STAUDE CAPITAL
GLOBAL VALUE FUND

30th August 2021

GVF delivers record performance, lifts dividends 14%

Highlights

- Record operating profit before tax of $44.9M
- Record investment performance of 30.2% inclusive of franking
- Shareholder total returns of 32.0%
- Strong returns drive a 14% increase in the final fully franked dividend

Global Value Fund Limited (ASX: GVF) ("GVF" or the "Company") announces a record operating profit before tax of $44.9 million and a record operating profit after tax of $32.4 million, for the full year ended 30 June 2021. Following a year of very strong investment returns, the Board is pleased to announce a record 3.3 cents per share fully franked final dividend for FY2021. This represents a 14% increase over the final FY2020 dividend payment, and a 10% increase over the FY2021 interim dividend payment.

During FY2021 the Company's adjusted pre-tax NTA increased by 29.2%[1], or 30.2% if the benefit of franking credits received during the year are included. Shareholder total returns for the period were +32.0%[2], driven by both a strong appreciation in the Company's share price and the continued high level of dividend payments the Company makes.

Company Chairman Jonathan Trollip said: "FY2021 was a very special year for the Company. GVF enjoyed its strongest year yet in terms of investment performance, while a significant number of both new and existing shareholders supported a $25.6M capital raising the Company undertook in December 2020. Pleasingly, GVF's strong investment performance has allowed the Company to meaningfully raise its dividend payout. Even with this increased dividend payment level, the Company's year-end profit reserve of 22.4 cents per share remains sufficient for GVF to cover its next seven semi-annual dividend payments without any further additions needed."

FY2021 review and Company outlook

Portfolio Manager Miles Staude said: "We finished FY2020 pleased to have avoided a loss in the wake of the Covid-19 market crash, and incredibly excited about our prospects for the year ahead, given the extraordinary amounts of value we saw within our portfolio and across our investment universe. We wrote extensively at the time that our ability to unlock this value should be largely independent of how broader markets were going to unfold. Consequently, it is very pleasing to be able to report a banner year for the Company, both in terms of absolute investment returns, and in the success of our discount capture strategy. For FY2021, GVF's adjusted pre-tax NTA increased by 29.2%[2], a figure that rises to 30.2% if we include the benefits of franking credits the company received during the year. By far the biggest contributor to these returns was the Company's discounted capture strategy, which generated gross returns of 24.9%. To put the result from our discount capture strategy into context, when we launched GVF we set a target of generating 5% per annum of market outperformance from our approach. In today's brutally efficient financial markets, aiming to outperform any market by 5% a year should be an audacious goal. Prior to FY2021, GVF had generated 6.2% per annum of outperformance over the Company's six-year life. While as investment managers we will always want to have delivered more, this was a result we were greatly satisfied with. In contrast, in FY2021 we generated as much

[1] Adjusted NTA returns are net of all fees and expenses. NTA adjusted for dividend and tax payments and the effects of capital management initiatives. Source: Staude Capital Ltd.
[2] Shareholder total returns include dividend payments and franking credits. Source Bloomberg LLP.

market outperformance - measured in discount capture terms - as we had achieved in the preceding four years combined.

Looking back on FY2021 now, it is easy to conclude that most investment strategies made healthy returns, principally riding the coattails of the enormous levels of government and central bank support. However, this high-level analysis misses an important distinction. It was not until November 2020 that we had confirmation there was a working Covid-19 vaccine, and it was not until *after* this development that higher-risk assets generated most of the returns they ended up posting for FY2021. In contrast, in discount capture terms, GVF had some of its best ever months before the November turning point in markets. We were able to unlock large amounts of value from our holdings before markets began to run, and then continued to do so after the point when risky assets began to shoot ahead. While this might seem like nuance to highlight, we believe it is an important point to emphasize. We set out that the value we unlock from our discount capture strategy is largely independent of what broader markets do. If the vaccine had taken longer to arrive, or if a stimulus-supporting Democrat party had not won both the White House and the Senate, it is easy to envisage risk assets following a radically different path in the latter parts of FY2021. In contrast, and pleasingly, we consistently unlocked large amounts of value across the entire year, regardless of which way the market wind was blowing at the time.

For FY2021, GVF's adjusted pre-tax NTA increased by 30.2[3]%, exceeding global equity market returns[4] (+28.2% in A$ terms), despite the portfolio running with an average equity market exposure of just 44% throughout the year. It also comfortably exceeded global credit market returns[5] (-3.2% in A$ terms), with the company holding an average credit market exposure of 22% through the period. GVF did not suffer a single down month (in A$ terms, global equity and credit markets had two and seven down months, respectively), while it enjoyed an extraordinary win/loss ratio in terms of its holdings. More than 90% of the securities in the portfolio generated positive returns during FY2021, with our most successful investment adding 3.6% to total portfolio performance, compared to our worst detractor which cost the Company only 0.15% in performance.

The remarkable skew between winners and losers during FY2021 hopefully justifies the considerable 'table pounding' we have inflicted on our shareholders over the past 18-months. While a heavily skewed win/loss ratio has always been a hallmark of our strategy, we doubt we will be able to replicate our FY2021 results again anytime soon.

Looking ahead, for financial markets to hold the incredible gains they have enjoyed recently, interest rates need to remain roughly where they are today for years to come. That is an entirely plausible outcome, but it is also not one without risk. Moreover, holding recent gains is different to generating future returns. The latter requires boring fundamentals, such as companies growing earnings, or economies expanding faster than the lofty assumptions already baked into market prices. If interest rates do remain at today's incredibly low levels, and barring some new unforeseen market crisis, expecting single digit returns for most asset classes over the year ahead would seem to be the neutral place to sit.

Against such a backdrop we would expect GVF to perform very well. While the markets we focus on have begun to normalise, the opportunity set for us continues to remain elevated compared to what we typically find. Moreover, even in more 'normal' operating environments, we have been able to demonstrate large amounts of outperformance - over a long period of time now - through a range of different market conditions.

Our more conservative, all-weather portfolio typically struggles to keep pace with periods of very strong share market returns. We console ourselves to this by knowing that recent share market returns are not a normal or sustainable state of affairs, and that over the long-run sustained market outperformance of the magnitude we have delivered should compound powerfully for our investors. Finally, and most importantly, we remain deeply respectful of the fact that investors have trusted us with their hard-earned savings. All of which is to say that

[3] Inclusive of franking credits received during the year.
[4] As measured by the MSCI All Country World net return index.
[5] As measured by the Bloomberg Barclays Global High Yield Index.

we will continue to run with our lower-risk portfolio, focusing on unlocking value and generating outperformance, regardless of how the coming year unfolds."

GVF roadshow and AGM

Given the current lockdowns across large parts of Australia and wanting to prioritise the health and wellbeing of our shareholders, the Board has again elected to hold the FY2021 annual general meeting (AGM) online this year. Shareholders will have live video access to the meeting and following the formal Company business, Miles Staude and Emma Davidson will provide an investor presentation to shareholders from London. The AGM and shareholder presentation will be held on 11 November 2021 at 4.30pm AEDT. While the AGM and shareholder presentation will be held online this year, shareholders will still be able to pose questions to their Board and will also have the opportunity to ask Emma and Miles questions following their video presentation.

Sadly, once again, the usual investor roadshow that Miles and Emma conduct around the country will not be possible this year. To replace this, the Company will be making a recording of the AGM investor presentation which will be circulated to all shareholders following the meeting. In addition to this, it is currently Emma and Miles' intention to conduct an investor roadshow during February and March of 2022. Whether this can be done will depend on the restrictions prevailing at that time and we will update shareholders over the coming months accordingly.

FY2021 final dividend of 3.3 cents per share, fully franked

The Board has resolved to pay a final fully franked dividend of 3.3 cents per share for FY2021. The record date for the FY2021 final dividend is 1 October 2021 and the final dividend will be paid on 8 November 2021. GVF shares will trade ex-dividend on 30 September 2021.

FY2021 key dates*

Ex-dividend date	30 September 2021
Dividend record date	1 October 2021
Last election date for DRP	4 October 2021
Dividend payment date	8 November 2021

*These dates may be subject to change

Dividend reinvestment plan

The Company's dividend reinvestment plan (DRP) will be in effect for the FY2021 final fully franked dividend of 3.3 cents per share.

The DRP has been designed so that participants will always receive the lowest reinvestment price possible, without their reinvestment diluting the post-tax NTA of those shareholders who choose not to participate in the plan. When the Company's share price is greater than or equal to its NTA per share, dividends are paid as newly issued shares in the Company. If the share price for GVF is above the Company's NTA per share on the dividend ex-date, participating shareholders will be issued new shares at the greater of a 2.5% discount to the volume weighted average share price over the three trading days from the ex-date, or the NTA per share value of the Company on this day. If the share price for GVF is less than its NTA per share on the ex-date, cash available for distribution as dividends on shares subject to the DRP will be used to acquire the Company's shares on-market in accordance with the terms set out in the plan.

Shareholders who would like to participate in the DRP can enroll at www.investorserve.com.au, or alternatively please contact the Company's share registrar, Boardroom, on 1300 737 760. The enrolment deadline for participation in the DRP for the FY2021 final dividend is 5.00 pm (AEDT) Monday 4 October 2021. Details of the DRP are available on the Company's website, click here.

FY2022 dividend guidance

The Board currently anticipates that both the interim and final dividend for FY2022 will be 3.3 cents per share, franked as fully as possible. Whether a further increase in dividend payments in FY2022 is possible will depend on the Company's investment performance during the year.

The above dividend guidance is not a formal declaration of dividends for FY2022. The size and payment of any interim or final dividend for FY2022 will be subject to the Company having sufficient profit reserves and the dividend payment being within prudent business practices. If a FY2022 interim dividend is declared, the Board expects that it would be payable during May 2022.

Contact

Shareholders or interested parties who would like to discuss the full year results, or who have general enquires about the Company, are welcome to contact Portfolio Manager, Miles Staude, at miles.staude@globalvaluefund.com.au or 0423 428 972, and Head of Corporate Affairs, Emma Davidson, at emma.davidson@globalvaluefund.com.au or 0401 299 885.

About GVF

Global Value Fund Limited (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 shareholders, the Company aims to provide an alternative source of market outperformance compared to more common stock selection strategies.

Staude Capital is based in London and its investment team 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. The investment team at Staude Capital has been seconded into Mirabella Financial Services LLP to manage the Global Value Fund portfolio.

For more information, visit www.globalvaluefund.com.au

Authorised for release by the board of GVF.