

Investment Update and Net Tangible Assets

Net Tangible Assets (NTA) per share

NTA before tax*	\$1.0927
NTA after tax	\$1.0783

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

July review

While major Central Banks intervened to ease financial conditions during July, financial markets were relatively subdued over the month - a reflection of how much easing markets had already priced in for the second half of 2019. Global share markets² rose by 0.3% in US\$ terms during the month, led by US equity markets and the US technology sector. The S&P500 rose by 1.4%, while the US 'FANG' index of leading technology stocks rose by 3.6%. Elsewhere European and Japanese share markets rose by 0.1% and 1.2% respectively, while in Australia, the local equity market rose by 2.9%. In Australian dollar terms global share markets increased by 2.2%.

During July, the current US recovery became the longest on record (beating the 1991 to 2001 expansion). Despite now being the longest period of continuous economic growth on record, it has not been a particularly big expansion relative to history. Compared to previous economic cycles, the current recovery is only about the same size as recoveries that have been half its length, and half the size of recoveries with a similar length.

With the weighty goal of extending both the duration and magnitude of the current expansion, the US Fed cut interest rates by 0.25% during July. The move was not only fully discounted in advance by the market, but below the expectations of some for a 0.5% cut. Described as an 'insurance' rate cut, the purpose of the move lower - despite record low unemployment and reasonable economic growth - is to begin preparing the US economy for a global slowdown that both markets and forecasters see ahead. Similarly, during July ECB president, Mario Draghi, primed markets for another round of monetary stimulus to combat a severe economic slowdown taking place across the euro area. Describing the outlook as "getting worse and worse,"³ Draghi set expectations for a range of new policy options to be announced at the September meeting of the ECB, including interest-rate cuts and renewed quantitative easing. Finally, driven by the same deteriorating outlook, the RBA cut Australian interest rates by 0.25%, the second time it has cut rates this year.

July was another busy month for the fund. GVF participated in six corporate actions, selling 6.2% of the total portfolio into corporate events which took place at a weighted average exit level that was 7.4% above our carrying prices for these investments. GVF also opened three new positions during the month while continuing to add to several existing holdings. A list of GVF's top five holdings is shown on the following page, along with a breakdown of the fund's underlying currency and asset class exposures. The fund was 102% invested at the end of July.

The investment portfolio increased in value by 2.7% during July. The fund's discount capture strategy added 1.4% to returns during the month while underlying currency exposures added a further 1.2%. The remaining attribution of returns are accounted for by the fund's underlying market exposures and the Company's operating costs.

Global Value Fund Limited

ASX Code	GVF
Listed	July 2014
Shares on issue	148M
Share price	\$1.025
Market cap	\$151M
FY19 indicated dividend ¹	6.3 cents
FY19 indicated yield	6.1%
(70% franked)	

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 based in London 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

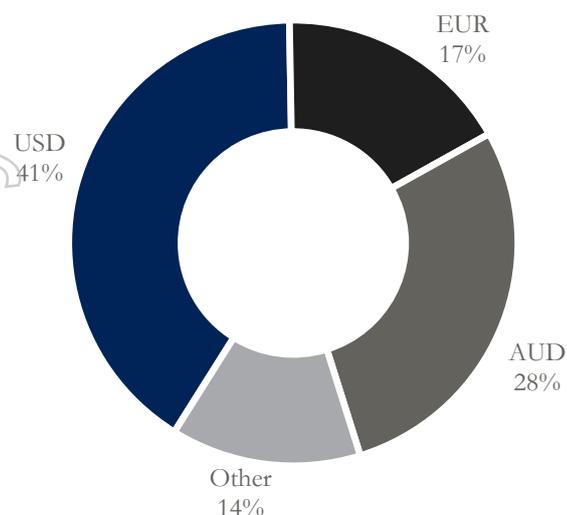
Geoff Wilson

Non-executive Director

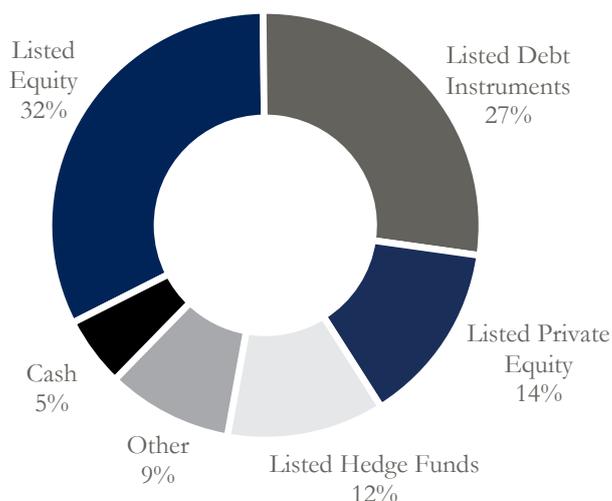
Miles StauDe, CFA

Non-executive Director

Underlying Currency Exposures



Underlying Asset Classes



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 July.

Including emerging market currencies that are chiefly pegged to the US\$, the fund's US\$ exposure is approximately 44%.

The above chart reflects the manager's estimate of the underlying asset classes held through the fund's portfolio of investments as at 31st July.

Exposure to cash represents both cash balances held by the Company and the underlying cash holdings of the fund's portfolio of investments.

Top Five Holdings

Holding	% NTA	Summary
Polar Capital Global Financials	9.3%	London listed closed-end fund (CEF) that invests into a diversified portfolio of large-cap global financial companies. The CEF was launched in 2013 with a fixed life that expires in May 2020, and GVF has accumulated its position at an attractive discount to NAV. Given the large and liquid shares held by the CEF, we have hedged a substantial portion of the underlying market risk, greatly improving the risk vs. reward characteristics of the investment.
Martin Currie Unconstrained Asia	6.4%	London-listed CEF that invests into a portfolio of shares across the Asia ex-Japan region. The board has recently announced that it will be bringing forward proposals to liquidate the company. Having accumulated our position at an attractive discount to NAV, we expect to exit our holding in full through the liquidation. As with Polar Capital above, we have hedged a substantial portion of the underlying market risk, greatly improving the risk vs. reward characteristics of the investment.
Third Point Offshore USD	6.1%	London-listed CEF that acts as a feeder fund into a global event-driven, value-oriented hedge fund. The CEF currently trades on a 29% discount to its NAV and, under pressure from shareholders, the manager has recently enacted several positive initiatives designed to lower this discount, including a substantial share buy-back program.
Pershing Square Holdings	6.1%	Dutch-listed CEF managed by a well-known investment manager. The CEF currently trades on a 29% discount to its net asset value, which currently comprises a portfolio of just nine publicly listed large-cap US stocks. The Pershing investment portfolio has returned 49% year-to-date, greatly outpacing the return of the S&P500 index.
VPC Specialty Lending Investments	5.7%	A London-listed CEF, managed by a large US investment manager, that lends to middle market financial companies mainly in the US. The company currently trades on a 16% discount to NAV and is paying a yield of 10% pa based on the current share price. The company is subject to a continuation vote in 2020, at which shareholders have the right to put the company into liquidation.

¹ The Board has guided that it anticipates FY19 dividend payments being at least 6.3 cents per share, 70% franked. This guidance is not a formal declaration of dividends for FY19 and actual dividend payments may differ to this amount.

² All references to global shares markets refer to the total return (price and dividends) of the MSCI All Country World equity index.



Investment Update and Net Tangible Assets. As at 31st July 2019

Unless otherwise stated, source for all data is Bloomberg LP and data as at 31st July 2019.

³ Source: Bloomberg LP

Staud 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 Staud 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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