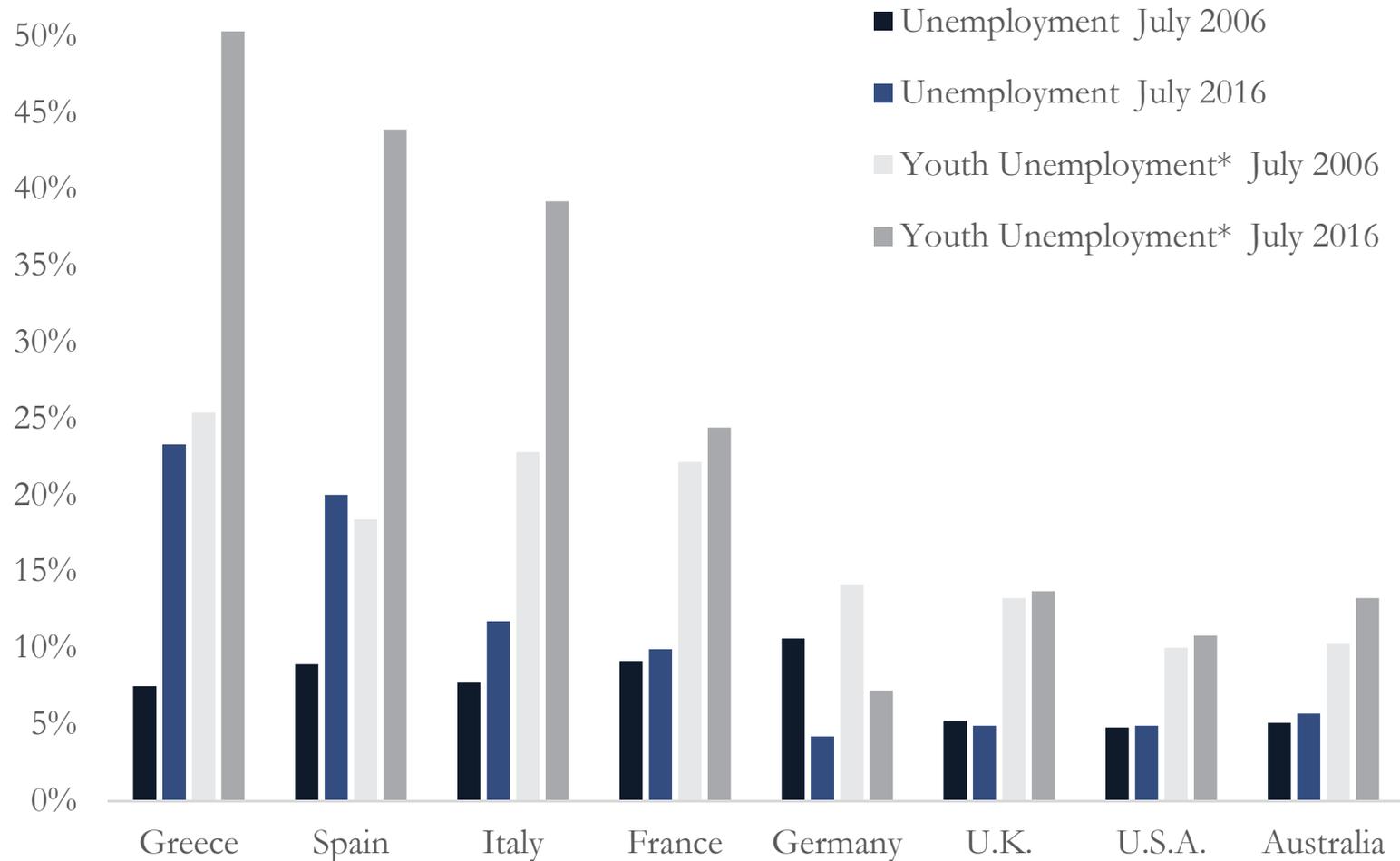
China's
structural
problems remain

"Brexit"
symptom of
wider EU
failings

Less clear how markets have priced in these issues

A generation being left behind

Unemployment rates of selected countries: 2006 vs. 2016



* Youth unemployment is defined as unemployment of those younger than 25 years old.

Source: Please refer to appendix for detailed description of source data used.



2. The Global Value Fund

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\$400Bn

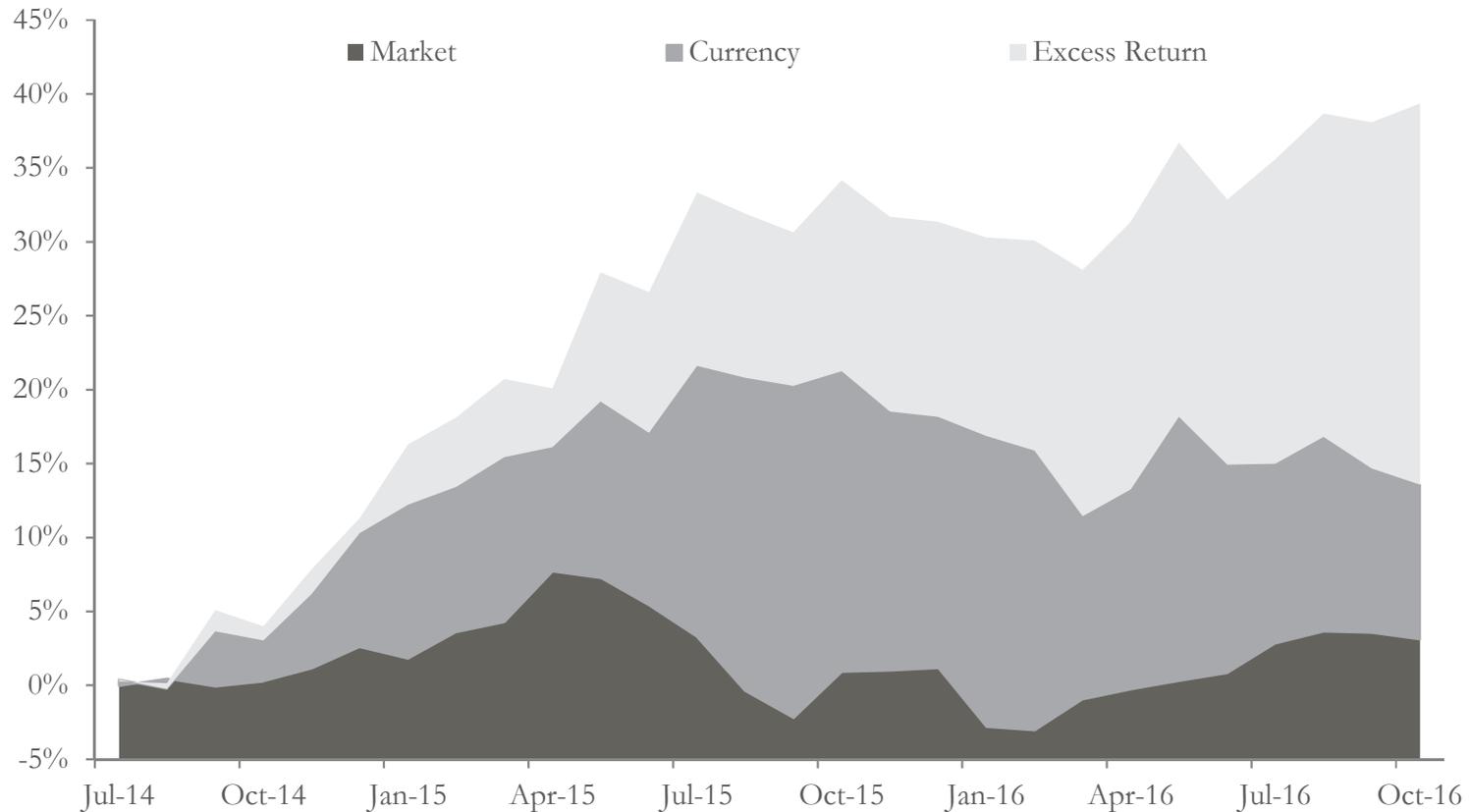
A variety of passive and active techniques are used to unlock value for our investors

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

STAUDE CAPITAL
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Gross investment returns¹ since IPO

Attributed by market², currency³ and excess returns⁴



- 1 Gross investment returns refers to the total GVF investment return before taxes paid, expenses, management fees, dividends paid and the impact of dilution from exercised company options. Data sourced from Staude Capital.
- 2 Gross returns attributable to the market exposures of the underlying assets held by the fund.
- 3 Gross returns attributable to the currency exposures of the underlying assets held by the fund.
- 4 Excess return represents the returns in excess of currency and market returns, attributable to the manager's investment strategy.

Please note that past performance is not indicative of future returns.



3. New investment management arrangements

Rationale for change

A better structure for our business and our investors

Significant changes in the UK regulatory landscape

- Meaningful change has already taken place, but MiFID II¹, which takes effect from January 2018, represents a new step-change.
- Compliance burden of new regime falls disproportionately on smaller fund management firms.

New arrangements should offer our investors the best of both worlds

- New structure allow us to remain an investor focused boutique.
- Yet offers our clients a best-in-class compliance commitment.
- New structure also permits a greater level of investor communications than was previously allowed.



The challenge we faced was how to remain investor focused, but manage compliance with the new regime

¹ MiFID II is the Markets in Financial Instruments Directive.

StauDe Capital

Founded by Portfolio Manager Miles StauDe

- New company has been established with the full support and backing of Metage Capital.
- Comprises key members of the Metage team who have managed the Global Value Fund investment portfolio since the Company's IPO in 2014.
- Investment team has fifty years of combined market experience and have worked together at Metage for the past eight years.
- StauDe Capital has appointed Mirabella Financial Services to act as its regulatory host¹.
- The arrangements in place between Mirabella and StauDe Capital ensure that Mirabella only remains the manager of GVF for as long as StauDe Capital continues to engage Mirabella's services.



GVF portfolio management team remains unchanged

- 1 A regulatory host provides its clients with a platform from which they can undertake regulated activities with appropriate FCA permissions, without needing to be directly authorised and regulated in their own right.

Mirabella Financial Services LLP acts as the investment manager of the Global Value Fund. Mirabella has seconded the team at StauDe Capital to manage the Global Value Fund.

Mirabella Financial Services

Best-in-class compliance and regulatory solution

- One of the largest regulatory hosts in Europe with assets under management of over A\$7.5Bn.
- Mirabella is wholly independent. There are no commercial links to the performance of GVF 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**

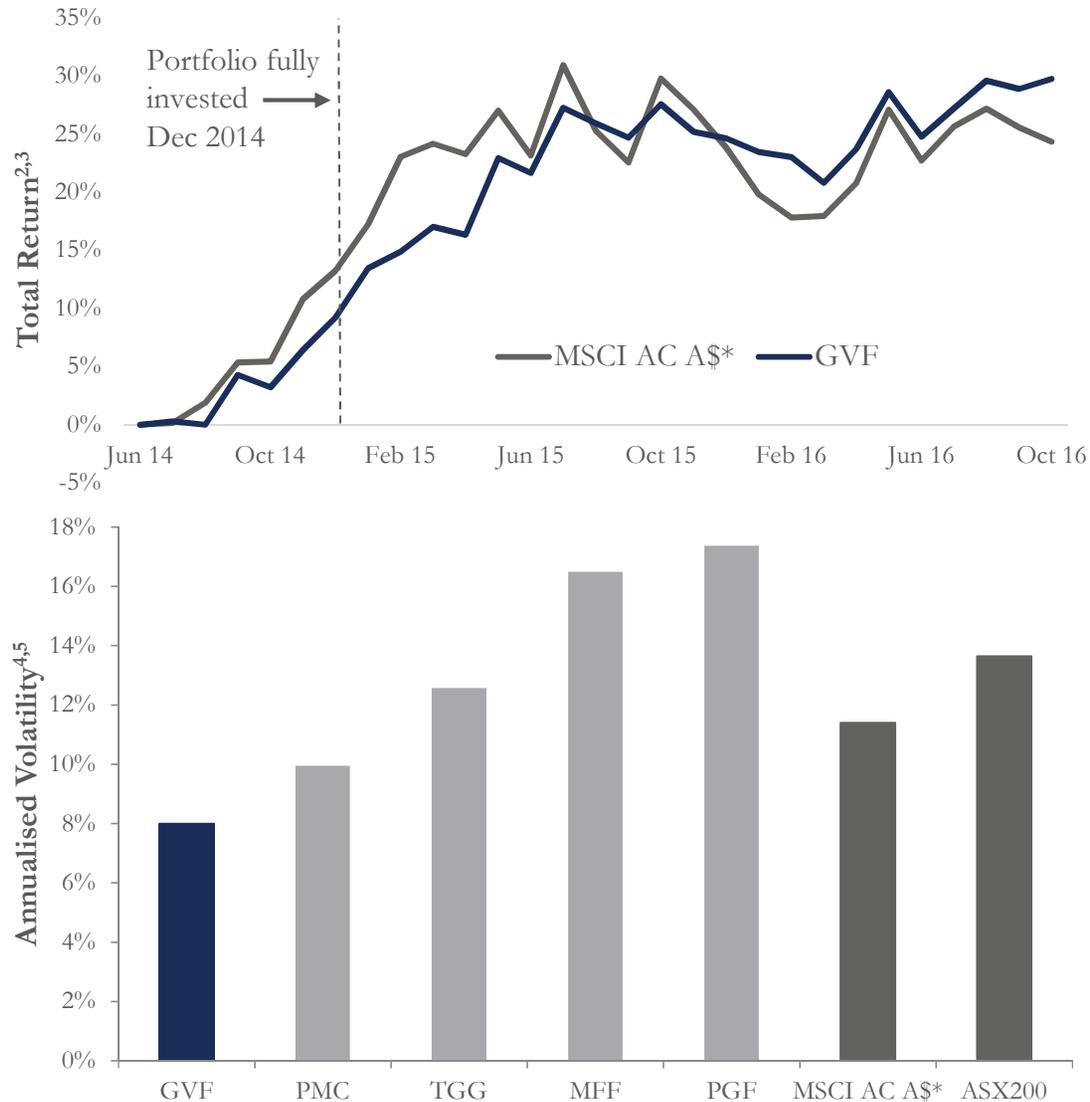
Staude Capital Limited is an appointed representative of Mirabella Advisors LLP, which is authorised and regulated by the Financial Conduct Authority.



4. Performance since IPO

Performance since IPO

GVF investment returns & volatility of selected global LICs¹



Please note that past performance is not indicative of future returns.

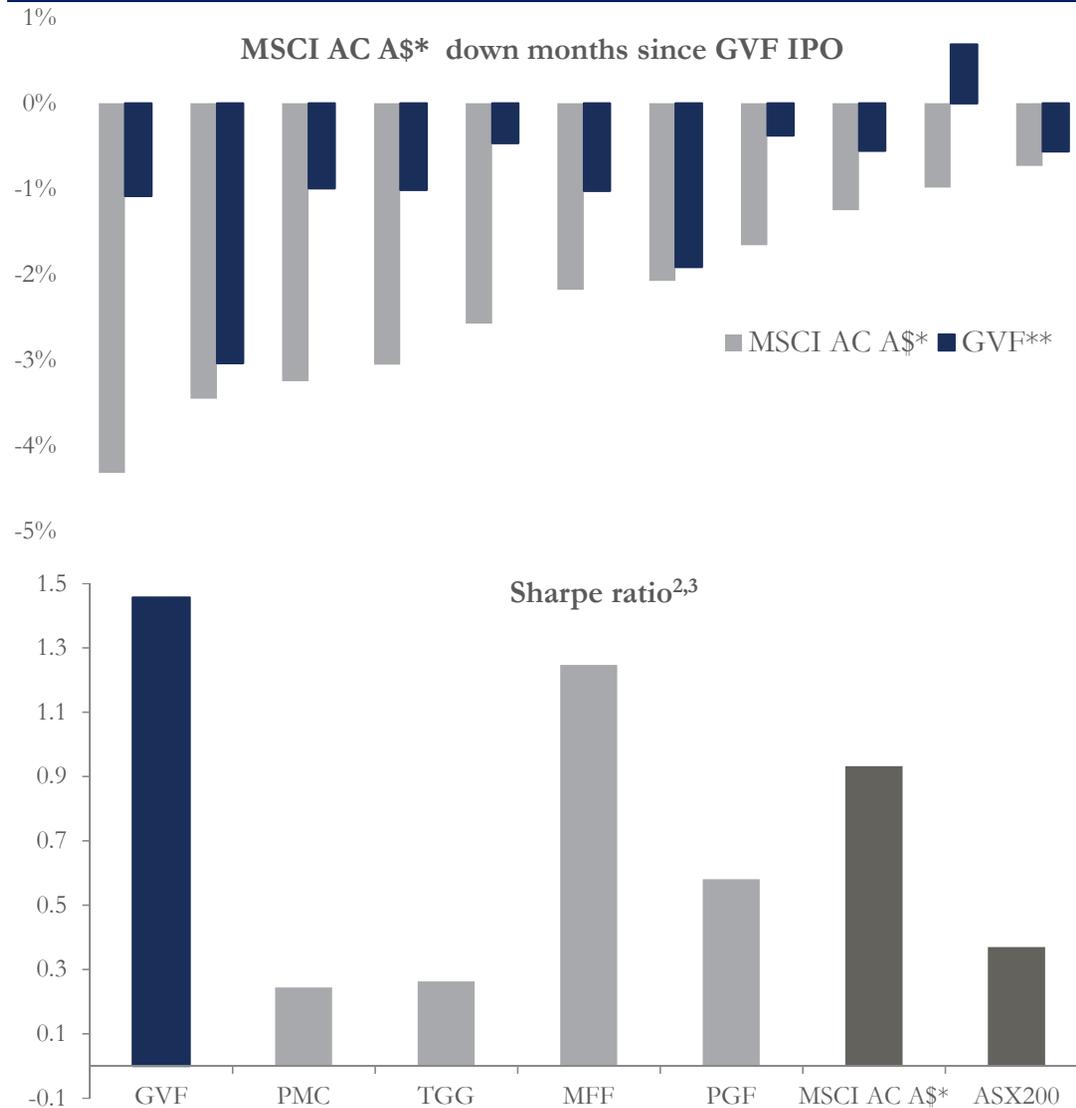
We seek to generate equity market like returns but with a significantly lower risk profile

- 1 Data source Bloomberg LP and Staude Capital.
- 2 GVF investment returns are after all fees and expenses, but before tax
- 3 Total return in A\$ from GVF IPO through to October 2016.
- 4 Annualised monthly volatility over 3 years to September 2016.
- 5 LIC peer group return volatility is derived from changes in pre-tax NTA's, adjusting for dilution and dividends.

* MSCI AC A\$ is the MSCI All Country Index in Australian dollar terms.

Focus on risk management

Monthly drawdowns and Sharpe Ratios¹



Please note that past performance is not indicative of future returns.

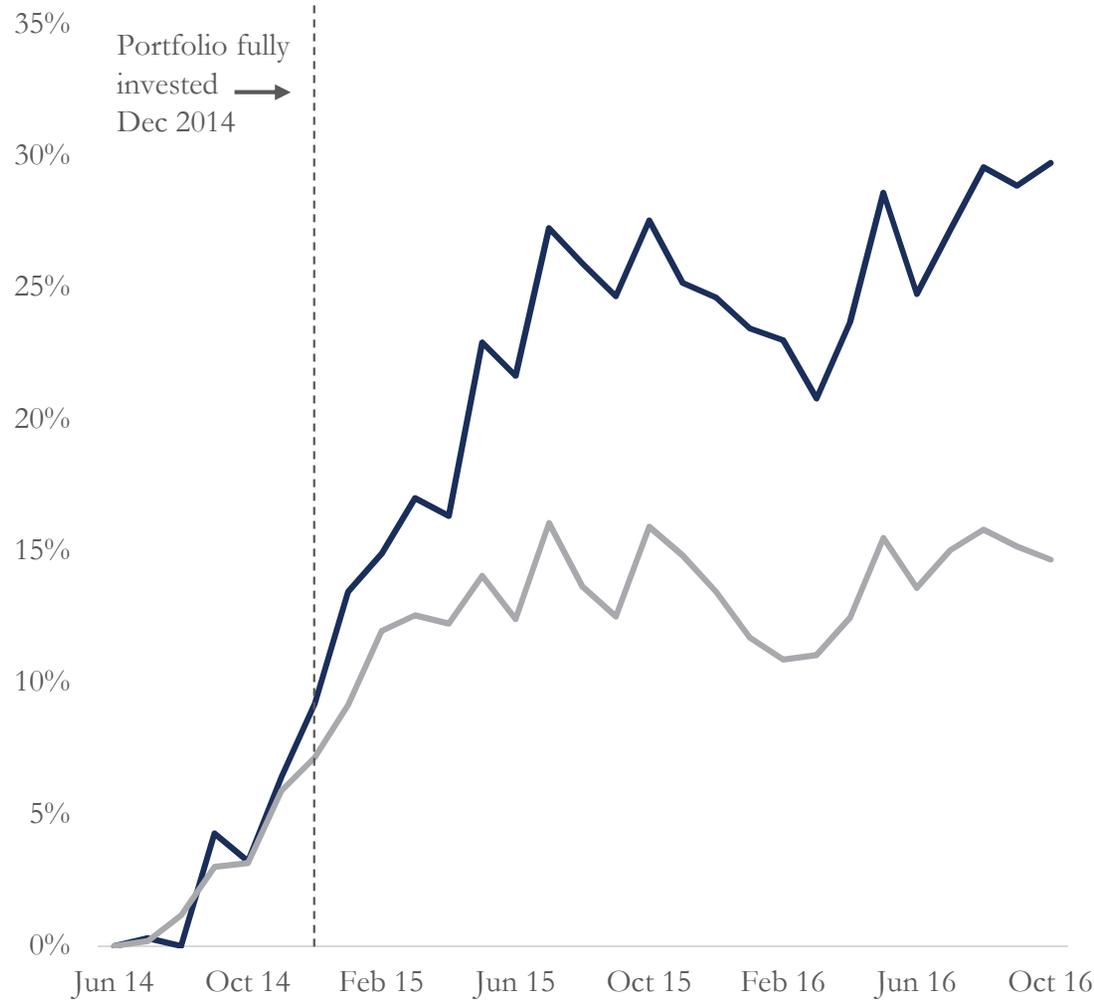
We seek to generate equity market like returns but with a significantly lower risk profile

- 1 Data source Bloomberg LP and Staude Capital.
- 2 From GVF IPO to September 2016.
- 3 LIC peer group Sharpe ratios derived from changes in pre-tax NTAs, adjusting for dilution and dividends.

* MSCI AC A\$ is the MSCI All Country Index in Australian dollar terms.
 ** GVF is the GVF monthly investment return for corresponding MSCI AC A\$ down month.

GVF Reference Index

GVF investment returns & Reference Index^{1,2,3}



Please note that past performance is not indicative of future returns.

Introducing our new reference index

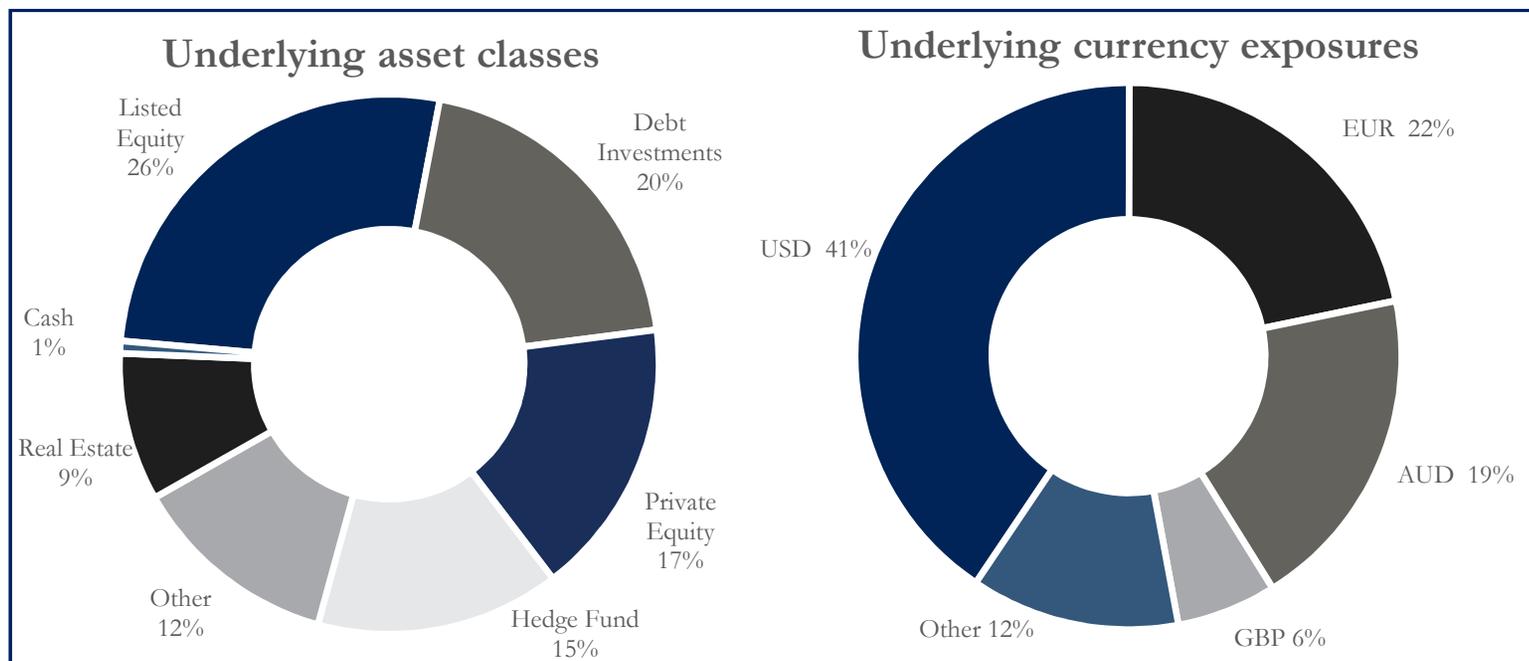
- 1 Data source Bloomberg LP and Staude Capital.
- 2 Reference Index is calculated using a weighting of 50% to the MSCI All Country World Index in Australian dollar terms, and 50% to Australian cash interest rates. Australian cash interest rates are derived from monthly swap rates.
- 3 GVF investment returns are after all fees and expenses, but before tax.



5. Investment portfolio update



Investment Portfolio^{1,2}



There are inherent benefits in running a diversified portfolio over time

1 As at the 31st October 2016

2 Source: Staude Capital



Case Study: Brexit

Opportunities in market dislocation

Description	Investment Rationale
<p>Foreign and Colonial Investment Trust (FRCL) was launched in 1868 as the world's first ever investment trust/collective investment scheme.</p> <p>The Fund has £3.3bn assets under management.</p> <p>500 holdings in over 35 countries offers truly global equity exposure.</p> <p>Portfolio is mostly non-sterling assets priced in sterling.</p> <p>FRCL buys back its own shares aggressively when the discount to NAV is wider than 7.5%.</p>	<p>Following the shock of Brexit sterling plummeted. The price of all London listed closed-end funds sold off immediately, including FRCL.</p> <p>However the underlying portfolio value of non-sterling assets increased in sterling terms.</p> <p>The discount of FRCL widened significantly, allowing GVF to buy a sizable position at a 12-13% discount to NAV.</p> <p>Over the next 2 months, the price caught up with the NAV and GVF sold out at a c. 7.5% discount to NAV.</p>
FRCL Discount History ¹	GBP/USD exchange rate ¹

¹Data source: Bloomberg LP and Staude Capital

Global Value Fund Limited

Company Details

Structure Listed Investment Company

Incorporated Australia

Service Providers

Investment Manager Mirabella Financial Services

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

Prime Broker/Custodian Credit Suisse Group

Auditor Pitcher Partners Sydney

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

Appendix

Source Data for Slide 7

Youth unemployment is defined as unemployment of those younger than 25 years.

<u>Country</u>	<u>Youth Unemployment Sources</u>	<u>Unemployment Sources</u>
Greece	National Statistical Service of Greece	National Statistical Service of Greece
Spain	Eurostat. Data points show the seasonally adjusted youth unemployment rate.	National Statistics Institute (INE)
Italy	National Institute of Statistics (ISTAT)	National Institute of Statistics (ISTAT)
France	Eurostat. Data points show the seasonally adjusted youth unemployment rate.	INSEE, France
Germany	Eurostat. Data points show the seasonally adjusted youth unemployment rate.	Federal Statistics Office
United Kingdom	Eurostat. Data points show the seasonally adjusted youth unemployment rate.	Office of National Statistics
United States	U.S Bureau of Labor Statistics	U.S Bureau of Labor Statistics
Australia	Australian Bureau of Statistics	Australian Bureau of Statistics



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