

Investment Update and Net Tangible Assets

Net Tangible Assets (NTA) per share

| | |
|-----------------|-----------|
| NTA before tax* | \$ 1.2162 |
| NTA after tax | \$ 1.1597 |

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

October review

Pity the lot of the professional economist. Marrying high-level theories to vast amounts of financial data, the dismal scientist tirelessly peers out into the future trying to make forecasts for a living. Occasionally their predictions are even right. More typically however, well-argued economic theory is tripped up by the inherent fickleness of the real-world. This time last year, with central banks rapidly lifting interest rates, the economic debate of the day was whether the US would see a 'hard' or 'soft' economic landing in 2023, with most forecasters sitting in the 'hard' camp. A year on, the US economy has just recorded third quarter growth at a blistering rate of 4.9%, a level of expansion normally associated with high-growth emerging market countries like China.

Indeed, looking at real-time data today it is hard to divine any sort of slow-down in the US economy, either hard or soft. From a financial markets' perspective, the upshot of this has been a steep re-pricing in future interest rate expectations. Over the past six months, US 10-year government bond yields have moved 1.5% higher, reaching 4.9% at the end of October. Given the importance of this benchmark interest rate in pricing so many parts of the financial ecosystem, it's unsurprising that most financial markets have been under pressure in recent months. Moreover, given the large amounts of debt that governments and corporates accumulated during the years when interest rates were vanishingly low, there is now a legitimate concern about the sustainability of these debts in a new 'higher-for-longer' world.

October saw most asset classes record negative returns, as markets continue to adjust to rising long-term interest rates. In US\$ terms, global share⁴ and debt⁵ markets fell 3.0% and 1.1% respectively over the month, with small cap stocks in particular under pressure during the month. Notably the Russell 2000 index in the US fell by 6.8%, while the ASX Small-Ordinaries index fell 5.6% in Australia. Offsetting these falls for Australian-based investors, the A\$ fell by 1.5% against the US\$ over the month. In A\$ terms, that left global share markets down 1.5% while global debt markets were 0.4% higher. The local Australian share market fell 3.8% over the month.

Turning to the GVF investment portfolio, the company enjoyed a significant win during October with its investment in Magellan Global Fund (MGF), an Australian listed investment trust that owns a portfolio of international shares. Trading at a discount to its asset backing of greater than 20% a year ago, MGF has been one of the largest holdings in GVF for the past year. Our thesis since that time has been that the trust would likely restructure post the expiry of its outstanding options in March 2024. During October, the responsible entity for MGF announced that it would bring forward a unitholder vote next year to facilitate just such a restructuring. We now expect to exit our investment in MGF very close to asset backing during 2024, realising a significant uplift on GVF's investment in the process.

Detracting from performance during the month was our holding in Amedeo Air Four Plus (AA4), with the shares down 7.3% in total return terms. As a relatively thinly

Global Value Fund Limited

| | |
|---------------------------------------|------------|
| ASX Code | GVF |
| Listed | July 2014 |
| Shares on issue | 175M |
| Share price | \$1.125 |
| Market cap | \$197M |
| Total dividends declared ¹ | 71.4 cents |
| Profits Reserve ² | 28 cents |
| Full year FF dividend | 6.6cps |
| Grossed-up yield ³ | 8.4% |

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 Staupe, CFA
 Fund Manager, Global Value Fund

Board of Directors

Jonathan Trollip

Chairman

Chris Cuffe AO

Non-executive Director

Geoff Wilson AO

Non-executive Director

Miles Staupe, CFA

Non-executive Director



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traded stock, the presence of a meaningful sell-order in the market can sometimes have a disproportionate impact on the share price, and we attribute October's move to this rather than any change in the fundamentals. In fact, October brought positive news flow that should have had a positive read-across for AA4 – news flow that saw two aircraft leasing peers rally by 15.5% and 9.2%. In early October, Doric Nimrod Air Two (DNA2 – a smaller holding of GVF's) announced that two Airbus A380s that had reached the end of their 12-year leases would be sold to their lessee, Emirates. At US\$35m per aircraft, the sale prices were substantially higher than we have been conservatively modelling for DNA2 and, indeed, for AA4's A380s. The news follows a similar sale last year by Doric Nimrod Air One (DNA) for £25.3m, approximately US\$30m at the time. As we have noted previously, GVF's investment in AA4 was based on conservative assumptions that included residual values which were predominantly represented by contractual end-of-lease payments, with very little value attributed to the aircraft or engines. The sales prices received by DNA and DNA2 so far provide a reasonable expectation for a much better outcome at AA4 than we had previously assumed.

The GVF investment portfolio decreased by 0.4% during October. The fund's discount capture strategy detracted 0.6% to performance during the month, while adverse market moves detracted 0.9% from returns. The remaining attribution of returns during the month are explained by currency movements and the Company's operating costs.

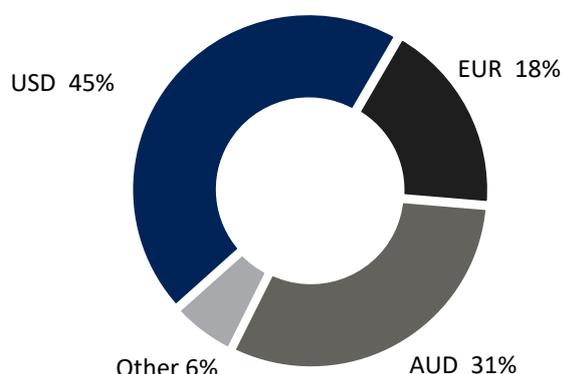
Authorised for release by Miles Staude, Portfolio Manager and Director.

Over the life of the Company, GVF's annualised adjusted NTA returns have been 10.6%.

Adjusted NTA Returns⁶

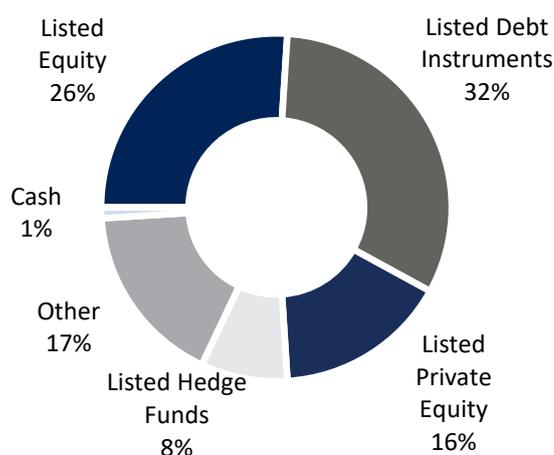
| Financial Year | JUL | AUG | SEP | OCT | NOV | DEC | JAN | FEB | MAR | APR | MAY | JUN | YTD ⁷ |
|----------------|-------|-------|-------|-------|-------|-------|-------|-------|--------|-------|-------|-------|------------------|
| FY2024 | 2.0% | 1.5% | 0.5% | -0.4% | | | | | | | | | 3.5% |
| FY2023 | 1.5% | 2.3% | -0.5% | 2.5% | 1.0% | 1.1% | 0.6% | 3.4% | -0.9% | 2.7% | 1.0% | -0.1% | 15.5% |
| 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 31st October.

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 October.



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Including emerging market currencies that are chiefly pegged to the US\$, the fund's US\$ exposure is approximately 46%.

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'.

Selected Holdings⁸

| Holding | Summary |
|--------------------------------------|---|
| Amedeo Air Four Plus | 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.16.8% pa that is more than covered by contractual lease payments from Emirates. |
| Pantheon International | London-listed closed-end fund with a diversified portfolio of private equity investments. Even assuming conservative mark-downs in the portfolio, we estimate the fund trades at a deep discount to asset backing that is unsustainable over the medium term. The fund recently ramped up efforts to take advantage of the discount, announcing a highly accretive £200 million share buyback programme, which included a recent £150 million tender offer. |
| Magellan Global Fund | Australian-listed closed-end fund which invests into large-cap, blue-chip stocks globally. Currently at a discount to asset backing of 9.2% while the fund has a very active on-market buy-back program in place. |
| US Masters Residential Property Fund | Deeply discounted ASX-listed fund that owns a portfolio of US residential property in New York and New Jersey. The fund is now focused on realising assets and returning the proceeds to unitholders, while operating a very active buyback program. |

¹ Grossed up dividends of 71.38c declared from IPO at \$1 through to 8th November 2023, the HY2023 final dividend payment date.

² The profits reserve sits at 28.16c as of 10 November 2023 (i.e., excluding the FY2023 final dividend that was paid 9 November 2023).

³ Based on the end of month share price of \$1.125 and the FY2023 dividend guidance of 6.6 cents per share, grossed up for franking. Gross dividend value is 9.4 cents per share.

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 Selected holdings are investments within the GVF portfolio that are representative of the types of opportunities the manager finds for the GVF investment portfolio. Holdings are listed in alphabetical order.

Unless otherwise stated, source for all data is Bloomberg LP and data as of 31st October 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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Past performance is not an indicator of future returns. This document is not suitable for distribution into the EEA.