

17<sup>th</sup> February, 2016

## GVF outperforms and significantly increases dividends

### Highlights

- Operating profit before tax of \$1.8M
- Fully franked interim dividend for FY2016 of 3.0 cents per share declared
- Total fully franked dividends for FY2016 of 6.0 cents per share anticipated
- Fully franked yield of 6.0%<sup>1</sup> based on expected FY2016 dividend payments, equivalent to an 8.5%<sup>1</sup> yield when grossed up for franking credits.

Global Value Fund Limited (ASX: GVF) ("GVF" or the "Company") announces operating profit before tax of \$1.8 million and operating profit after tax of \$1.3 million for the half year to 31 December 2015. The Company has declared a fully franked 3.0 cents per share interim dividend for FY2016.

For the half-year ended 31 December 2015 the Company's investment portfolio returned 2.8%<sup>2</sup> after all fees and expenses, outperforming both the MSCI All Country World Index measured in Australian dollar terms, which rose by 0.6%<sup>3</sup>, and the ASX 200 accumulation index, which fell by 0.5%.

Over the past twelve months the Company's investment portfolio has returned 13.7%<sup>2</sup> after all fees and expenses, significantly outperforming both global and domestic equity markets. The greatest contributor to returns has been the Manager's discount capture strategy, which generated 11.3%<sup>2</sup> gross over this period. Importantly, the Manager has been able to deliver this investment performance with a significantly lower realised volatility than an investment in either global or local equity markets<sup>4</sup>.

Company Chairman Jonathan Trollip said: "The second half of 2015 was a challenging time in global financial markets and against this testing backdrop it has been gratifying to see the investment manager deliver the investment outperformance it has. Given the investment performance to date, the Board reconfirms its 11 January 2016 notification to shareholders for the Company to increase its dividend payments, including its current intention for the FY2016 final dividend. We are pleased to be able to provide this level of fully franked dividend income so early in the Company's history"

### Company outlook

Portfolio Manager Miles Staude said: "A key objective of our investment process is to protect shareholders by managing a portfolio which has meaningfully less market risk than one invested solely in a portfolio of international shares, while still seeking to generate attractive returns. The team and I are pleased to have delivered on this key objective to-date, despite the recent market conditions. The current market environment has created a number of interesting new opportunities for the fund, and along with our existing holdings, we are optimistic about the opportunity set underlying the portfolio".

### Key dates

- |                         |               |
|-------------------------|---------------|
| • Options expiry date   | 17 March 2016 |
| • Ex-dividend date      | 7 April 2016  |
| • Dividend record date  | 8 April 2016  |
| • Dividend payment date | 6 May 2016    |

<sup>1</sup> Based on 16 February 2016 share price of \$1.005 and a tax rate of 30%

<sup>2</sup> Source Metage Capital Limited

<sup>3</sup> All returns quoted are total returns, including both price and dividends

<sup>4</sup> Realised volatility of returns is a commonly used metric to assess the underlying level of risk in investment returns.



All options exercised on or before the options' expiry date will qualify for the interim fully franked dividend of 3.0 cents per share, and the anticipated final fully franked dividend for FY2016 of a further 3.0 cents per share.

#### **Increased fully franked dividends**

After declaring a 2.0 cent per share fully franked final dividend for FY2015, on 11 January 2016 the Board declared a 3.0 cent per share fully franked interim dividend for FY2016 and currently expects to declare total fully franked dividends for FY2016 of 6.0 cents per share. Based on the GVF closing share price on 16 February 2016 this equates to an expected 6.0% fully franked yield, or an 8.5% yield when grossed up for franking credits<sup>5</sup>.

#### **Final dividend intention for FY2016**

The Board currently intends to declare a fully franked final dividend of 3.0 cents per share, consistent with the interim dividend, which would bring the full year fully franked dividend for FY2016 to 6.0 cents per share.

Any such final dividend declaration will be subject, at the relevant time, to the Company having sufficient profit reserves and franking credits, and the payment being within prudent business practices. Further details of the final dividend will be announced with the full year results due in August 2016. Shareholders should only rely on the official declaration at that time for confirmation of the amount, dates and level of franking for any full year dividend for FY2016.

#### **About GVF**

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.

The Manager is based in London and has considerable experience in finding international assets trading at a discount to their intrinsic worth, and in identifying or creating catalysts that will be used to unlock this value.

For more information visit [www.globalvaluefund.com.au](http://www.globalvaluefund.com.au)

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<sup>5</sup> Based on 16 February 2016 share price of \$1.005 a tax rate of 30%