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**Global Value Fund Limited**

A.B.N. 90 168 653 521

**Annual Report  
for the year ended 30 June 2022**

**Global Value Fund Limited**  
**A.B.N. 90 168 653 521**  
**Corporate directory**

<b>Directors</b>	Jonathan Trollip <i>Chairman &amp; Independent Director</i>  Chris Cuffe, AO <i>Independent Director</i>  Geoff Wilson, AO <i>Director</i>  Miles Staude <i>Director</i>
<b>Company Secretary</b>	Mark Licciardo Acclime Australia (formerly Mertons Corporate Services Pty Ltd) Level 7, 330 Collins Street Melbourne Victoria 3000
<b>Investment Manager</b>	Mirabella Financial Services LLP 130 Jermyn Street London SW1Y 4UR United Kingdom
<b>Portfolio Manager</b>	Miles Staude Staude Capital Limited <sup>1</sup> Beaumont City Tower 8 <sup>th</sup> Floor, 40 Basinghall Street London EC2V 5DE United Kingdom Telephone: (44) 0203 874 2241
<b>Administrator</b>	Citco Fund Services (Australia) Pty Ltd Level 22, 45 Clarence Street Sydney NSW 2000
<b>Auditors</b>	Deloitte Touche Tohmatsu Level 9, 225 George Street Grosvenor Place Sydney NSW 2000
<b>Registered Office</b>	Global Value Fund Limited C/- Acclime Australia Level 7, 330 Collins Street Melbourne Victoria 3000 Telephone: (03) 8689 9997
<b>Share Registrar</b>	Boardroom Pty Limited Level 12, 225 George Street Sydney NSW 2000 Telephone: (02) 9290 9600 Fax: (02) 9279 0664
<b>Stock Exchange</b>	Australian Securities Exchange (ASX) The home exchange is Sydney ASX code: GVF

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<sup>1</sup> 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 Global Value Fund Limited and has seconded the investment team at Staude Capital to manage the Company's investment portfolio.

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**Annual Report – 30 June 2022**

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**Dear fellow shareholders,**

On behalf of the directors of Global Value Fund Limited (also referred to as 'GVF' or 'the Company'), I am pleased to present the Company's full-year results and annual report for the year ended 30 June 2022 ('FY2022').

FY2022 was a challenging year for investors, with most traditional asset classes recording noticeable losses over the period. Despite these headwinds, it is pleasing to report that the Company delivered positive investment returns over the year. The Portfolio Manager's letter to shareholders that follows provides a detailed description of the performance of the investment portfolio throughout FY2022 and discusses the outlook for the year ahead.

**Investment performance and financial highlights**

The Company's adjusted pre-tax NTA increased by 2.8%<sup>2</sup> during FY2022, or 3.3% if we include the benefit of franking credits received during the year. Shareholder total returns for the period were +5.2%<sup>3</sup>, with the high level of dividend payments made by the company more than offsetting the modest weakness in the share price.

Over the course of the year, GVF's share price traded between a 6.3% discount to its pre-tax NTA and a 2.2% premium, averaging a 4.1% discount when measured over the full year.

As GVF is an investment company, its profitability is driven by the returns from its investment portfolio. The Company reported a net profit after tax of \$5,500,304 for the year ended 30 June 2022. As at year end, the pre-tax NTA backing of the Company was \$1.15 per share and the post-tax NTA backing was \$1.08 per share.

**Dividends**

The Board is pleased to announce a 3.30 cents per share fully franked final dividend for FY2022, maintaining the Company's current dividend payment rate, despite the more challenging environment the second half of FY2022 presented.

While the Company generated positive returns during FY2022, they were held back considerably by the challenging market conditions seen over the year. When it comes to the payment of dividends, however, one of the advantages of the listed investment company (LIC) structure, is that LIC's like GVF can accumulate profits in a 'profit reserve' that can be drawn down against in future years. Pleasingly, over its life, GVF has been able to build a healthy profit reserve for shareholders. Thus, between the positive investment returns generated, and the ability to utilize previously saved profits, the board is able to announce 3.3 cents per share fully franked final dividend for FY2022. The final FY2022 dividend of 3.3 cents per share maintains the Company's high current dividend payment rate, despite the more challenging environment FY2022 presented.

**FY2023 dividend guidance**

The Board currently anticipates that both the interim and final dividend for FY2023 will be 3.30 per share, franked as fully as possible. Whether a further increase in dividend payments in FY2023 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 FY2023. The size and payment of any interim or final dividend for FY2023 will be subject to the Company having sufficient profit reserves and the dividend payment being within prudent business practices. If a FY2023 interim dividend is declared, the Board expects that it would be payable during May 2023.

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<sup>2</sup> 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.

<sup>3</sup> Shareholder total returns include dividend payments and franking credits. Source Bloomberg LLP.

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**GVF AGM**

As previously announced to shareholders, GVF portfolio manager, Miles Staude, and GVF head of corporate affairs, Emma Davidson, will be opening a new Staude Capital office in Sydney in November of this year, and relocating their family back to Australia. This development should allow both Miles and Emma to spend more time meeting with shareholders over the years ahead. The new Sydney office will complement the portfolio management teams' existing London office, allowing the team to cover the various Asian markets more closely as part of their global investment remit. In anticipation of opening their second office, Staude Capital recently hired Marios Charalambous to work alongside Mark Ambrose and James Dow in London. Marios joins Staude Capital from Coremont LLP and holds a BA in Mathematics from the University of Oxford.

The Board is pleased to see Staude Capital expanding the portfolio management team and has confidence that the initiative to open a second office will be a success.

Taking advantage of their new domicile, Emma and Miles will be able to attend the FY2022 AGM in person, where they will provide a presentation to investors following the conclusion of the Company's AGM business on the day. Shareholders who cannot attend the Sydney meeting in person will be able to participate in the presentation through a live video facility and a recording of the presentation will also be circulated to shareholders after the event.

The AGM and shareholder presentation will be held on 24 November 2022 at 15.00 AEDT and the Company will circulate details on how to participate in the event closer to the date.



Jonathan Trollip  
Chairman

Sydney  
24 August 2022

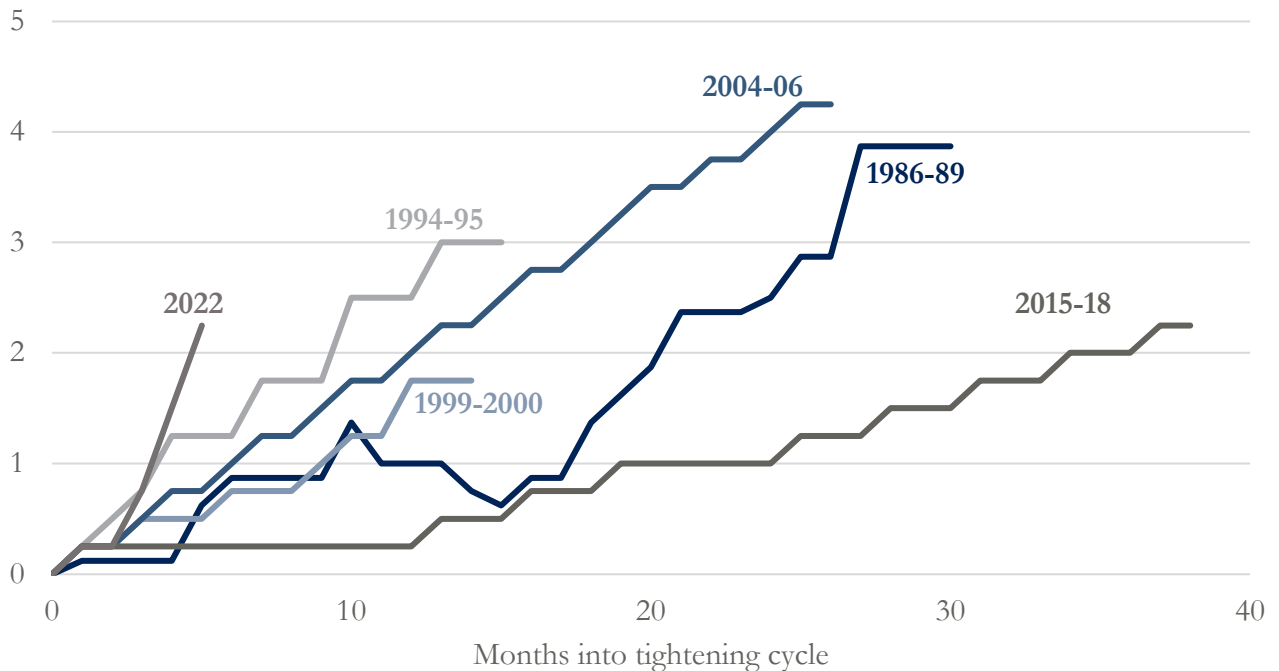
**Inflated prices, deflated markets**

FY2022 will be remembered as the year that central banks finally took away the proverbial punch bowl. With consumer prices across the rich world rising by more than 9% year-on-year, central banks have begun tightening monetary policy at one of the fastest rates on record. Leading the way has been the US Federal Reserve, which lifted interest rates from 0.25% to 2.5% between just March and July of this year, while guiding the market to expect interest rates to reach 3.5% by December this year, and 4% the year after. Not since before the Global Financial Crisis (GFC) in 2008 have interest rates been that high. Indeed, in 9 out of the last 14 years, short-term US interest rates have effectively been zero, (or said another way, anybody under the age of 35 in the market today has only ever experienced money as essentially being 'free').

Three main factors have led us to where we are. In trying to prevent a complete economic collapse during the Covid-19 pandemic, policy makers erred on the side of too much stimulus, rather than too little. In their defense, worrying about high rates of inflation had become almost an antiquated concern pre-pandemic, while the risk of providing insufficient support during the depths of the crisis seemed catastrophic. Next, the voracious surge in consumer demand that followed this stimulus ran headlong into China's zero-covid policy, which shuttered factories across the country and greatly slowed the Chinese economy - right at a time of peak rich world demand. Finally, Russia's invasion of Ukraine in February compounded already bungled up supply chains and sent food and fuel prices soaring.

The result of these forces has been inflation surging to 40-year highs in many countries. Central banks, which until recently had been behind the curve, (notably the US Fed arguing the problem was 'transitory' throughout much of calendar year 2021), are now duly racing to get out in front of the problem. Cue one of the fastest monetary tightening cycles on record.

Exhibit 1: Cumulative US Federal Reserve increase in target rate % points by cycle



For much of recent history, the main driving force in financial markets has been the disappearance of inflation as a real-world concern, and a resulting collapse in interest rates. Investors in shares, bonds and real estate all benefited greatly from the ever-increasing valuations that falling interest rates provided. Even more beneficial perhaps, was the free 'put option' that came with inflation disappearing from central bankers' worry list. Ever since the GFC, whenever the going has got tough, investors have been able to count on policy makers coming to the rescue. The clearest example of this was the price action of higher-risk assets - like shares and low-grade debt - following the avalanche of monetary support that was provided during the Covid-19 pandemic. At a time when economic conditions in the real-world couldn't be worse, investors in higher-risk assets were enjoying incredible investment returns. The market idiom was 'bad news is good news' - what is bad for the economy is good for the investor.

The paradigm of recent years works fine when inflation is low and there seems to be no consequences to cutting interest rates. When inflation is running at 9%, however, and the economy is clearly overheating, it does not. The second half of FY2022 saw a capitulation of the notion that inflationary pressures were transitory, and the start of the sharp tightening in financial conditions discussed above.

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**Inflated prices, deflated markets (continued)**

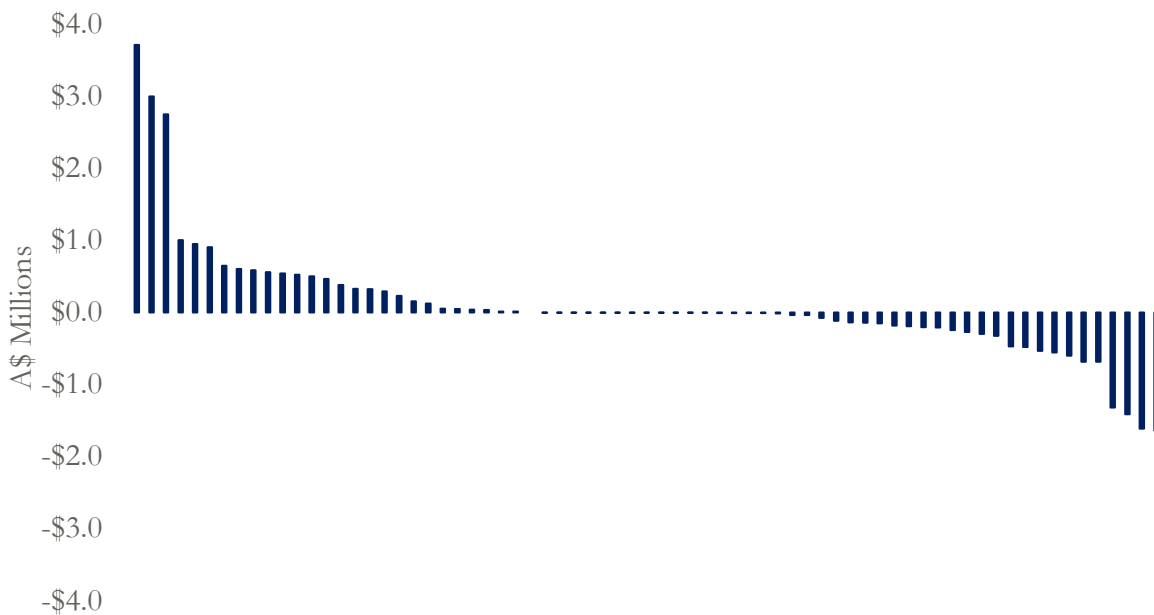
Unsurprisingly, the highest-risk parts of the investment universe were those that suffered the worst. Over the six-months to June, global share markets fell 20.2%, while high-yield bonds fell 16.7%, both in US\$ terms. The pain was worse the further out on the risk curve you were. FAANG<sup>4</sup> stocks, which have been the market darling for some time now, fell 33.4%. Bitcoin fell 60%. Again, both in US\$ terms. Moreover, as painful as these losses have been, the resurgence of significant inflationary pressures has removed any near-term prospect of the central bank 'put' that investors have been used to relying on to soften the blow. As we discuss in our Outlook section below, the investing backdrop for the next few years will turn heavily on how quickly inflation is brought back under control, and whether we are ultimately able to return to the unusually low rates of inflation that prevailed between the GFC and the pandemic.

**Performance of the investment portfolio in FY2022**

FY2022 hopefully represents a good example of the benefit that GVF's unique investment approach can provide to shareholders. In what was a particularly bleak year for most asset classes and investment strategies, the Company generated positive investment returns. Adjusted pre-tax NTA<sup>5</sup> increased by 2.8%, or 3.3% if we include the benefits of franking credits the company received during the year. Once again, the biggest contributor to the Company's returns over the year was our discounted capture strategy, which generated gross returns of 6.1%. The strong performance from our underlying core strategy was thus able to more than offset the losses we incurred from the falls in markets seen over the year.

Over FY2022, GVF ran with an average see-through equity market exposure of 37%, and with an average see-through credit market exposure of 23%. The Company's investment returns of 2.8% thus compare very favourably to the returns seen in both global equity and bond markets, which fell 8.5% and 9.5% respectively in Australian dollar terms over the same period.

Exhibit 2: Total return<sup>6</sup> of every GVF investment held in FY2022



The above diagram shows the absolute Australian dollar return on every investment GVF held through FY2022. Over the life of the Company, GVF's win versus loss ratio on investments sits at 78% to 22% - a figure the team is quite proud of. In a year like FY2022, where markets fell significantly, it is unsurprising that we fared worse than what we have historically achieved. Indeed, over the year, a simple majority of our holdings recorded some level of loss, with only 39% of the Company's holdings generating a positive return during the period. What that figure does not convey, however, is that our ability to unlock value from our investments can meaningfully offset the impact of falling markets. Said another way, if we are successful in unlocking value, our holdings should fall by less than what the market does. Thus, while more than half of the Company's holdings detracted from performance during FY2022, the relatively mild losses on these positions were more than offset by a smaller number of very successful trades that we held over the year.

<sup>4</sup> A well followed share market index of high-growth technology companies

<sup>5</sup> 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

<sup>6</sup> Total return by investment shows the gross A\$ profit or loss of each investment GVF held during FY2021, including any associated hedging activities related to the particular investment. It also includes the value of franking credits each investment received. These figures exclude the returns from cash balances held in non-Australian currency. Gross returns are before taxes paid, expenses, management fees and dividends paid. Data sourced from Staude Capital as of 30<sup>th</sup> June 2022.

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### **Notable holdings in FY2022**

It is customary in our annual letter to shareholders to discuss several of the important holdings in the fund during the year. Historically, we have tended to focus on the names that have either made or lost the Company the most money. This year, and going forward, we have decided to amend that focus to concentrate on holdings that we think are the most important for shareholders to be aware of. By and large, this should still represent a similar list as before, but it will provide us with more flexibility to focus on the holdings that we think are the most relevant to bring to investors' attention. For example, in a year where markets fell considerably, providing commentary around a position that fell a little less than the market did is, in our view, less helpful than discussing a situation where significant developments may have changed our investment thesis.

In each case, we have aimed to focus on the more recent and forward-looking developments at each investment, especially if we have already covered developments at a holding in our monthly investor reports. For those who are interested, the discussion of notable GVF holdings follows this letter.

### **Outlook**

Inflation will be the key issue that drives asset price returns over the coming few years. Chiefly, whether its rapid reappearance is a short-term phenomenon caused by our response to the pandemic, or whether what we are seeing now represents the start of a new economic backdrop. Rightly or wrongly, investors today are betting on the former. Current market pricing predicts that inflation is about to peak, and that central banks will be able to move back to a more accommodative stance later this year or early next. At the same time, a significant growth slowdown is clearly ahead of us, one that could end in recession. With inflation supposedly peaking and growth slowing, we have seen a reappearance of the 'bad news is good news' thematic. Indeed, one of the key reasons that riskier assets have been rallying from their June lows, is that markets currently expect the US Fed to begin cutting interest rates again in the second half of 2023.

The danger to this consensus view, of course, is that markets have been betting that inflation was about to peak for over a year now, a prediction that has been consistently wrong. There is also a clear divergence between what the market is expecting in terms of future interest rates, and what central bankers themselves expect. Notably, the US Fed's most recent projections forecast short-term interest rates to reach 4% by the end of 2023. In contrast, markets currently forecast that interest rates will end 2023 at 3%. In terms of asset price outcomes, the difference between whether we land at 3% or 4% will be substantial. The market's 3% assumption is based on the view that inflation will peak shortly, and that central banks will therefore be able to cut interest rates next year to soften the blow of slowing growth. The Fed is clearly more circumspect, worrying that inflation will not fall fast enough to allow them to cut rates so quickly. Given the market is pricing in the 3% figure, the burden of proof today lies with seeing inflation begin to fall quite quickly, just to validate current market prices. If it does not, another leg down in riskier asset prices seems inevitable.

As ever, we do not pretend to be able to divine what lies around the corner in terms of market directionality. Our process focuses on investing into a diversified basket of global assets, all purchased at a discount to their intrinsic value, and then seeking to unlock this value for the benefit of all investors. For our particular investment strategy, the silver lining to the recent market correction is that it has thrown up several interesting opportunities for us to invest into at very favorable levels, a development that hopefully sets us up well for the year ahead. Finally, one of the most important guiding principles for the team, is that we remain acutely aware of the fact that the capital we are investing represents other peoples' savings. To the extent we can, our process seeks to mitigate the risk of capital losses through diversification and thoughtful risk management, a discipline we will always adhere to, even if it means foregoing some of the upside during times of very strong markets.

Pleasingly, our process came together as best as we could have hoped during FY2022, with the Company generating positive investment returns despite noticeable falls in most other asset classes. For FY2023, we expect little to change in terms of our approach. We see considerable value embedded within the current GVF portfolio, value we will work to unlock regardless of what markets throw at us during the year ahead.

The team and I would like to thank all our shareholders for their trust and support throughout FY2022, and for the many kind messages that we received from investors during the year.

## **Notable holdings in FY2022**

### **Amedeo Air Four Plus**

Amedeo Air Four Plus (AA4) was the largest positive contributor to performance this financial year as several positive catalysts that we had been anticipating played out. Helpfully, GVF had added to its investment in AA4 at the beginning of the financial year, when it acquired a large block at a substantial discount to the prevailing market price.

At the price at which GVF added to its investment, we felt there was a compelling risk reward: a large cash balance covering almost three-quarters of AA4's share price; the potential to pay a large dividend yield, fully-funded by the company's leases to Emirates, once dividends were reinstated; and the potential for additional upside from the residual value of the aircraft, which we were very conservative in assigning value to – in many cases, predominantly basing this on contractual cash payments that would be made at the end of the leases.

Pleasingly, our expectations were met when in December 2021, after restructuring its leases with Thai Airways (leases which hadn't featured in our return calculations), AA4 announced it would return a significant amount of surplus cash as well as resume the payment of regular quarterly dividends. As a result, GVF realized some of its investment at a large premium to the market price and benefitted from a significant re-rating on the rest of its holding.

Despite this strong performance, the shares today are far from expensive. AA4 pays a 16% fully covered dividend yield, with the potential to grow this. And despite last year's large return of capital, AA4 continues to hold a large cash balance, some of which should be returned to shareholders in due course.

While we have underwritten the investment to what we believe are conservative assumptions, there are scenarios under which actual returns could be considerably higher still. For example, if Emirates extends any of the eight leases, or if a sale of any of the aircraft is completed above our pessimistic assumptions.

On that note, subsequent to year end, there was positive news flow in another UK listed aircraft leasing fund, which could have an important read across to AA4. On 15 July 2022, Doric Nimrod Air One (DNA) announced an agreement to sell its A380 to Emirates (the lessee) at the end of the lease. Net proceeds of this were £25m, which represents a substantial premium to the A380 residual value we are conservatively assuming in AA4. This is despite DNA's aircraft being an older and heavier aircraft than those owned by AA4. News of ongoing delays with Boeing's 777X, and even talk of a possible cancellation (although unlikely) also continue to be positive for AA4, if they increase the likelihood that one or more of AA4's leases will be extended beyond their original 12-year terms.

To be clear, while these offer the potential for additional upside, even if the conservative residual values that we are assuming play out, GVF should still enjoy further returns from here on its investment.

### **Listed Private Equity Holdings**

While overall only a modest detractor from performance, it was a year of two halves for GVF's investments in listed private equity funds Harbourvest Global Private Equity, NB Private Equity Partners, and Pantheon International Participations.

Several times now we have discussed GVF's investment in a basket of listed private equity funds, and our investment thesis which was based on a 'lag effect' for valuations. As a reminder, this was based on both a technical lag – being the delay with which private equity funds report valuations to the listed fund of funds that hold them – and a longer-term lag, with which private equity valuations tend to track public share markets with a delay. As we argued previously, provided the discounts to stated asset backing remained wide, after incredibly strong share market returns like those seen in late-2020 / early-2021, this lag meant you could – in effect – buy today's markets at yesterday's prices.

During calendar 2021, we saw our thesis play out, and for the first half of FY2022 our listed private equity names were amongst the strongest contributors to GVF's investment performance. As our thesis played out, we began selling down our holdings between November 2021 and January 2022, and across our three key positions we exited roughly a third to a half of each holding during this period at very favourable levels.

With the benefit of hindsight, we should have sold our holdings down more quickly. February marked a significant turning point in markets with the commencement of the war in Ukraine. This came at a time when markets were also grappling with the prospect of rising inflation and interest rate fears.

After underreacting to strong markets in late 2020 and early 2021, and failing to recognize the lag effect, in 2022 we believe the share prices of listed PE funds have overreacted. While some price weakness in these investments is rightly justified – anticipating weaker private equity valuations that will come through in due course – recent discount moves imply private equity write-downs of a magnitude that we view as unrealistically pessimistic. For example, the Q2 2022 marks for the large US-listed private equity managers – useful data points for at least the buyout portion of these funds' portfolios – were, on average, down less than half as much as global share markets.

We have therefore used recent weakness to rebuild our positions in these names at discount levels which we estimate to be close to 40% of net asset backing, using a conservative set of assumptions.

Miles Staude  
Director and Portfolio Manager  
24 August 2022

**Global Value Fund Limited**  
**Investment Portfolio Composition**  
**30 June 2022**

**Investment Portfolio Composition**  
**As at 30 June 2022**

**Total Portfolio at 30 June 2022**

	<b>Fair Value \$</b>
<b><u>Long Equity Positions – Fair Value through Profit or Loss</u></b>	
HSBC China Dragon Fund	11,977,782
VPC Specialty Lending Investments PLC	10,987,366
Harbourvest Global Private Equity Limited	10,699,620
NB Global Monthly Income Fund Limited	9,748,092
Magellan Global Fund	9,540,545
Amedeo Air Four Plus Limited	9,338,602
Boussard and Gavaudan Holding Limited	8,088,887
Riverstone Credit Opportunities Income PLC	8,048,403
Pantheon International PLC	7,553,309
Gold ETF	7,083,907
WAM Alternative Assets Limited	7,073,580
Boussard and Gavaudan Eire Fund Class A	6,789,883
Third Point Investors Limited	6,591,624
Empiric Student Property PLC	6,528,288
New Energy Solar Limited	6,159,010
Third Point Offshore Fund – Class N2	5,786,022
NB Private Equity Partners Limited	5,782,637
JPEL Private Equity Limited	5,456,539
Milton UK Microcap Trust PLC	5,401,798
Blackrock Global Funds – World Mining Fund	4,967,778
NB Global Corporate Income Trust	4,252,361
US Masters Residential Property Fund	3,923,900
Fat Prophets Global Contrarian Fund Limited	3,886,019
VGI Partners Asian Investments Limited	3,694,184
Triam Investors 1 Limited	3,580,937
Strategic Equity Capital PLC	3,157,969
F&C Investment Trust PLC	3,126,826
CVC Income and Growth Limited	1,835,441
Sherborne Investors (Guernsey) C Limited	1,800,083
Jupiter Emerging and Frontier Income Trust PLC	1,702,837
Ellerston Asian Investments Limited	1,617,144
VGI Partners Global Investments Limited	1,430,261
CVC Income and Growth Limited	1,275,626
KKR Credit Income Fund	721,264
Doric Nimrod Air Two Limited	720,882
NB Private Equity Partners	483,610
Monash Absolute Investment Company Limited	374,596
HTCF Redemption Portfolio 2019	330,900
Secured Income Fund PLC	310,306
WCM Global Long Short Limited	267,760
East Capital Eastern Europe Small Cap	123,094
Lazard World Trust Fund	117,858
iShares MSCI Global Metals and Mining Producers ETF	95,448
Chenavari Capital Solutions Limited	77,658
Catco Reinsurance Opportunities Fund Limited	47,553
iShares MSCI Global Gold Miners ETF	23,029
Acorn Income Fund	18,675
Henderson Alternative Strategies Trust PLC	15,614
Highbridge Multi-Strategy Fund Limited	15,504
Aberforth Split Level Income Trust PLC	14,944
Alcentra European Floating Rate Income Fund Limited	2,824
Candover Investments PLC	3
Aberdeen Private Equity Fund Limited	1
	<b><u>192,648,783</u></b>

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**Investment Portfolio Composition**  
**30 June 2022 (continued)**

**Investment Portfolio Composition (continued)**  
**As at 30 June 2022**

**Total Portfolio at 30 June 2022**

	<b>Fair Value \$</b>	<b>Notional Value<sup>1</sup> \$</b>
<b><u>Short Equity Positions – Fair Value through Profit or Loss</u></b>		
SPDR Gold Shares ETF	(5,026,471)	
Blackrock World Mining Trust PLC	(4,629,086)	
Ferguson PLC	<u>(2,116,279)</u>	
	<b><u>(11,771,836)</u></b>	
<b><u>Convertible and Corporate Bonds</u></b>		
Crown Subordinated Notes II	13,702,144	
Ceiba Investment 10% CB March 2026	<u>3,796,350</u>	
	<b><u>17,498,494</u></b>	
<b><u>Derivative Financial Instruments – Fair Value through Profit or Loss</u></b>		
<b><u>Long and Short Equity Swaps</u></b>		
FTSE/ Xinhua China A50 Index	(50,555)	(4,526,984)
Highbridge Multi-Strategy Fund	<u>(172)</u>	<u>987</u>
	<b><u>(50,727)</u></b>	<b><u>(4,525,997)</u></b>
Total fair value investment portfolio	<b><u>198,324,714</u></b>	
Aggregate notional value of all derivatives <sup>1</sup>		<b><u>(4,525,997)</u></b>

<sup>1</sup> The aggregate notional value of all derivatives is \$(4,525,997). The notional value represents the face amount of the underlying instrument referenced in the contract and is the amount at risk - refer note 3 (a)(ii).

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**Corporate Governance Statement**

The Board of Directors of the Company is responsible for corporate governance. The Board has chosen to prepare the Corporate Governance Statement ('CGS') and Corporate Governance Charter ('CGC') in accordance with the third edition of the ASX Corporate Governance Council's Principles and Recommendations under which the CGS and CGC may be made available on a Company's website.

Accordingly, a copy of the Company's CGS and CGC is available on the Company website [www.globalvaluefund.com.au](http://www.globalvaluefund.com.au).

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**Global Value Fund Limited  
Directors' Report  
For the year ended 30 June 2022**

**Directors' Report**

The Directors of Global Value Fund Limited ('GVF' or 'the Company') present their report together with the financial report of the Company for the year ended 30 June 2022.

Global Value Fund Limited is a company limited by shares and is incorporated in Australia.

**Directors**

The following persons held office as Directors of the Company during the financial year:

Jonathan Trollip	Chairman & Independent Director
Chris Cuffe	Independent Director
Geoff Wilson	Director
Miles Staude	Director

Directors have been in office since the start of the financial year to the date of this report.

**Principal activity**

The Company was established to provide investors with the opportunity to invest in global financial markets through a carefully constructed investment portfolio of financial assets trading at a discount to their underlying value.

To achieve its objective, the Company has appointed Mirabella Financial Services LLP ('Mirabella') to act as Investment Manager and Mirabella has seconded the investment team at Staude Capital to manage the Company's portfolio. 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 portfolio held comprises mainly closed ended funds that are listed on various international exchanges as well as cash deposits denominated in domestic and foreign currencies.

The Company's approach is designed to provide superior risk-adjusted returns compared to more traditional forms of international equity investing.

No change in this activity is anticipated in the future.

**Dividends**

During the year, the Company declared and paid dividends of 6.60 cents per share. 3.30 cents per share of this related to the FY2021 fully-franked final dividend payment. This was paid on 8 November 2021. The remaining 3.30 cents per share is related to the FY2022 fully-franked interim dividend. This was paid on 13 May 2022.

Since year end the Company has declared a fully-franked final dividend for FY2022 of 3.30 cents per share, to be paid on Tuesday 8 November 2022. The ex-dividend date is Friday 30 September 2022 and the record date for entitlement to the FY2022 final dividend is Monday 3 October 2022.

The Company's dividend reinvestment plan ('DRP') will be in effect for the fully-franked FY2022 final dividend of 3.30 cents per share.

The DRP has been designed so that participants will always receive the lowest reinvestment price possible, without their reinvestment diluting the pre-tax Net Tangible Asset ("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 value per share 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 enrol at [www.investorserve.com.au](http://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 FY2022 final dividend is 5.00 pm (AEDT) Tuesday 4 October 2022. Details of the DRP are available on the Company's website, click [here](#).

**Review of operations**

For the full year ended 30 June 2022, the Company's investment portfolio generated a 2.8% (2021: 29.2%) increase in adjusted pre-tax NTA. The Company's discount capture strategy generating a 6.6% (gross) (2021: 24.9%) return over the year. Positive returns from this strategy represent outperformance (or alpha) over the underlying market and currency exposures of the Company's investment portfolio.

Investment operations for the year ended 30 June 2022 resulted in an operating profit before tax of \$6,186,897 (2021: \$44,859,175) and an operating profit after tax of \$5,500,304 (2021: \$32,478,975).

**Global Value Fund Limited**  
**Directors' Report**  
**For the year ended 30 June 2022 (continued)**

**Review of operations (continued)**

The after tax NTA backing for each ordinary share at 30 June 2022 amounted to \$1.1080 (2021: \$1.1419). The before tax NTA backing for each ordinary share at 30 June 2022 amounted to \$1.1505 (2021: \$1.2040).

Further information regarding the Company performance is contained in the Portfolio Manager's Report.

**Revised securities trading policy**

The Company announced on 17 June 2022 that it had adopted an updated Share Trading Policy ("Policy"). The policy is contained within the Company's CGC and is summarised as follows:

- The Policy applies to persons defined as "Restricted Persons" of the Company
- Restricted Persons must restrict their buying and selling of the Company's shares within the Company trading window established by the Policy
- Restricted persons are the Board of Directors, any person who is entitled to receive equity performance rights and/or options as part of any equity incentive-based scheme of the Company, any officers of the Company or the Seconded of the Manager and the Company Secretary
- Restricted persons are prohibited from dealing in the Company's shares from the time the Board papers are issued, or a Board meeting is held where any capital management initiatives, such as agreeing a future dividend for the Company, are discussed.

**Coronavirus ('Covid-19')**

The Covid-19 pandemic remains a major global issue and is likely to have an ongoing impact on the market value of equity markets and future earnings from assets. The Directors will continue to review the situation and the Company's investment portfolio as new information emerges.

**Ukraine conflict**

There is an increased level of global uncertainty associated with the ongoing conflict in Ukraine. The impacts of the Ukraine conflict are likely to result in increased market and economic volatility, which may in turn have an impact on the Company's investment portfolio.

**Matters subsequent to the end of the financial year**

Since year end the Company has declared a fully-franked final dividend for FY2022 of 3.30 cents per share to be paid on Tuesday 8 November 2022. The ex-dividend date is Friday 30 September 2022 and the record date for entitlement to the FY2022 final dividend is Monday 3 October 2022.

Other than the dividend declared after year end, no other matter or circumstance has occurred subsequent to year end that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

**Likely developments and expected results of operations**

The Company will continue to pursue its investment objectives for the long-term benefit of shareholders. This will require continual review of the investment strategies that are currently in place and may require changes to these strategies to maximise returns.

The underlying holdings of the Company consist of an investment portfolio of carefully selected global assets trading at significant discounts to their intrinsic value. The Portfolio Manager is optimistic about the outlook for the Company's discount capture strategy given the opportunity set available. Further, given the diverse nature of the underlying investment portfolio, the Portfolio Manager expects to be able to capitalise on new opportunities as they arise with meaningfully less market risk than one invested solely in international shares.

**Environmental regulation**

The Company is not affected by any significant environmental regulation in respect of its operations.

To the extent that any environmental regulations may have an incidental impact on the Company's operations, the Directors of the Company are not aware of any breach by the Company of those regulations.

**Environmental Social Governance (ESG)**

The Company recognises that ESG factors have become increasingly important to investors. Whether it be concern for the environment, heightened regulatory expectations and scrutiny, reputational risk, competition for capital, community expectations, and increasing activism and litigation, ESG is an issue the Company has always taken seriously.

The Company is committed to appropriately managing ESG risk in the pursuit of its investment objectives. The Company considers that ESG factors can impact earnings and valuations within companies and across sectors. When making investment decisions, the Company considers a range of non-financial ESG risk and value drivers alongside financial drivers.

A copy of the Company's ESG policy is available on the Company website [here](#).

**Global Value Fund Limited**  
**Directors' Report**  
**For the year ended 30 June 2022 (continued)**

**Information on directors**

**Jonathan Trollip** Chairman and Independent Director

**Experience and expertise**

Jonathan Trollip is an experienced Director with extensive commercial, corporate, governance, legal and transaction experience. Jonathan has a Bachelor of Arts degree in Economics from the University of Cape Town, post graduate degrees in Economics and Law from the University of Cape Town and the University of London (London School of Economics) and is a Fellow of the Australian Institute of Company Directors.

**Other current directorships**

Jonathan Trollip is Chairman of Spheria Emerging Companies Limited and Plato Income Maximiser Limited and a non-executive Director of BCAL Diagnostics Limited and ASX, AIM and JSE listed Kore Potash Plc. Jonathan holds commercial private company directorships with Meridian International Capital Limited and Yellow Holdings Limited. Jonathan is involved in the not-for-profit sector as Chairman of Science for Wildlife Limited, and a Director of the Watarrka Foundation Limited and Pinnacle Charitable Foundation Limited.

**Former directorships in last 3 years**

Jonathan Trollip was a former director of Spicers Limited, Future Generation Investment Company Limited, Antipodes Global Investment Company Limited and Propel Funeral Partners Limited.

**Special responsibilities**

Chairman of the Board

**Interests in shares**

Details of Jonathan Trollip's interests in shares of the Company are included in the Remuneration Report.

**Interests in contracts**

Jonathan Trollip has no interests in contracts of the Company.

**Chris Cuffe AO** Independent Director

**Experience and expertise**

Chris Cuffe has many years of experience in building successful wealth management practices. Most notably he joined Colonial First State in 1988 and became its CEO two years later, leading the company from a start-up operation to Australia's largest investment manager. In 2003 Chris became the CEO of Challenger Financial Services Group Limited and subsequently headed up Challenger's Wealth Management business.

Chris Cuffe is now involved in a portfolio of activities including a number of directorships, managing public and private investments and in various roles assisting the non-profit sector.

Chris Cuffe holds a Bachelor of Commerce from the University of NSW and a Diploma from the Securities Institute of Australia. He is a Fellow of Chartered Accountants Australia and New Zealand, a Fellow of the Institute of Company Directors and an Associate of the Financial Services Institute of Australasia. In October 2007 Chris was inducted into the Australian Fund Manager's RBS Hall of Fame for services to the investment industry.

**Other current directorships**

Chris Cuffe is Chairman of Hearts and Minds Investments Limited, and a director of listed investment company, Argo Investments Limited. He is also Chairman of Australian Philanthropic Services Limited (a non-profit organisation assisting philanthropists), and a director of Third Link Investment Managers (the manager of an Australian equities fund known as Third Link Growth Fund).

**Former directorships in last 3 years**

Chris Cuffe was formerly a director of Class Limited and Antipodes Global Investment Company Limited.

**Interests in shares**

Details of Chris Cuffe's interests in shares of the Company are included in the Remuneration Report.

**Interests in contracts**

Chris Cuffe has no interests in contracts of the Company.

**Global Value Fund Limited  
Directors' Report  
For the year ended 30 June 2022 (continued)**

**Information on directors (continued)**

**Geoff Wilson AO** Non-Independent Director

***Experience and expertise***

Geoff Wilson has over 42 years direct experience in investment markets having held a variety of senior investment roles in Australia, the UK and the US. Geoff founded Wilson Asset Management in 1997. Geoff created Australia's first listed philanthropic wealth creation vehicles, the Future Generation companies.

Geoff Wilson holds a Bachelor of Science, a Graduate Management Qualification and is a Fellow of the Financial Services Institute of Australia and the Australian Institute of Company Directors.

***Other current directorships***

Geoff Wilson is currently Chairman of WAM Capital Limited, WAM Research Limited, WAM Active Limited, WAM Leaders Limited, WAM Microcap Limited, WAM Global Limited, WAM Strategic Value Limited and the Australian Stockbrokers Foundation. He is the Founder and a Director of Future Generation Global Investment Company Limited and Future Generation Investment Company Limited and a Director of WAM Alternative Assets Limited, Hearts and Minds Investments Limited, Incubator Capital Limited, Wollongong 2022 Limited, Sporting Chance Cancer Foundation, the Australian Fund Managers Foundation, and the Australian Children's Music Foundation. He is also founder and Director of investment management companies Wilson Asset Management (International) Pty Limited and MAM Pty Limited.

***Former directorships in last 3 years***

Geoff Wilson is a former Director of 8IP Emerging Companies Limited and Australian Leaders Fund Limited.

***Interests in shares***

Details of Geoff Wilson's interests in shares of the Company are included in the Remuneration Report.

***Interests in contracts***

Details of Geoff Wilson's interests in contracts of the Company are included in the Remuneration Report.

**Miles Staude** Non-Independent Director

***Experience and expertise***

Miles Staude has over 22 years of experience in trading, investment management and research, covering a wide range of financial markets. He is the Portfolio Manager of the Global Value Fund ('GVF') and under Mirabella's regulatory licences, Miles has overall responsibility for the GVF portfolio management teams trading and investment management activities.

Prior to founding Staude Capital, Miles Staude spent ten years as a Portfolio Manager and Investment Analyst at Metage Capital, a London based investment management firm. Before joining Metage, he spent 5 years as a sell-side equity analyst at RBC Capital Markets, based in both Sydney and London. Miles holds an economics degree from the University of Sydney and is a CFA Charterholder.

***Other current directorships***

Miles Staude is currently a Director of Staude Capital Limited (UK), Staude Capital Pty Limited (Australia) and Staude Capital GP Limited (Cayman).

***Former directorships in last 3 years***

Miles Staude was a Non-Executive Director of Blue Sky Alternatives Access Funds Limited, now WAM Alternative Assets Limited within the last 3 years.

***Special responsibilities***

Portfolio Manager

***Interests in shares***

Details of Miles Staude's interests in shares of the Company are included in the Remuneration Report.

***Interests in contracts***

Details of Miles Staude's interests in contracts of the Company are included in the Remuneration Report.

**Global Value Fund Limited  
Directors' Report  
For the year ended 30 June 2022 (continued)**

**Company secretary**

**Mark Licciardo** B Bus(Acc), GradDip CSP, FGIA, FCIS, FAICD (Company Secretary)

**Experience and special responsibilities**

Mark Licciardo is Managing Director of Acclime Australia (formerly Mertons Corporate Services Pty Ltd) (Acclime) which provides company secretarial and corporate governance consulting services to ASX listed and unlisted public and private companies.

Prior to establishing Acclime, Mark Licciardo was Company Secretary of the Transurban Group and Australian Foundation Investment Company Limited. Mark has also had an extensive commercial banking career with the Commonwealth Bank and State Bank Victoria. Mark Licciardo is a former Chairman of the Governance Institute Australia (GIA) in Victoria and the Melbourne Fringe Festival, a fellow of GIA, the Institute of Chartered Secretaries (CIS) and the Australian Institute of Company Directors (AICD) and a Director of ASX listed Frontier Digital Ventures Limited, iCar Asia Limited and Mobilicom Limited as well as several other public and private companies.

**Meetings of directors**

The number of meetings of the Company's Board of Directors ('the Board') held during the year ended 30 June 2022, and the number of meetings attended by each Director were:

	<b>Directors' Meetings</b>	
	<b>A</b>	<b>B</b>
Jonathan Trollip	4	4
Chris Cuffe	4	4
Geoff Wilson	3	4
Miles Staude	4	4

A = Number of meetings attended

B = Number of meetings held during the time the Director held office during the year

Given the size of the Board and the nature of the Company's operations, a nomination committee and an audit committee have not been formed. The Board as a whole considers the composition of the Board and appointment of new directors. The Board identifies suitable candidates to fill vacancies as they arise with consideration given to the optimal mix of skills and diversity required. In the Board's opinion, an audit committee would not serve to protect or enhance the interest of shareholders beyond that the Board currently provides in terms of oversight. The Board deals with the integrity of financial reporting as a whole, including the appointment and review of the external auditor.

**Remuneration report (audited)**

This report details the nature and amount of remuneration for each Director of Global Value Fund Limited ('the Company') in accordance with the *Corporations Act 2001*. The Company Secretary is remunerated under a service agreement with Acclime Australia.

**Details of remuneration**

All Directors of the Company are non-executive Directors. The Board from time-to-time determines the remuneration of Directors within the maximum amount approved by the shareholders at the Annual General Meeting. Directors are not entitled to any other remuneration.

Fees and payments to Directors reflect the demands that are made on them and their responsibilities. The performance of Directors is reviewed annually. The Board determines the remuneration levels and ensures they are competitively set to attract and retain appropriately qualified and experienced Directors.

The maximum total remuneration of the Directors of the Company has been set at \$90,000 per annum. Directors do not receive bonuses nor are they issued options on securities as part of their remuneration. Directors' fees cover all main Board activities.

On 24 February 2022, it was resolved that the maximum aggregate remuneration that the Company may pay to its Non-Executive Directors in any financial year be increased by \$30,000 from \$90,000 to \$120,000 with effect from 1 July 2022, subject to approval of the shareholders at the ensuing Annual General Meeting. This is in line with the Corporate Governance Charter Clause 2.2(d) of the Board Policy of the Company which states that "the allocation and amount of remuneration for non-executive Directors will be reviewed periodically every six months and will reflect market rates".

Directors' remuneration is not directly linked to the Company's performance.

**Global Value Fund Limited**  
**Directors' Report**  
**For the year ended 30 June 2022 (continued)**

**Remuneration report (audited) (continued)**

The following tables show details of the remuneration received by the Directors of the Company for the current and prior financial year.

2022 Name	Short term Employee benefits	Post-employment benefits	Total
	Salary and fees	Superannuation	
	\$	\$	\$
Jonathan Trollip	36,364	3,636	40,000
Chris Cuffe	31,818	3,182	35,000
Geoff Wilson	9,091	909	10,000
Miles Staude	-	-	-
<b>Total director remuneration</b>	<b>77,273</b>	<b>7,727</b>	<b>85,000</b>
<b>2021</b>			
2021 Name	Short term Employee benefits	Post-employment benefits	Total
	Salary and fees	Superannuation	
	\$	\$	\$
Jonathan Trollip	36,530	3,470	40,000
Chris Cuffe	31,963	3,037	35,000
Geoff Wilson	9,132	868	10,000
Miles Staude	-	-	-
<b>Total director remuneration</b>	<b>77,625</b>	<b>7,375</b>	<b>85,000</b>

The Company has no employees other than Non-Executive Directors and therefore does not have a remuneration policy for employees.

The Directors are the only people considered to be key management personnel of the Company.

**Director related entity remuneration**

All transactions with related entities are made on normal commercial terms and conditions.

Mirabella Financial Services LLP ('Mirabella') is the Investment Manager of the Company. Mirabella has a legal agreement with Staude Capital Limited, an entity associated with Miles Staude who is a Director of the Company, whereby certain individuals from Staude Capital Limited are seconded into Mirabella to perform portfolio management services for the Company. Miles Staude benefits from the manager fees payable to Mirabella, as listed below:

**Assignment fee**

Mirabella has assigned all rights, title and interest to receive 25% of all management and performance fees payable under its management agreement to Boutique Investment Management Pty Limited ('BIM'), an entity associated with Geoff Wilson.

Mirabella has undertaken to BIM not to terminate or amend the terms of the Management Agreement or waive any of its rights under the Management Agreement without the prior written consent of BIM.

**Management fee**

In its capacity as Investment Manager, Mirabella is entitled to receive a management fee of 0.125% per month (representing an annualised fee of 1.5% per annum) of the net value of the investment portfolio. The management fee is calculated monthly and payable monthly in arrears. For the year ended 30 June 2022 Mirabella was entitled to a management fee of \$3,025,865 (2021: \$2,567,437), of which \$756,466 was paid to BIM (2021: \$644,859). As at 30 June 2022, the balance payable was \$61,261 (2021: \$60,772).

**Global Value Fund Limited**  
**Directors' Report**  
**For the year ended 30 June 2022 (continued)**

**Remuneration report (audited) (continued)**

**Director related entity remuneration (continued)**

*Performance fee*

In further consideration for the performance of its duties as manager of the investment portfolio, the Investment Manager may be entitled to be paid a performance fee equal to 15% of any portfolio out performance in excess of a hurdle return, being 4% above the 1-year interest rate swap rate. Further details of the terms of the performance fee calculation are disclosed in Note 16 to the financial statements.

For the financial year ended 30 June 2022, the performance fee amount paid and payable to the Investment Manager was \$nil (2021: \$6,712,790, from which \$1,678,198 was payable to BIM).

*Contracts*

Other than as stated above, no Director has received or become entitled to receive, a benefit by reason of a contract made by the Company or a related company with the Director or with a firm of which they are a member or with a company in which they have substantial financial interest since the inception of the Company.

**Equity instrument disclosures relating to directors**

As at the end of the reporting period, the Company's Directors and their related parties held the following interests in the Company:

**Ordinary shares held**

2022	Balance as at 1 July 2021			Balance as at 30 June 2022
	Director	Acquisitions	Disposals	
Jonathan Trollip <sup>1</sup>	425,000	-	-	425,000
Chris Cuffe <sup>2</sup>	1,780,000	639,806	(500,000)	1,919,806
Geoff Wilson <sup>3</sup>	1,408,882	-	-	1,408,882
Miles Staude <sup>4</sup>	181,600	47,000	-	228,600
	<b>3,795,482</b>	<b>686,806</b>	<b>(500,000)</b>	<b>3,982,288</b>

<sup>1</sup> 425,000 shares beneficially held by Piaster Pty Limited ATF Trollip Family Superfund A/C

<sup>2</sup> 1,163,258 shares beneficially held by Australian Philanthropic Services Pty Limited ATF Australian Philanthropic Services Foundation, 430,000 shares beneficially held by Cuffe Family Foundation Pty Limited ATF Cuffe Family Foundation, 176,840 shares beneficially held by Australian Philanthropic Services Limited, 109,708 shares beneficially held by FOL Pty Ltd and 40,000 shares beneficially held by Mr Christopher Cuffe ATF Matthew Patrick Cuffe

<sup>3</sup> 1,408,882 shares beneficially held by GW Holdings Pty Limited <Edwina A/C>

<sup>4</sup> 228,600 shares beneficially held by Staude Capital Pty Limited

2021	Balance as at 1 July 2020			Balance as at 30 June 2021
	Director	Acquisitions	Disposals	
Jonathan Trollip <sup>1</sup>	425,000	-	-	425,000
Chris Cuffe <sup>2</sup>	1,490,000	290,000	-	1,780,000
Geoff Wilson <sup>3</sup>	1,380,581	28,301	-	1,408,882
Miles Staude <sup>4</sup>	155,000	26,600	-	181,600
	<b>3,450,581</b>	<b>344,901</b>	<b>-</b>	<b>3,795,482</b>

<sup>1</sup> 425,000 shares beneficially held by Piaster Pty Limited ATF Trollip Family Superfund A/C

<sup>2</sup> 500,000 shares beneficially held by Cherryoak Investments Pty Limited ATF C & N Family Trust, 1,100,000 shares beneficially held by Australian Philanthropic Services Pty Limited ATF Australian Philanthropic Services Foundation, 140,000 shares beneficially held by Australian Philanthropic Services Limited and 40,000 shares beneficially held by Mr Christopher Cuffe ATF Matthew Patrick Cuffe

<sup>3</sup> 1,408,882 shares beneficially held by GW Holdings Pty Limited <Edwina A/C>

<sup>4</sup> 181,600 shares beneficially held by Staude Capital Pty Limited

**End of the remuneration report**

**Global Value Fund Limited  
Directors' Report  
For the year ended 30 June 2022 (continued)**

**Insurance and indemnification of officers and auditors**

During or since the end of the financial year the Company has given an indemnity or entered into an agreement to indemnify or paid or agreed to pay insurance premiums.

The Company has paid premiums to insure each of the Directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of Director of the Company, other than conduct involving a wilful breach of duty in relation to the Company or the improper use by the Directors of their position.

The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

No indemnities have been given or insurance premiums paid during or since the end of the financial year, for any person who is or has been an auditor of the Company.

**Proceedings on behalf of the Company**

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.

**Non-audit services**

The Company's auditor did not perform any other services in addition to their statutory duties for the Company except as disclosed in Note 14 to the financial statements.

The Board of Directors is satisfied that the provision of other services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the services disclosed in Note 14 did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the Board prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to the auditor independence in accordance with the APES 110 *Code of Ethics for Professional Accountants* set by the Accounting Professional and Ethical Standards Board.

**Rounding of amounts to nearest dollar**

The Company is of the kind referred to in ASIC Corporations (Rounding in Financials/ Directors' Reports) Instrument 2016/191, dated 24 March 2016, and in accordance with that Corporations Instrument amounts in the Directors' Report and the financial report are rounded to the nearest dollar, unless otherwise indicated.

**Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 18.

This report is made in accordance with a resolution of Directors made pursuant to section 298(2) of the *Corporations Act 2001*.



Jonathan Trollip  
Chairman

Sydney  
24 August 2022

24 August 2022

The Directors  
Global Value Fund Limited  
C/- Mertons Corporate Services Pty Ltd  
Level 7, 330 Collins Street  
Melbourne, Victoria, 3000

Dear Directors,

### **Auditor's Independence Declaration to Global Value Fund Limited**

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the Directors of Global Value Fund Limited.

As lead audit partner for the audit of the financial report of Global Value Fund Limited for the year ended 30 June 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

Yours faithfully

*DELOITTE TOUCHE TOHMATSU*

DELOITTE TOUCHE TOHMATSU

*David Salmon*

David Salmon  
Partner  
Chartered Accountants

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**Global Value Fund Limited**  
**Statement of Profit or Loss and Other Comprehensive Income**  
**For the year ended 30 June 2022**

**Statement of Profit or Loss and Other Comprehensive Income**

	Note	2022 \$	2021 \$
<b>Income</b>			
Net realised gains on disposal of investments		23,988,321	25,237,135
Net unrealised (losses)/ gains on market value movement of investments		(24,754,363)	26,094,081
Net realised gains/ (losses) on foreign exchange movement		3,770,843	(4,110,521)
Net unrealised gains/ (losses) on foreign exchange movement		289,631	(1,094,032)
Interest income		572,092	471,349
Other income		5,076	19,055
Dividend income		<u>8,529,375</u>	<u>10,371,408</u>
<b>Total income</b>		<b>12,400,975</b>	56,988,475
<b>Expenses</b>			
Management fees	16	(3,025,865)	(2,567,437)
Performance fees	16	-	(6,712,790)
Administration fees		(341,030)	(313,080)
Brokerage and clearing expenses		(1,051,106)	(917,791)
Accounting fees		(30,800)	(30,800)
Share registry fees		(78,617)	(79,141)
Dividends paid on borrowed stock		(391,079)	(291,117)
Interest expense		(758,632)	(783,001)
Tax fees		(64,519)	(41,400)
Directors' fees		(85,000)	(85,000)
Legal fees		(118,992)	(31,664)
Secretarial fees		(40,273)	(34,031)
ASX fees		(81,716)	(83,389)
Audit fees	14	(47,000)	(47,000)
Other expenses		<u>(99,449)</u>	<u>(111,659)</u>
<b>Total expenses</b>		<b>(6,214,078)</b>	(12,129,300)
<b>Profit before income tax</b>		<b>6,186,897</b>	44,859,175
Income tax (expense)	5	<u>(686,593)</u>	<u>(12,380,200)</u>
<b>Profit attributable to members of the Company</b>		<b><u>5,500,304</u></b>	<b><u>32,478,975</u></b>
Other comprehensive income for the year, net of tax		-	-
<b>Total comprehensive income for the year</b>		<b><u>5,500,304</u></b>	<b><u>32,478,975</u></b>
		<b>Cents</b>	<b>Cents</b>
<b>Earnings per share for profit attributable to the ordinary equity holders of the Company:</b>			
Basic and diluted earnings per share	18	3.17	20.18

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes

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**Global Value Fund Limited**  
**Statement of Financial Position**  
**As at 30 June 2022**

**Statement of Financial Position**

	Note	2022 \$	2021 \$
<b>Assets</b>			
Cash and cash equivalents	6	5,739,307	-
Trade and other receivables	7	676,064	727,025
Financial assets at fair value through profit or loss	8	210,147,277	238,174,918
Deferred tax assets	5	<u>40,782</u>	<u>-</u>
<b>Total assets</b>		<b><u>216,603,430</u></b>	<b><u>238,901,943</u></b>
<b>Liabilities</b>			
Bank overdraft	6	-	15,145,470
Trade and other payables	9	4,280,883	8,722,526
Financial liabilities at fair value through profit or loss	8	11,822,563	6,745,673
Current tax liability	5	7,446,679	3,547,931
Deferred tax liabilities	5	<u>-</u>	<u>7,192,180</u>
<b>Total liabilities</b>		<b><u>23,550,125</u></b>	<b><u>41,353,780</u></b>
<b>Net Assets</b>		<b><u>193,053,305</u></b>	<b><u>197,548,163</u></b>
<b>Equity</b>			
Issued capital	10	179,262,833	177,820,166
Profits reserve	11	38,922,851	34,705,755
Accumulated losses	11	<u>(25,132,379)</u>	<u>(14,977,758)</u>
<b>Total equity</b>		<b><u>193,053,305</u></b>	<b><u>197,548,163</u></b>

The above Statement of Financial Position should be read in conjunction with the accompanying notes

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**Global Value Fund Limited**  
**Statement of Changes in Equity**  
**For the year ended 30 June 2022**

**Statement of Changes in Equity**

	Note	Issued capital \$	(Accumulated losses) \$	Profits reserve \$	Total \$
<b>Balance at 30 June 2020</b>		151,350,505	(14,977,758)	11,687,506	148,060,253
Profit for the year	11	-	32,478,975	-	32,478,975
Other comprehensive income for the year		-	-	-	-
Transfer of profits during the year	11	-	(32,478,975)	32,478,975	-
<u>Transactions with owners:</u>					
Dividends paid	12	-	-	(9,460,726)	(9,460,726)
Shares issued on dividends reinvested	10	1,030,683	-	-	1,030,683
Shares issued with SPP and Placement	10	25,638,395	-	-	25,638,395
SPP and Placement costs	10	(199,417)	-	-	(199,417)
Balance at 30 June 2021		<u>177,820,166</u>	<u>(14,977,758)</u>	<u>34,705,755</u>	<u>197,548,163</u>
Profit for the year	11	-	5,500,304	-	5,500,304
Other comprehensive income for the year		-	-	-	-
Transfer of profits during the year	11	-	(15,654,925)	15,654,925	-
<u>Transactions with owners:</u>					
Dividends paid	12	-	-	(11,437,829)	(11,437,829)
Shares issued on dividends reinvested	10	<u>1,442,667</u>	-	-	<u>1,442,667</u>
<b>Balance at 30 June 2022</b>		<b><u>179,262,833</u></b>	<b><u>(25,132,379)</u></b>	<b><u>38,922,851</u></b>	<b><u>193,053,305</u></b>

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes

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**Global Value Fund Limited**  
**Statement of Cash Flows**  
**For the year ended 30 June 2022**

**Statement of Cash Flows**

	Note	2022 \$	2021 \$
<b>Cash flows from operating activities</b>			
Proceeds from sale of investments		437,425,723	284,088,096
Payment for investments		(412,329,719)	(355,792,472)
Realised foreign exchange gains/ (losses)		3,770,843	(4,110,521)
Other income received		5,076	19,055
Interest received		568,991	701,293
Dividends received		8,242,046	10,424,266
Proceeds from return of capital on investments		9,898,124	42,946,747
Interest paid		(811,413)	(777,915)
Management fees paid		(3,025,375)	(2,506,666)
Performance fees paid		(6,712,790)	-
Dividends paid on borrowed stock		(391,200)	(303,965)
Income tax paid		(4,020,808)	(1,782,391)
Payment for other expenses		<u>(2,029,190)</u>	<u>(1,839,957)</u>
<b>Net cash provided by/ (used in) operating activities</b>	<b>17(a)</b>	<b><u>30,590,308</u></b>	<b><u>(28,934,430)</u></b>
<b>Cash flows from financing activities</b>			
Shares issued on SPP and Placement, net of costs		-	25,353,178
Dividends paid		<u>(9,995,162)</u>	<u>(8,430,040)</u>
<b>Net cash (used in)/ provided by financing activities</b>		<b><u>(9,995,162)</u></b>	<b><u>16,923,138</u></b>
<b>Net increase/ (decrease) in cash and cash equivalents held</b>		20,595,146	(12,011,292)
(Bank overdraft) at beginning of financial year		(15,145,470)	(2,040,146)
Effect of foreign currency exchange rate changes on cash & cash equivalents		<u>289,631</u>	<u>(1,094,032)</u>
<b>Cash and cash equivalents/ (bank overdraft) at end of financial year</b>		<b><u>5,739,307</u></b>	<b><u>(15,145,470)</u></b>
<b>Non cash financing activities</b>			
Dividends reinvested	<b>17(b)</b>	<b><u>1,442,667</u></b>	<b><u>1,030,686</u></b>

The above Statement of Cash Flows should be read in conjunction with the accompanying notes

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**Global Value Fund Limited**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2022**

**1 General information**

Global Value Fund Limited (the 'Company') is a listed public company domiciled in Australia. The address of the Company's registered office is C/- Acclime Australia, Level 7, 330 Collins Street, Melbourne.

The financial statements were authorised for issue on 24 August 2022 by the Directors of the Company.

**2 Significant accounting policies**

In accordance with ASIC Corporations (rounding in Directors' Reports) Instrument 2016/191, the amounts in the Directors' Report and financial statements have been rounded to the nearest dollar, unless otherwise stated.

The principal accounting policies adopted in the preparation of these financial statements are set out below.

**(a) Basis of preparation**

These general purpose financial statements have been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board. The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The Statement of Financial Position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity. All balances are expected to be recovered or settled within 12 months, except for financial assets held at fair value through profit or loss.

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected financial assets and financial liabilities.

**(b) Financial instruments**

*(i) Initial recognition and measurement*

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. For financial assets, trade date accounting is adopted, which is equivalent to the date that the Company commits to purchase or sell the assets. Financial instruments are initially measured at fair value. Transaction costs related to instruments classified "at fair value through profit or loss" are expensed to the profit or loss immediately.

*(ii) Classification and subsequent measurement*

Investments such as shares in publicly listed and unlisted companies, convertible and corporate bonds, exchange traded call and put options and investments in fixed interest securities are subsequently measured at fair value through profit or loss. The Company may short sell securities. Short sales or borrowed stock are classified as a financial liability and are measured at fair value through profit or loss.

The Company classifies its financial instruments into the following categories:

**(a) Financial assets at fair value through profit or loss**

Financial assets are classified "at fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking. Realised and unrealised gains and losses arising from changes in fair value are included in the Statement of Profit of Loss and Other Comprehensive Income in the period in which they arise.

**(b) Financial liabilities at fair value through profit or loss**

Financial liabilities such as borrowed stock are classified "at fair value through profit or loss". Realised and unrealised gains and losses arising from changes in fair value are included in the Statement of Profit of Loss and Other Comprehensive Income in the period in which they arise.

**(c) Derivative Instruments**

Derivative instruments are measured at fair value. Gains and losses arising from changes in fair value are taken to the profit or loss.

*(iii) Fair value*

Fair value is determined based on current market prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions and reference to similar instruments.

*(iv) Derecognition*

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. If the Company neither retains nor transfers substantially all the risks and rewards, but has not retained control of the financial assets, it also derecognises the financial assets. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or have expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in the Statement of Profit or Loss and Other Comprehensive Income.

**Global Value Fund Limited**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2022 (continued)**

**2 Significant accounting policies (continued)**

**(c) Revenue recognition**

**Revenue**

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Net gains/ (losses) on financial instruments held at fair value through profit or loss arising on a change in fair value are calculated as the difference between the fair value at the period end and the fair value at the previous valuation point. Net gains/ (losses) also include realised gains/losses, and do not include interest or dividend income.

**Dividend income**

Dividend income is recognised on the ex-dividend date and is presented net of any unrecoverable withholding taxes.

**Interest income**

Interest income is recognised on a time proportionate basis taking into account the effective yield on the financial assets and net of any withholding taxes.

**(d) Foreign currency**

The financial statements of the Company are presented in Australian Dollars (A\$), which is the Company's functional and presentation currency.

Foreign currency transactions during the year are translated into Australian Dollars at the exchange rate at the transaction date. At each reporting date, monetary assets and liabilities denominated in foreign currency are retranslated at the rates prevailing at the reporting date. Foreign exchange gains or losses resulting from the settlement of foreign denominated assets and liabilities will be recognised in profit or loss. Net exchange gains and losses arising on the revaluation of investments will be included in net gains or losses on investments.

**(e) Income tax**

The income tax expense/(benefit) for the period comprises current income tax expense/(benefit) and deferred tax expense/(benefit).

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities/(assets) are measured at the amounts expected to be paid to/(recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the period as well as unused tax losses.

Current and deferred income tax expense/(benefit) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

**(f) Goods and services tax (GST)**

Revenues, expenses and assets are recognised net of the amount of goods and services tax ('GST'), unless GST incurred is not recoverable from the Australian Taxation Office ('ATO'). In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the Statement of Financial Position.

**(g) Cash and cash equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are reported in liabilities on the Statement of Financial Position.

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**Global Value Fund Limited**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2022 (continued)**

**2 Significant accounting policies (continued)**

**(h) Trade and other receivables**

Trade and other receivables relate to outstanding settlement as well as accrued income in relation to interest and dividends receivable. Trade receivables are generally due for settlement within 30 days

**(i) Trade and other payables**

These amounts represent liabilities for outstanding settlements as well as services provided to the Company prior to the end of the financial year and which are unpaid. Due to their short-term nature, they are measured at amortised costs and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition

**(j) Impairment of assets**

The Company recognises a loss allowance for expected credit losses ('ECL') on financial assets that are measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instruments. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to debtors, general economic conditions at the reporting date, including time value of money where appropriate.

The Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instruments has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The amount of the impairment loss will be recognised in the Statement of Profit or Loss and Other Comprehensive Income.

**Allowance for expected credit losses**

Based on the analysis at the end of the reporting period, the impairment under the expected credit loss (ECL) method is considered to be immaterial and no amount is recognised in the financial statements (30 June 2021: nil).

**(k) Issued capital**

Ordinary shares will be classified as equity. Costs directly attributable to the issue of ordinary shares will be recognised as a deduction from equity, net of any tax effects.

**(l) Profits reserve**

A profits reserve has been created representing amounts transferred monthly from current period earnings that are preserved for future dividend payments.

**(m) Dividends**

Dividends are recognised when declared during the financial year.

**(n) Earnings per share**

*(i) Basic earnings per share*

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial period, adjusted for bonus elements in ordinary shares issued during the period and excluding treasury shares.

*(ii) Diluted earnings per share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

**(o) Operating segments**

The Company has only one reportable segment. The Company is engaged solely in investment activities, deriving revenue from dividend income, interest income and from the sale of its investments.

The Company continues to have foreign exposure as it invests in companies which operate internationally.

**Global Value Fund Limited**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2022 (continued)**

**2 Significant accounting policies (continued)**

**(p) Critical accounting estimates and judgements**

The Directors evaluate the estimates and judgements incorporated into the financial statements based on historical knowledge and the best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data.

Apart from the items mentioned below, there are no other key assumptions or sources of estimation uncertainty that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year

**(i) Financial instruments**

The Company's financial instruments are valued primarily based on the prices provided by independent pricing services.

When the fair values of the reported financial instruments cannot be derived from active markets, they are determined using prices obtained from inactive or unquoted markets and/or other valuation techniques. The inputs to these valuation techniques (if applicable) are taken from observable markets to the extent practicable. Where observable inputs are not available, the inputs may be estimated based on a degree of judgements and assumptions in establishing fair values.

Please refer to Note 4 (i)(b) on details around description of valuation techniques and inputs used by the Company.

**(ii) Deferred tax asset**

The Company has recognised deferred tax assets relating to unrealised losses on investments, other accruals and capitalised costs of \$349,089 as at 30 June 2022 (2021: \$369,348). The utilisation of tax losses depends on the ability of the Company to generate future taxable profits. The Company considers that it is probable that future taxable profits will be available to utilise those deferred tax assets. This assessment is supported by the Investment Manager's long-term performance and profitability. New information may become available that may cause the Company to change its judgement regarding calculation of tax balances, and such changes will impact the profit or loss in the period that such determination is made.

**(q) Comparative figures**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

**(r) New and amended accounting standards adopted**

The Company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current year.

The new Standard effective for the current year that is relevant to the Company is:

- AASB 2020-8 *Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform Phase 2*

**(s) New and amended accounting standards not adopted**

No other new accounting standards and interpretations that are available for early adoption but not yet adopted at 30 June 2022, will result in any material change in relation to the financial statements of the Company.

**Global Value Fund Limited**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2022 (continued)**

**3 Financial risk management**

The Company's financial instruments consist mainly of deposits with banks, bank overdrafts, trading portfolios, trade and other receivables and trade and other payables.

The Company's activities expose it to a variety of financial risks: market risk (including interest rate risk, foreign exchange risk and price risk), credit risk and liquidity risk. The Board of the Company, with the Portfolio Manager, has implemented a risk management framework to mitigate these risks.

**(a) Market risk**

The standard defines this as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

*(i) Foreign exchange risk*

The Company invests in global listed securities and enters into transactions that are denominated in currencies other than its functional currency. Consequently, the Company is exposed to the movements in exchange rates that may have an adverse effect on the fair value of future cash flows of the Company's financial assets denominated in currencies other than Australian dollars.

The Portfolio Manager identifies measures and manages exchange rate risk by examining each component in the investment portfolio in a way that looks beyond the currency of denomination to the underlying exposures presented by each investment. These exposures are then aggregated across the investment portfolio so that overall currency risk can be assessed and managed as appropriate in accordance with the investment mandate.

The Company's main exposure to foreign currency risk at the reporting date was as follows:

	<b>2022</b>	<b>2021</b>
	\$	\$
<b>Financial assets</b>		
<b><u>Cash and cash equivalents</u> *</b>		
United States Dollar ("USD")	15,326,391	23,072,271
Euro ("EUR")	6,352,284	3,611,002
Pound Sterling ("GBP")	4,798,995	1,213
Other Currencies	19,973	2,135,041
	<b><u>26,497,643</u></b>	<b><u>28,819,527</u></b>
<b><u>Financial assets at fair value through profit or loss</u></b>		
United States Dollar	26,171,712	24,594,799
Euro	20,588,220	22,647,940
Pound Sterling	87,682,889	99,654,375
Other Currencies	19,061,688	10,432,328
	<b><u>153,504,509</u></b>	<b><u>157,329,442</u></b>
<b>Total financial assets exposure to foreign exchange</b>	<b><u>180,002,152</u></b>	<b><u>186,148,969</u></b>
<b>Financial liabilities</b>		
<b><u>Bank overdraft</u> *</b>		
United States Dollar	-	(900,381)
Euro	(3)	(3)
Pound Sterling	(44,107,132)	(59,430,256)
Other Currencies	(3,028,535)	-
	<b><u>(47,135,670)</u></b>	<b><u>(60,330,640)</u></b>
<b><u>Financial liabilities at fair value through profit or loss</u></b>		
United States Dollar	(5,077,026)	-
Pound Sterling	(6,745,537)	(6,745,673)
	<b><u>(11,822,563)</u></b>	<b><u>(6,745,673)</u></b>
<b>Total financial liabilities exposure to foreign exchange</b>	<b><u>(58,958,233)</u></b>	<b><u>(67,076,313)</u></b>

\* The Company operates a multi-currency bank account and thus enters in transactions that are denominated in currencies other than its functional currency - Australian Dollar ("AUD"). As disclosed in the table above, the Company has an exposure to USD, EUR, GBP and other currencies, through this multi-currency bank account. On the Statement of Financial Position, total cash and cash equivalents/ bank overdraft includes the net AUD equivalent of the underlying currencies as at 30 June 2022.

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**Global Value Fund Limited**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2022 (continued)**

**3 Financial risk management (continued)**

**(a) Market risk (continued)**

*(ii) Price risk*

The Company is exposed to price risk. This arises from investments held by the Company and classified in the Statement of Financial Position as financial assets and financial liabilities at fair value through profit or loss.

The Company's financial assets give rise to price risk as follows:

	<b>2022</b>	<b>2021</b>
	\$	\$
Australian and overseas equities	192,648,783	231,253,559
Convertible and corporate bonds	17,498,494	6,877,322
Derivative financial instruments <sup>1</sup>	-	2,929,857
	<u><b>210,147,277</b></u>	<u><b>241,060,738</b></u>

The Company's financial liabilities give rise to price risk as follows:

	<b>2022</b>	<b>2021</b>
	\$	\$
Australian and overseas equities	11,771,837	6,745,493
Derivative financial instruments <sup>1</sup>	4,525,997	1,032
	<u><b>16,297,834</b></u>	<u><b>6,746,525</b></u>

<sup>1</sup> This represents the aggregate notional value of all derivatives.

A detailed analysis of the Company's investment portfolio is presented on page 7. The sensitivity of derivative instruments to changes in price depends upon the notional value of the underlying instrument as this will determine the value of the contractual commitments as at the reporting date. The fair value of derivative instruments is derived from the movements in the underlying market factor of the derivatives.

*(iii) Interest rate risk*

Interest rate risk arises from the effects of fluctuations in the prevailing levels of market interest rates on the fair value of financial assets and liabilities as defined by their future cash flows. The Company does not invest directly into fixed income securities, however, have exposure to interest rates through cash and cash equivalents/borrowings. The Portfolio Manager and the Board of Directors have estimated that the aggregate impact of these exposures on the Company as a whole is minimal.

The table below summarises the Company's exposure to interest rate risks.

	<b>Floating interest rate \$</b>	<b>Non- interest bearing \$</b>	<b>Total \$</b>
<b>At 30 June 2022</b>			
<b>Financial assets</b>			
Cash and cash equivalents	5,739,307	-	5,739,307
Trade and other receivables	-	676,064	676,064
	<u><b>5,739,307</b></u>	<u><b>676,064</b></u>	<u><b>6,415,371</b></u>
<b>Financial liabilities</b>			
Bank overdraft	-	-	-
Trade and other payables	-	(4,280,883)	(4,280,883)
	<u><b>-</b></u>	<u><b>(4,280,883)</b></u>	<u><b>(4,280,883)</b></u>
<b>Net exposure to interest rate risk</b>	<u><b>5,739,307</b></u>	<u><b>(3,604,819)</b></u>	<u><b>2,134,488</b></u>

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**Global Value Fund Limited**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2022 (continued)**

**3 Financial risk management (continued)**

(iii) *Interest rate risk (continued)*

	Floating interest rate \$	Non- interest bearing \$	Total \$
<b>At 30 June 2021</b>			
<b>Financial assets</b>			
Cash and cash equivalents	-	-	-
Trade and other receivables	-	727,025	727,025
	-	727,025	727,025
<b>Financial liabilities</b>			
Bank overdraft	(15,145,470)	-	(15,145,470)
Trade and other payables	-	(8,722,526)	(8,722,526)
	(15,145,470)	(8,722,526)	(23,867,996)
<b>Net exposure to interest rate risk</b>	(15,145,470)	(7,995,501)	(23,140,971)

The weighted average interest rate of the Company's cash and cash equivalents at 30 June 2022 is 0.67% (2021: 0.37%).

**Sensitivity analysis**

The Company has performed a sensitivity analysis relating to its exposure to price risk, interest rate and foreign exchange risks at the end of each reporting period. This sensitivity analysis demonstrates the effect on the current period results and equity which could result from a change in the relevant risk variables.

These sensitivities assume that the movement in a particular variable is independent of other variables.

	2022 \$	2021 \$
<b>Price risk</b>		
The following summarises the financial impacts of a hypothetical 5% increase and decrease in the market value of the net financial assets and financial liabilities that are carried at fair value as at reporting date.		
<b>Financial assets and liabilities at fair value through profit or loss</b>		
Change in Profit before tax		
• Increase in fair value by 5%	9,916,236	11,571,462
• Decrease in fair value by 5%	(9,916,236)	(11,571,462)
<b>Interest rate risk</b>		
The following only comprises the Company's direct exposure to changes in interest rate risk.		
<b>Cash and cash equivalents</b>		
Change in Profit/ Equity before tax		
• Increase in cash interest rate by 2% (2021: 0.5%)	34,237	82,587
• Decrease in cash interest rate by 2% (2021: 0.5%)	(34,237)	(82,587)
<b>Foreign currency risk</b>		
The following summarises the financial impacts of a hypothetical 2% increase and decrease in the respective foreign currencies of United States Dollar ('USD'), Pound Sterling ('GBP'), Euro ('Euro'), Hong Kong Dollar ('HKD') and Canadian Dollar ('CAD').		
<b>Financial assets</b>		
Change in Profit/ Equity before tax		
• Depreciation of USD by 2%	523,434	491,896
• Appreciation of USD by 2%	(523,434)	(491,896)
<b>Financial assets</b>		
Change in Profit/ Equity before tax		
• Depreciation of GBP by 2%	1,753,658	1,993,088
• Appreciation of GBP by 2%	(1,753,658)	(1,993,088)
<b>Financial assets</b>		
Change in Profit/ Equity before tax		
• Depreciation of EURO by 2%	411,764	452,959
• Appreciation of EURO by 2%	(411,764)	(452,959)
<b>Financial assets</b>		
Change in Profit/ Equity before tax		
• Depreciation of HKD by 2%	239,556	208,647
• Appreciation of HKD by 2%	(239,556)	(208,647)

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**Global Value Fund Limited**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2022 (continued)**

**3 Financial risk management (continued)**

**Sensitivity analysis (continued)**

	2022 \$	2021 \$
<b>Foreign currency risk (continued)</b>		
<b>Financial assets</b>		
Change in Profit/ Equity before tax		
• Depreciation of CAD by 2%	141,678	-
• Appreciation of CAD by 2%	(141,678)	-
<b>Financial liabilities</b>		
Change in Profit/ Equity before tax		
• Depreciation of USD by 2%	101,541	-
• Appreciation of USD by 2%	(101,541)	-
<b>Financial liabilities</b>		
Change in Profit/ Equity before tax		
• Depreciation of GBP by 2%	134,911	134,913
• Appreciation of GBP by 2%	(134,911)	(134,913)

**(b) Credit risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Credit risk primarily arises from investments in debt securities and from trading derivative products. Other credit risk arises from cash and cash equivalents, and deposits with banks and other financial institutions.

The Company has entered into agreements that facilitate stock borrowing from its investment portfolio for covered short selling. These agreements are subject to a number of restrictions which limit the value of such borrowing.

The maximum exposure to credit risk, at balance date to recognised financial assets, is the carrying amount, as disclosed in the Statement of Financial Position and Notes to the Financial Statements.

The Company held no collateral as security or any other credit enhancements.

**Management of the risk**

The risk was managed as follows:

- Receivable balances are monitored on an ongoing basis and the Company has no debts past due or impaired; and
- Non-derivative investment transactions are settled on a "Delivery versus payment" basis through international clearing systems. Derivative investment transactions are only contracted with Credit Suisse, an investment grade counter-party.

**(c) Liquidity risk**

The standard defines this as the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Company uses a combination of an overdraft facility and unencumbered cash balances to ensure the Company can meet its liabilities as and when they fall due.

The Company's inward cash flows depend upon the level of dividend, distribution revenue received and sale of liquid assets. Should these decrease by a material amount, the Company would amend its outward cash flows accordingly. As the Company's major cash outflows are the purchase of securities and dividends paid to shareholders, the level of both of these is managed by the Board and Portfolio Manager.

The assets of the Company are largely in the form of readily tradeable securities which can be sold on-market if necessary.

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**Global Value Fund Limited**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2022 (continued)**

**3 Financial risk management (continued)**

**(c) Liquidity risk (continued)**

*Maturities of financial liabilities*

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities at year end date.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

*Contractual maturities of financial liabilities*

	Less than 12 months \$	More than 12 months \$	Total contractual undiscounted cash flows \$
<b>At 30 June 2022</b>			
<b>Financial liabilities</b>			
Bank overdraft	-	-	-
Trade and other payables	4,280,883	-	4,280,883
Financial liabilities at fair value through profit or loss	-	11,822,563	11,822,563
<b>Total financial liabilities</b>	<b>4,280,883</b>	<b>11,822,563</b>	<b>16,103,446</b>

	Less than 12 months \$	More than 12 months \$	Total contractual undiscounted cash flows \$
<b>At 30 June 2021</b>			
<b>Financial liabilities</b>			
Bank overdraft	15,145,470	-	15,145,470
Trade and other payables	8,722,526	-	8,722,526
Financial liabilities at fair value through profit or loss	-	6,745,673	6,745,673
<b>Total financial liabilities</b>	<b>23,867,996</b>	<b>6,745,673</b>	<b>30,613,669</b>

**4 Fair value measurements**

The Company measures and recognises its financial assets and financial liabilities at fair value through profit or loss ('FVTPL') on a recurring basis.

**(a) Fair value hierarchy**

AASB 13: *Fair Value Measurement* requires the disclosure of fair value information using a fair value hierarchy reflecting the significance of the inputs in making the measurements. The fair value hierarchy consists of the following levels:

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- (b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2), and
- (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

*(i) Recognised fair value measurements*

The following table presents the Company's assets and liabilities measured and recognised at fair value at 30 June 2022.

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>At 30 June 2022</b>				
<b>Financial assets at FVTPL</b>				
Australian and overseas equity securities	177,313,281	-	15,335,502	192,648,783
Derivative financial instruments	-	-	-	-
Convertible corporate bonds	13,702,144	-	3,796,350	17,498,494
<b>Total financial assets</b>	<b>191,015,425</b>	<b>-</b>	<b>19,131,852</b>	<b>210,147,277</b>
<b>Financial liabilities at FVTPL</b>				
Australian and overseas listed equity securities sold short *	(11,771,836)	-	-	(11,771,836)
Derivative financial instruments <sup>1</sup>	-	(50,727)	-	(50,727)
<b>Total financial liabilities</b>	<b>(11,771,836)</b>	<b>(50,727)</b>	<b>-</b>	<b>(11,822,563)</b>

<sup>1</sup> The fair value of derivatives included in Level 2 of the fair value hierarchy is \$(50,727). The notional values of these derivatives is \$(4,525,997) as disclosed on page 8 and in Note 3(a)(ii).

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**Global Value Fund Limited**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2022 (continued)**

**4 Fair value measurements (continued)**

(i) *Recognised fair value measurements (continued)*

At 30 June 2021	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>Financial assets at FVTPL</b>				
Australian and overseas equity securities	220,558,320	-	10,695,239	231,253,559
Derivative financial instruments <sup>1</sup>	-	44,037	-	44,037
Convertible corporate bonds	2,924,129	-	3,953,193	6,877,322
<b>Total financial assets</b>	<b>223,482,449</b>	<b>44,037</b>	<b>14,648,432</b>	<b>238,174,918</b>
<b>Financial liabilities at FVTPL</b>				
Australian and overseas listed equity securities sold short *	(6,745,493)	-	-	(6,745,493)
Derivative financial instruments <sup>1</sup>	-	(180)	-	(180)
<b>Total financial liabilities</b>	<b>(6,745,493)</b>	<b>(180)</b>	<b>-</b>	<b>(6,745,673)</b>

<sup>1</sup> The fair value of derivatives included in Level 2 of the fair value hierarchy are \$44,037 and \$(180) respectively. The notional values of these derivatives is \$(2,929,857) and \$1,032 respectively as disclosed on page 8 and in Note 3(a)(ii).

\* Any securities sold short by the Company are for hedging purposes only.

Included within Level 1 of the hierarchy are listed investments. The fair value of these financial assets has been based on the closing quoted last prices at the end of the reporting year, excluding transaction costs.

The majority of investments included in Level 3 of the hierarchy include amounts due to be received upon the liquidation of closed end funds. As these funds ceased trading prior to the end of the year the valuation technique used to determine value attributed to these investments is, the fair value of all consideration due and payable to the Company by the liquidators of the investee fund less an estimated discount.

**(a) Movements in asset classes categorised as Level 3:**

	30 June 2022 \$	30 June 2021 \$
Opening balance	14,648,432	10,624,018
Transfers during the year	1,702,837	3,033,352
Disposals and movement in market value during the year	(6,017,501)	(2,868,504)
Acquisitions during the year	8,798,084	3,859,566
Closing balance	<b>19,131,852</b>	<b>14,648,432</b>

**(b) Valuation techniques and inputs for Level 3 Fair Values**

Name of Investments	Fair value at 30 June 2022 \$	Fair value at 30 June 2021 \$	Valuation Technique	Description of valuation technique and inputs used in respect of underlying asset
Boussard & Gavaudan Eire Fund Class A EUR	6,789,883	6,439,303	Discount to Net asset value ("NAV")	In October 2019, GVF elected to convert its holding in a listed closed end fund into an unlisted fund called Boussard & Gavaudan Eire Fund Class A EUR. Redemptions of this fund are limited to 4% per month from 2022. To value the security, the Portfolio Manager uses a straight-line tightening of the discount to NAV, starting with the last trade price before delisting and ending at parity in 2024, when GVF expects to have redeemed its entire position. The discount used in June 2022 is 11% (June 2021: 15.44%).
Third Point Offshore Fund – Class N2	5,786,022	-	Net asset value ("NAV")	This is a direct investment in an open-end fund with standard liquidity. To value the security, the Portfolio Manager uses the NAV.
Ceiba Investment 10% CB Mar 2026	3,796,350	3,953,193	Par Value	This is a debt instrument issued on 31st March 2021 at an issue price of EUR 1. It pays quarterly coupons at 10% p.a. The debt will be held to maturity and only impaired if there are reasonable grounds to do so.

**Global Value Fund Limited**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2022 (continued)**

**4 Fair value measurements (continued)**

**(b) Valuation techniques and inputs for Level 3 Fair Values (continued)**

<b>Name of Investments</b>	<b>Fair value at 30 June 2022 \$</b>	<b>Fair value at 30 June 2021 \$</b>	<b>Valuation Technique</b>	<b>Description of valuation technique and inputs used in respect of underlying asset</b>
Jupiter Emerging and Frontier Income Trust	1,681,882	-	Discount to Net asset value ("NAV")	This is a delisted, liquidating fund of emerging and frontier market securities. To value the security, the Portfolio Manager takes the latest available published net asset value and applies a 8% discount.
Monash Absolute Investment Company	374,596	1,320,847	Discount to Net asset value ("NAV")	To value the security, the Portfolio Manager estimates a net asset value for the fund based on the last published information and market valuation of its underlying holdings and then applies a 16% (2021: 16%) discount to reflect the expected realisable value of those holdings.
Highbridge Multi Strategy Fund	330,900	590,648	Discount to Net asset value ("NAV")	An investment trust in liquidation that delisted in September 2019 and returned 75% of capital in October 2019. The balance of capital is expected shortly. To value the security, the Portfolio Manager applies a 10% (2021: 10%) discount to NAV for the remaining assets.
East Capital Eastern Europe Small Cap Fund	123,094	366,985	Discount to Net asset value ("NAV")	<p>Eastern Europe Small Cap Fund, previously named East Capital Deep Value Fund, invests in small and medium sized companies with lower liquidity and performance potential.</p> <p>Eastern Europe Small Cap Fund began liquidating its positions from late in 2019 and returning capital to investors. A monthly NAV continues to be published monthly where the Portfolio Manager models the change in price and currency, since the last published NAV, on the underlying holdings, to obtain a NAV estimate.</p> <p>Given the lack of liquidity in the investment (and the underlying holdings of Eastern Europe Small Cap Fund), the Company has applied an estimated liquidity discount of 23% (2021: 23%) which is based on discount applied to the last traded parcel and reflects the low liquidity of the underlying holdings.</p>
Blue Capital Alternative Income Fund	-	195,593	Discount to Net asset value ("NAV")	An investment trust in liquidation that owns a portfolio of global catastrophe reinsurance contracts. The Portfolio Manager values the investment at the last traded discount prior to delisting relative to an estimate of NAV. The last traded discount to NAV was 10.2%. Since delisting in July 2018, the trust announces a new quarterly NAV mid-way through the first month of the following quarter. The Portfolio Manager estimates the NAV by considering industry loss estimates, portfolio exposures and comparable vehicle performance.
Chenavari Capital Solutions	77,658	113,439	Discount to Net asset value ("NAV")	To value the security, the Portfolio Manager takes the available published net asset value and applies a 44.6% discount. The discount equates to the average discount on which it traded prior to delisting.
Henderson Alternative Strategies Trust	15,614	1,375,833	Discount to Net asset value ("NAV")	To value the security, the Portfolio Manager estimates a net asset value for the fund based on the last published information and market valuation of its underlying holdings and then applies a 20% (2021: 20%) discount to reflect the expected realisable value of those holdings.
Others	155,853	292,591	Discount to Net asset value ("NAV")	These are funds in late stages of liquidation with few remaining assets. They are marked at discounts to the available asset values to reflect the uncertainty around realisation.
<b>TOTAL</b>	<b>19,131,852</b>	<b>14,648,432</b>		

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**Global Value Fund Limited**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2022 (continued)**

**4 Fair value measurements (continued)**

**(c) Valuation sensitivity**

The following summarises the financial impacts of a hypothetical 5% increase and decrease in the estimated par value or discount to NAV of the Level 3 investments:

A 5% increase/ decrease in the estimated discount to NAV of Boussard & Gavaudan Eire Fund Class A EUR would increase/ decrease the estimated fair value by \$381,454 (2021: \$321,965).

A 5% increase/ decrease in the estimated NAV of Third Point Offshore Fund – Class N2 would increase/ decrease the estimated fair value by \$289,301 (2021: N/A).

A 5% increase/ decrease in the par value of Ceiba Investment would increase/ decrease the estimated fair value by \$189,818 (2021: \$197,660).

A 5% increase/ decrease in the estimated discount to NAV of Jupiter Emerging and Frontier Income Trust would increase/ decrease the estimated fair value by \$91,407 (2021: N/A).

A 5% increase/ decrease in the estimated discount to NAV of Monash Absolute Investment Company would increase/ decrease the estimated fair value by \$22,297 (2021: \$66,042).

A 5% increase/ decrease in the estimated discount to NAV of Highbridge Multi Strategy Fund would increase/ decrease the estimated fair value by \$18,383 (2021: \$811).

A 5% increase/ decrease in the estimated discount to NAV of East Capital Eastern Europe Small Cap Fund would increase/ decrease the estimated fair value by \$7,993 (2021: \$18,349).

A 5% increase/ (decrease) in the estimated discount to NAV of Chenavari Capital Solutions would increase/ (decrease) the estimated fair value by \$7,009 (2021: \$9,780).

A 5% increase/ decrease in the estimated discount to NAV of Henderson Alternative Strategies Trust would increase/ decrease the estimated fair value by \$976 (2021: \$68,792).

There were transfers of financial assets with a total valuation of \$1,702,837 from Level 1 to Level 3 (30 June 2021: \$3,033,352) and no transfers of financial assets from Level 2 to Level 3 of the fair value hierarchy during the period (30 June 2021: \$nil). Total realised gain on sale of Level 3 investments included in “net realised gains on disposal of investments” in the Statement of Profit or Loss and Other Comprehensive Income is as follows:

	\$
Contrarian Value Fund	98,994
Jupiter Emerging Frontier Fund	1,504,463
Blue Capital Alternative Income Fund	<u>28,427</u>
	<b><u>1,631,884</u></b>

The Company’s policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Cash and cash equivalents and trade and other receivables are short-term assets whose carrying amounts are equivalent to their fair values.

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**Global Value Fund Limited**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2022 (continued)**

	2022 \$	2021 \$
<b>5 Income tax expense</b>		
<b>(a) Numerical reconciliation of income tax expense to prima facie tax payable</b>		
Prima facie tax on profit before income tax at 30% (2021: 30%)	1,856,069	13,457,753
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Foreign income tax offset and franking credits gross up	306,844	461,807
Foreign income tax offset and franking credits	(1,022,813)	(1,539,360)
Other non-assessable items	<u>(453,507)</u>	<u>-</u>
<b>Income tax expense</b>	<b><u>686,593</u></b>	<b><u>12,380,200</u></b>
The applicable weighted average effective tax rates are as follows:	<b>11.10 *</b>	27.60
* The lower effective tax rate is mainly due to non-assessable income during the year.		
<b>Total income tax expense results from:</b>		
Current tax liability	7,919,556	4,824,592
Deferred tax liability	(7,253,221)	7,454,760
Deferred tax asset	<u>20,258</u>	<u>100,848</u>
<b>Income tax expense</b>	<b><u>686,593</u></b>	<b><u>12,380,200</u></b>
<b>(b) Current tax liability</b>		
Opening balance	3,547,931	505,730
Prior year income tax paid	(1,815,285)	(502,779)
Current year income tax paid	(2,205,523)	(1,279,612)
Credited to statement of profit or loss and other comprehensive income	<u>7,919,556</u>	<u>4,824,592</u>
<b>Closing balance</b>	<b><u>7,446,679</u></b>	<b><u>3,547,931</u></b>
<b>(c) Net deferred tax liability/ (asset)</b>		
Deferred tax asset	(349,089)	(369,348)
Deferred tax liability	<u>308,307</u>	<u>7,561,528</u>
<b>Closing balance</b>	<b><u>(40,782)</u></b>	<b><u>7,192,180</u></b>
The composition of the Company's deferred tax asset and liability is as follows:		
<b>(i) Deferred tax assets</b>		
<b>The balance comprises temporary differences attributable to:</b>		
Accruals	45,353	19,716
Fair value adjustments	252,257	252,257
Capitalised costs	<u>51,479</u>	<u>97,375</u>
	<b><u>349,089</u></b>	<b><u>369,348</u></b>
<b>Movements:</b>		
Opening balance	369,348	384,397
(Charged) /credited:		
- to statement of profit or loss and other comprehensive income	(20,258)	(100,848)
- to equity	<u>-</u>	<u>85,799</u>
<b>Closing balance</b>	<b><u>349,089</u></b>	<b><u>369,348</u></b>
<b>(ii) Deferred tax liabilities</b>		
<b>The balance comprises temporary differences attributable to:</b>		
Fair value adjustments	207,150	7,546,570
Accruals	<u>101,157</u>	<u>14,958</u>
	<b><u>308,307</u></b>	<b><u>7,561,528</u></b>
<b>Movements:</b>		
Opening balance	7,561,528	106,768
Charged/ (credited):		
- to statement of profit or loss and other comprehensive income	<u>(7,253,221)</u>	<u>7,454,760</u>
<b>Closing balance</b>	<b><u>308,307</u></b>	<b><u>7,561,528</u></b>

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**Global Value Fund Limited**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2022 (continued)**

	2022 \$	2021 \$
<b>6 Cash at bank/ (Bank overdraft)</b>		
Australian Dollar	26,377,334	14,834,814
United States Dollar	15,326,391	23,321,555
Pound Sterling	(39,308,137)	(59,101,118)
Euro	6,352,281	3,664,239
Canadian Dollar	(3,028,534)	-
Hong Kong Dollar	19,972	2,135,040
	<u>5,739,307</u>	<u>(15,145,470)</u>

The Company operates a multi-currency bank account and thus enters into transactions that are denominated in currencies other than its functional currency (AUD). As disclosed in the table above, the Company has an exposure to USD, EUR, GBP and other currencies, through this multi-currency bank account. On the Statement of Financial Position, total cash and cash equivalents/bank overdraft includes the net AUD equivalent of the underlying currencies as at 30 June 2022.

**7 Trade and other receivables**

Unsettled trades	-	388,452
Dividends receivable	337,193	49,865
Interest receivable	3,101	-
GST receivable	73,426	47,861
Withholding tax recoverable	119,660	119,660
Other receivable	142,684	121,187
	<u>676,064</u>	<u>727,025</u>

Receivables are non-interest bearing, unsecured and expected to be recovered within 12 months.

**8 Financial assets and liabilities at fair value through profit or loss**

Financial assets at fair value through profit or loss are all held for trading and include the following:

Australian and overseas equity securities	192,648,783	231,253,559
Derivative financial instruments	-	44,037
Convertible and corporate bonds	17,498,494	6,877,322
	<u>210,147,277</u>	<u>238,174,918</u>

Financial liabilities at fair value through profit or loss are all held for trading and include the following:

Australian and overseas listed equity securities sold short	11,771,836	6,745,493
Derivative financial instruments	50,727	180
	<u>11,822,563</u>	<u>6,745,673</u>

Changes in fair values of financial assets at fair value through profit or loss are recorded as income in the Statement of Profit or Loss and Other Comprehensive Income.

The Company may short sell securities. Short sales or borrowed stock are classified as a financial liability and are measured at fair value through profit or loss.

When the Company sells securities it does not possess, it has to cover this short position by acquiring securities at a later date and is therefore exposed to the price risk of those securities sold short. The sales agreement is usually settled by delivering borrowed securities.

**9 Trade and other payables**

Management fees payable	61,261	60,772
Performance fees payable	-	6,712,790
Unsettled trades	4,027,476	1,760,290
Dividends payable	2,658	2,779
Interest payable	2,614	55,395
Administration services payable	29,016	33,814
Audit fees payable	43,260	33,990
Other accruals and payables	114,598	62,696
	<u>4,280,883</u>	<u>8,722,526</u>

Trade and other payables are non-derivative financial liabilities. Management and performance fees payable to the Portfolio Manager are usually paid within 30 days of recognition. Performance fees are accrued monthly and paid out annually. All other trade and payables are due within 12 months of the reporting date.

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**Global Value Fund Limited**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2022 (continued)**

10 Issued capital	30 June 2022		30 June 2021	
	No of shares	\$	No of shares	\$
<b>(a) Share capital</b>				
Ordinary shares	<u>174,236,699</u>	<u>179,262,833</u>	<u>172,997,441</u>	<u>177,820,166</u>
<b>(b) Movements in ordinary share capital</b>				
	Number of Shares	Issue price	\$	
<b>30 June 2022</b>				
Opening balance at 1 July 2021	172,997,441		177,820,166	
Shares issued to participants in the dividend reinvestment plan <sup>1</sup>	605,904	\$1.16	701,211	
Shares issued to participants in the dividend reinvestment plan <sup>1</sup>	<u>633,354</u>	<u>\$1.17</u>	<u>741,456</u>	
<b>Closing balance</b>	<b><u>174,236,699</u></b>		<b><u>179,262,833</u></b>	
<b>2021</b>				
Opening balance at 1 July 2020	147,828,607		151,350,505	
Shares issued to participants in the dividend reinvestment plan	440,887	\$1.02	448,192	
Shares issued under the SPP And Placement	24,187,165	\$1.06	25,638,395	
SPP costs			(199,417)	
Shares issued to participants in the dividend reinvestment plan	<u>540,782</u>	<u>\$1.08</u>	<u>582,491</u>	
<b>Closing balance</b>	<b><u>172,997,441</u></b>		<b><u>177,820,166</u></b>	

<sup>1</sup> Under the terms of the Dividend Reinvestment Plan ("DRP"), 605,904 and 633,354 shares were issued at \$1.1573 and \$1.1707 per share on 8 November 2021 and 13 May 2022 respectively.

The DRP allows shareholders to acquire additional shares in the Company. Shareholders have the option of either enrolling all their shares in the plan or nominating a specific number of shares that will be subject to reinvestment.

The DRP has been designed so that DRP participants will always receive the lowest reinvestment price possible, without their reinvestment diluting the net tangible asset value per share of those shareholders who choose not to participate in the plan.

There are no costs to participate in the DRP and shareholders can discontinue their participation in it at any time.

**(c) Capital risk management**

The Company's policy is to maintain a strong capital base so as to maintain investor and market confidence. The overall strategy remains unchanged.

To achieve this, the Directors monitor the monthly net tangible assets results, investment performance, the Company's indirect costs and share price movements.

The Board is focused on maximising returns to shareholders with active capital management a key objective of the Company.

The Company is not subject to any externally imposed capital requirements.

**Global Value Fund Limited**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2022 (continued)**

	2022 \$	2021 \$
<b>11 Profits reserve and accumulated losses</b>		
<b>(a) Profits reserve</b>		
Profits reserve	<u>38,922,851</u>	<u>34,705,755</u>
<b>Movements:</b>		
Opening balance	34,705,755	11,687,506
Transfer of profits during the year	15,654,925	32,478,975
Dividends paid	<u>(11,437,829)</u>	<u>(9,460,726)</u>
Balance as at the end of the year	<u>38,922,851</u>	<u>34,705,755</u>
<b>(b) Accumulated losses</b>		
Accumulated losses	<u>(25,132,379)</u>	<u>(14,977,758)</u>
<b>Movements:</b>		
Opening balance	(14,977,758)	(14,977,758)
Net profit for the period	5,500,304	32,478,975
Transfer of profits during the year	<u>(15,654,925)</u>	<u>(32,478,975)</u>
Balance as at the end of the year	<u>(25,132,379)</u>	<u>(14,977,758)</u>
<b>12 Dividends</b>		
<b>(a) Fully franked dividends declared during the period</b>		
3.3 cents per share declared on 28 February 2022 and paid on 13 May 2022	5,728,910	-
3.3 cents per share declared on 30 August 2021 and paid on 8 November 2021	5,708,916	-
3 cents per share declared on 26 February 2021 and paid on 13 May 2021	-	5,173,696
2.9 cents per share declared on 21 August 2020 and paid on 9 November 2020	<u>-</u>	<u>4,287,030</u>
	<u>11,437,826</u>	<u>9,460,726</u>
<b>(b) Dividends not recognised at the end of the financial year</b>		
Since year end, the Directors have declared a fully-franked final dividend of 3.30 cents per fully paid ordinary share, based on tax paid at 30%. The aggregate amount of the dividend with an ex-date of 30 September 2022 and a record date of 3 October 2022, expected to be paid on 8 November 2022 out of the profits reserve at 30 June 2022, but not recognised as a liability at year end, is:	<u>5,749,811</u>	<u>5,708,916</u>
<b>(c) Dividend reinvestment plan</b>		

The Company's DRP will be in effect for the fully-franked FY2022 final dividend of 3.30 cents per share.

The DRP has been designed so that participants will always receive the lowest reinvestment price possible, without their reinvestment diluting the pre-tax Net Tangible Asset ("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 value per share 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.

There are no costs to participate in the plan and shareholders can discontinue their participation in the plan at any time.

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**Global Value Fund Limited**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2022 (continued)**

	2022 \$	2021 \$
<b>12 Dividends (continued)</b>		
<b>(d) Dividend franking account</b>		
The franked portions of the final dividends recommended after 30 June 2022 will be franked out of existing franking credits or out of franking credits arising from the payment of income tax in the year ended 30 June 2022.		
Opening balance of franking account	776,513	1,574,764
Franking credits on dividends received	946,291	1,508,669
Franking credits on dividends paid	(4,901,925)	(4,054,598)
Prior year adjustment	561,757 *	(34,713)
Tax paid during the year	<u>4,020,808</u>	<u>1,782,391</u>
Closing balance of franking account	<u><b>1,403,444</b></u>	<u><b>776,513</b></u>
Adjustments for tax payable in respect of the current year's profits and the receipt of dividends	<u>7,446,679</u>	<u>3,547,931</u>
Adjusted franking account balance	<u><b>8,850,123</b></u>	<u><b>4,324,444</b></u>
Impact on the franking account of dividends proposed or declared but not recognised as at 30 June 2022	<u>(2,464,205)</u>	<u>(2,446,678)</u>
Franking credits available for subsequent reporting periods based on a tax rate of 30.0%	<u><b>6,385,918</b></u>	<u><b>1,877,766</b></u>

The Company's ability to continue to pay franked dividends is dependent upon the receipt of franked dividends from investments and the payment of tax.

\* Prior year adjustment is mainly due to franking credits on dividends received.

**13 Key management personnel disclosures**

**(a) Key management personnel compensation**

Short-term employee benefits	77,273	77,625
Post-employment benefits	<u>7,727</u>	<u>7,375</u>
	<u><b>85,000</b></u>	<u><b>85,000</b></u>

Detailed remuneration disclosures are provided in the remuneration report on pages 14 to 16.

**(b) Equity instrument disclosures relating to key management personnel**

*(i) Shareholdings*

The numbers of shares in the Company held during the financial year by each Director, including their personally related parties, are set out below. There were no shares granted during the financial year as compensation.

2022	Balance as at 1 July	Acquisitions	Disposals	Balance as at 30 June
Director	2021			2022
Jonathan Trollip <sup>1</sup>	425,000	-	-	425,000
Chris Cuffe <sup>2</sup>	1,780,000	639,806	(500,000)	1,919,806
Geoff Wilson <sup>3</sup>	1,408,882	-	-	1,408,882
Miles Staude <sup>4</sup>	181,600	47,000	-	228,600
	<u><b>3,795,482</b></u>	<u><b>686,806</b></u>	<u><b>(500,000)</b></u>	<u><b>3,982,288</b></u>

<sup>1</sup> 425,000 shares beneficially held by Piaster Pty Limited ATF Trollip Family Superfund A/C

<sup>2</sup> 1,163,258 shares beneficially held by Australian Philanthropic Services Pty Limited ATF Australian Philanthropic Services Foundation, 430,000 shares beneficially held by Cuffe Family Foundation Pty Limited ATF Cuffe Family Foundation, 176,840 shares beneficially held by Australian Philanthropic Services Limited, 109,708 shares beneficially held by FOL Pty Ltd and 40,000 shares beneficially held by Mr Christopher Cuffe ATF Matthew Patrick Cuffe

<sup>3</sup> 1,408,882 shares beneficially held by GW Holdings Pty Limited <Edwina A/C>

<sup>4</sup> 228,600 shares beneficially held by Staude Capital Pty Limited

**Global Value Fund Limited**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2022 (continued)**

**(b) Equity instrument disclosures relating to key management personnel**

*(i) Shareholdings (continued)*

<b>2021</b>	<b>Balance as at 1 July 2020</b>	<b>Acquisitions</b>	<b>Disposals</b>	<b>Balance as at 30 June 2021</b>
<b>Director</b>				
Jonathan Trollip <sup>1</sup>	425,000	-	-	425,000
Chris Cuffe <sup>2</sup>	1,490,000	290,000	-	1,780,000
Geoff Wilson <sup>3</sup>	1,380,581	28,301	-	1,408,882
Miles Staude <sup>4</sup>	155,000	26,600	-	181,600
	<u>3,450,581</u>	<u>344,901</u>	<u>-</u>	<u>3,795,482</u>

<sup>1</sup> 425,000 shares beneficially held by Piaster Pty Limited ATF Trollip Family Superfund A/C

<sup>2</sup> 500,000 shares beneficially held by Cherryoak Investments Pty Limited ATF C & N Family Trust, 1,100,000 shares beneficially held by Australian Philanthropic Services Pty Limited ATF Australian Philanthropic Services Foundation, 140,000 shares beneficially held by Australian Philanthropic Services Limited and 40,000 shares beneficially held by Mr Christopher Cuffe ATF Matthew Patrick Cuffe

<sup>3</sup> 1,408,882 shares beneficially held by GW Holdings Pty Limited <Edwina A/C>

<sup>4</sup> 181,600 shares beneficially held by Staude Capital Pty Limited

**14 Remuneration of auditors**

During the year the following fees were paid for services provided by the auditor of the Company and its related practices:

	<b>2022 \$</b>	<b>2021 \$</b>
Auditing and reviewing the financial report	47,000	47,000
Other services provided by a related practice of the auditor:		
Taxation services	42,653	41,400
Other non-assurance services	-	-
<b>Total remuneration to Deloitte Touche Tohmatsu</b>	<u><b>89,653</b></u>	<u><b>88,400</b></u>

The Board of Directors oversees the relationship with the Company's external auditors. The Board reviews the scope of the audit and the proposed fee. It also reviews the cost and scope of other non-audit related services provided by the audit firm, to ensure that they do not compromise independence.

**15 Contingencies and commitments**

The Company had no material contingent liabilities or commitments as at 30 June 2022 (2021: \$nil).

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**Global Value Fund Limited**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2022 (continued)**

**16 Related party transactions**

All transactions with related parties were made on normal commercial terms and conditions and at market rates.

Mirabella Financial Services LLP ('Mirabella') is the Investment Manager of the Company. Mirabella has a legal agreement with Staude Capital Limited, an entity associated with Miles Staude who is a Director of the Company, whereby certain individuals from Staude Capital Limited are seconded into Mirabella to perform portfolio management services for the Company. Miles Staude benefits from the manager fees payable to Mirabella, as listed below:

*Assignment fee*

Mirabella has assigned all rights, title and interest to receive 25% of all management and performance fees payable under its management agreement to Boutique Investment Management Pty Limited ('BIM'), an entity associated with Geoff Wilson, who is also a Director of the Company.

Mirabella has undertaken to BIM not to terminate or amend the terms of the Management Agreement or waive any of its rights under the Management Agreement without the prior written consent of BIM.

*Management fee*

In its capacity as Investment Manager, Mirabella is entitled to receive a management fee of 0.125% per month (representing an annualised fee of 1.5% per annum) of the net value of the investment portfolio. The management fee is calculated monthly and payable monthly in arrears. For the year ended 30 June 2022 Mirabella was entitled to a management fee of \$3,025,865 (2021: \$2,567,437), of which \$756,466 was paid to BIM (2021: \$644,859). As at 30 June 2022, the balance payable was \$61,261 (2021: \$60,772).

*Performance fee*

In return for the performance of its duties as manager of the investment portfolio, Mirabella is entitled to be paid a performance fee (**Performance Fee**) of 15% of PO where PO for a Performance Calculation Period is calculated in accordance with the following formula:

$$PO = (AGAV) - (NAV \times (1 + (HR \times \text{Day Count})))$$

where:

**PO** is the investment portfolio outperformance to be used in calculating the Performance Fee outlined above;

**AGAV** is the adjusted gross asset value and calculated by adding back to the Gross Asset Value any Australian corporate taxes accrued or paid by the Company in the relevant Performance Calculation Period;

**NAV** is the Net Asset Value calculated on the last Business Day of the preceding Performance Calculation Period or, if there is no preceding Performance Calculation Period, on the commencement date of the Agreement.

**HR** is the hurdle rate which is 4 percentage points above the mid-price vanilla interest rate swap price series produced by Bloomberg, published on the last Business Day prior to the start of the Performance Period, or, if there is no preceding Performance Calculation Period, on the Commencement Date, represented on Bloomberg by the ADSWAP1Q Index series.

**Day count** is the number of days which have elapsed in the current Performance Calculation Period divided by 365.

Once a Performance Fee has been paid, no further Performance Fee may be accrued or paid unless and then only to the extent that the Adjusted Gross Asset Value increases above the level at which a Performance Fee was previously paid, or if no Performance Fee has been paid, above the Net Asset Value on the Commencement Date.

The Company must calculate the Performance Fee monthly and must usually pay the Performance Fee to the manager annually in arrears within 20 business days of the end of the relevant Performance Calculation Period.

For the financial year ended 30 June 2022, the performance fee amount paid and payable to the Investment Manager was \$nil (2021: \$6,712,790, from which \$1,678,198 was payable to BIM).

The management agreement was for an initial term of five years from 18 May 2014 and was automatically renewed for a further term of five years on 18 July 2019.

**Global Value Fund Limited**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2022 (continued)**

	2022 \$	2021 \$
<b>17 Cash flow information</b>		
<b>(a) Reconciliation of profit after income tax to net cash inflow from operating activities</b>		
Profit for the year	5,500,304	32,478,975
Unrealised foreign exchange (gains)/ losses	(289,631)	1,094,032
Unrealised losses/ (gains) on market value movement	24,754,363	(26,094,081)
Change in operating assets and liabilities:		
Decrease/ (Increase) in trade and other receivables	50,960	(166,585)
Decrease/ (Increase) in investments held for trading	8,350,168	(55,366,601)
Decrease in deferred tax assets	20,259	100,850
(Decrease)/ Increase in trade and other payables	(4,441,642)	8,522,020
Increase in provision for income taxes payable	3,898,748	3,042,200
(Decrease)/ Increase in deferred tax liabilities	<u>(7,253,221)</u>	<u>7,454,760</u>
Net cash inflow/ (outflow) from operating activities	<u><b>30,590,308</b></u>	<u><b>(28,934,430)</b></u>
<b>(b) Non cash financing activities</b>		
Dividends reinvested	<u><b>1,442,667</b></u>	<u><b>1,030,686</b></u>
<b>18 Earnings per share</b>		
Profit after income tax used in the calculation of basic and diluted earnings per share	<u><b>5,500,304</b></u>	<u><b>32,478,975</b></u>
	<b>Cents</b>	<b>Cents</b>
<b>(a) Basic and diluted earnings per share</b>		
Basic and diluted earnings per share attributable to the ordinary equity holders of the Company	<u><b>3.17</b></u>	<u><b>20.18</b></u>
<b>(c) Weighted average number of shares used as denominator</b>	<b>No. of shares</b>	<b>No. of shares</b>
Weighted average number of ordinary shares outstanding during the year used in calculating basic and diluted earnings per share	<u><b>173,463,234</b></u>	<u><b>160,920,963</b></u>

As at the end of the year, there are no outstanding securities that are potentially dilutive in nature for the Company.

**19 Coronavirus ("Covid-19")**

The Covid-19 pandemic remains a major global issue and is likely to have an ongoing impact on the market value of equity markets and future earnings from assets. The Directors will continue to review the situation, and the Company's investment portfolio as new information emerges.

**20 Ukraine conflict**

There is an increased level of global uncertainty associated with the ongoing conflict in Ukraine. The impacts of the Ukraine conflict are likely to result in increased market and economic volatility, which may in turn have an impact on the Company's investment portfolio.

**21 Events occurring after the reporting period**

Since year end the Company has declared a fully-franked final dividend for FY2022 of 3.30 cents per share, to be paid on Tuesday 8 November 2022. The ex-dividend date is Friday 30 September 2022 and the record date for entitlement to the FY2022 final dividend is Monday 3 October 2022.

The Company's DRP will be in effect for the final FY2022 dividend payment.

The DRP participation enrolment deadline for the final dividend is 5.00 pm AEDT Tuesday 4 October 2022.

No other matters or circumstances have occurred subsequent to year end that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

**Global Value Fund Limited  
Directors' Declaration  
For the year ended 30 June 2022**

In accordance with a resolution of the Directors of Global Value Fund Limited ('the Company'), the Directors of the Company declare that:

- 1) The financial report as set out in pages 19 to 42 are in accordance with the *Corporations Act 2001*, including:
  - a) complying with Australian Accounting Standards, which, as stated in Note 2(a) to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS), the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  - b) giving a true and fair view of the financial position of the Company as at 30 June 2022 and of its performance, as represented by the results of the operations and the cashflows, for the year ended on that date; and
- 2) The Portfolio Manager has declared that:
  - a) the financial records of the Company for the financial year have been properly maintained in accordance with the Section 286 of the *Corporations Act 2001*;
  - b) the financial statements and notes for the financial year comply with the Accounting Standards; and
  - c) the financial statements and notes for the financial year give a true and fair view.
- 3) At the date of this declaration, in the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Board of Directors made pursuant to section 298(2) of the *Corporations Act 2001*.



Jonathan Trollip  
Chairman

24 August 2022

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## Independent Auditor's Report to the Members of Global Value Fund Limited

### Report on the Audit of the Financial Report

#### *Opinion*

We have audited the financial report of Global Value Fund Limited (the "Company") which comprises the statement of financial position as at 30 June 2022, the statement of profit or loss, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Company's financial position as at 30 June 2022 and of its financial performance for the year then ended; and
- Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### *Basis for Opinion*

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Key Audit Matters*

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Key Audit Matter	How the scope of our audit responded to the Key Audit Matter
<p><b><u>Valuation and existence of financial assets and liabilities held at fair value through profit or loss</u></b></p> <p>As at 30 June 2022, the Company’s financial assets and liabilities held at fair value through profit or loss amounted to \$198,324,714 (including both long and short positions).</p> <p>The Company’s financial assets and liabilities held at fair value represent the most significant driver of the Company’s revenue and performance. The fluctuations in financial assets and liabilities held at fair value also impact the realised and unrealised gains/(losses) recognised in the statement of profit or loss and other comprehensive income, which in turn affects the current and deferred tax provisions.</p> <p>As disclosed in notes 4 and 8 to the financial statements, the financial assets and liabilities held at fair value through profit or loss comprised of:</p> <ul style="list-style-type: none"> <li>• listed equity securities;</li> <li>• listed corporate bonds;</li> <li>• listed convertible notes;</li> <li>• unlisted convertible notes; and</li> <li>• unlisted equity securities.</li> </ul> <p>The Company exercises judgement in valuing certain financial assets and liabilities, where there are significant unobservable inputs required for determining their fair value. These assets and liabilities are known as Level 3 financial instruments.</p> <p>For the Company, these Level 3 financial instruments predominantly consist of investments in unlisted equity securities. Judgement is required in estimating the fair value of these financial instruments.</p>	<p>In conjunction with our valuation specialists, our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> <li>• obtaining an understanding of the design and implementation of relevant controls in relation to the valuation of the Company’s unlisted equity securities;</li> <li>• agreeing on a sample basis, the valuation of listed equity securities to an independent pricing source;</li> <li>• assessing and challenging the valuation methodology used by the management to estimate the fair value of investments in unlisted equity securities;</li> <li>• obtaining the most recent financial statements and net asset value statements, as available, and assessing the movements in the net asset value of the unlisted equity securities;</li> <li>• performing sensitivity analysis on a sample of unlisted equity securities and evaluating the potential impact of upside or downside changes in the key management’s inputs and assumptions;</li> <li>• reviewing publicly published information where available, post 30 June 2022, to corroborate the value of unlisted equity securities;</li> <li>• agreeing on a sample basis, the investment holdings to the external custodian’s holdings statement; and</li> <li>• reperforming a reconciliation of the financial assets balance for the year, including the 1 July 2021 investment balance, purchases, sales, other relevant transactions and the 30 June 2022 investment balance.</li> </ul> <p>We also assessed the appropriateness of the disclosures in Note 4 and 8 to the financial statements in accordance with Australian accounting standards.</p>

### Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company’s annual report for the year ended 30 June 2022 but does not include the financial report and our auditor’s report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial reports, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### *Responsibilities of the Directors for the Financial Report*

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

### *Auditor's Responsibilities for the Audit of the Financial Report*

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably

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be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on the Remuneration Report

### *Opinion on the Remuneration Report*

We have audited the Remuneration Report included on pages 14 to 16 of the Directors' Report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Global Value Fund for the year ended 30 June 2022, complies with section 300A of the *Corporations Act 2001*.

### *Responsibilities*

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

*DELOITTE TOUCHE TOHMATSU*

DELOITTE TOUCHE TOHMATSU

*David Salmon*

David Salmon  
Partner  
Chartered Accountants  
Canberra, 24 August 2022

**Global Value Fund Limited**  
**Shareholder information**  
**30 June 2022**

The Shareholder information set out below was applicable as at 16 August 2022.

Additional information required by the ASX Limited Listing Rules and not disclosed elsewhere in this report, is listed below.

**A. Distribution of equity securities**

Analysis of numbers of equity security holders by size of holding:

Holding	Class of equity security		
	Ordinary shares		
	No of Shareholders	Shares	Percentage (%)
1 – 1000	228	47,331	0.03
1,001 – 5,000	248	854,932	0.49
5,001 – 10,000	520	4,204,718	2.41
10,001 – 100,000	2,183	75,551,276	43.36
100,001 and over	301	93,578,442	53.71
	<b>3,480</b>	<b>174,236,699</b>	<b>100.00</b>

There were 182 security holders with less than a marketable parcel of ordinary shares.

**B. Equity security holders**

Twenty largest quoted equity security holders

Name	Ordinary shares	
	Number held	Percentage of issued shares (%)
JP Morgan Nominees Australia Pty Limited	10,965,525	6.293
Australian Executor Trustees Limited <No 1 Account>	5,823,832	3.342
HSBC Custody Nominees (Australia) Limited	4,152,060	2.383
BNP Paribas Nominees Pty Limited Hub24 Custodial Services Limited <DRP Account>	3,739,791	2.146
Mr Eric George Baker & Mrs Janine Marie Baker <Emu Bay Super Fund Account>	2,967,540	1.703
Tanz Investments Pty Limited	2,337,809	1.342
Dadiaso Holdings Pty Limited <David Shein Investment Account>	2,012,343	1.155
Bridgestar Pty Limited	2,000,000	1.148
Mr Eric George Baker & Mrs Janine Marie Baker	1,800,000	1.033
Netwealth Investments Limited <Super Services Account>	1,567,083	0.899
Netwealth Investments Limited <Wrap Services Account>	1,439,329	0.826
G W Holdings Pty Limited <Edwina Account>	1,408,882	0.809
Charanda Nominee Company Pty Limited <Greycliffe Super Fund Account>	1,214,018	0.697
Australian Philanthropic Services Foundation Pty Limited <APS Foundation Account>	1,163,258	0.668
English Family Super Fund Pty Limited <N English No.1 Super Ben Account>	606,115	0.348
Mrs Avril Mary Benard	600,000	0.344
Bridgestar Pty Limited	566,050	0.325
Australian Executor Trustees Limited <IPS IOOF Employer Super Account>	503,349	0.289
Mr Nicholas Paul Jenkins	495,699	0.284
Cuffe Family Foundation Pty Limited <Cuffe Family Foundation Account>	430,000	0.247
Tylden Pty Limited <No 2 Account>	430,000	0.247
<b>Total</b>	<b>46,222,683</b>	<b>26.528</b>
<b>Total remaining holders balance</b>	<b>128,014,016</b>	<b>73.472</b>

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**Global Value Fund Limited  
Shareholder information  
30 June 2022 (continued)**

**C. Substantial holders**

<b>Name</b>	<b>Number held</b>	<b>Percentage of issued shares (%)</b>
Managed Accounts Holdings Limited (managed Accounts) and its wholly owned subsidiary, Investment Administration Services Pty Ltd (IAS)	9,548,601	6.47

**D. Voting rights**

Each share is entitled to one vote when poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

**E. Stock exchange listing**

Quotation has been granted for all of the ordinary shares of the Company on all Member Exchanges of the ASX Limited.

**F. Unquoted securities**

There are no unquoted shares.

**G. Securities subject to voluntary escrow**

There are no securities subject to voluntary escrow.

**H. Brokerage**

During the year ended 30 June 2022, the Company recorded 800 transactions (2021: 1,198) in securities. Total brokerage paid and accrued was \$860,572 (2021: \$823,595) for the year.

**I. On market buy-back**

There is currently no on market buy-back.

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**Global Value Fund Limited**

A.B.N. 90 168 653 521

**Appendix 4E**

**for the year ended 30 June 2022**

**Preliminary Report**

This preliminary report for Global Value Fund Limited (also referred to as 'GVF' or 'the Company') is for the financial year ended 30 June 2022.

**Results for announcement to the market**

	2022 \$	2021 \$	up/down	% mv't
Revenue from ordinary activities	12,400,975	56,988,475	(44,587,500)	(78.24)
Profit before tax for the year	6,186,897	44,859,175	(38,672,278)	(86.21)
Profit from ordinary activities after tax attributable to members	5,500,304	32,478,975	(26,978,671)	(83.07)

*All comparisons are to the full year ended 30 June 2021.*

**FY2022 review**

The Company's adjusted pre-tax Net Tangible Assets ("NTA") increased by 2.8%<sup>1</sup> during FY2022. Shareholder total returns for the period were +5.2%<sup>2</sup>, driven by the continued high level of dividend payments the Company makes. The Company's discount capture strategy generated a 6.6% (gross) (2021: 24.9%) return over the year. Positive returns from this strategy represent outperformance (known as 'alpha') over the underlying market and currency exposures of the Company's investment portfolio.

**Dividends**

During the year, the Company declared and paid dividends of 6.60 cents per share. 3.30 cents per share of this related to the FY2021 fully-franked final dividend payment. This was paid on 8 November 2021. The remaining 3.30 cents per share related to the FY2022 fully-franked interim dividend. This was paid on 13 May 2022.

Since year end the Company has declared a fully-franked final dividend for FY2022 of 3.30 cents per share, to be paid on Tuesday 8 November 2022. The ex-dividend date is Friday 30 September 2022 and the record date for entitlement to the FY2022 final dividend is Monday 3 October 2022.

**Dividend reinvestment plan**

The Company's dividend reinvestment plan ("DRP") will be in effect for the FY2022 fully-franked final dividend payment of 3.30 cents per share.

The DRP has been designed so that participants will always receive the lowest reinvestment price possible, without their reinvestment diluting the pre-tax Net Tangible Assets ("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 value per share 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. Full details of the DRP are available on the Company's website - click [here](#).

Shareholders who would like to participate in the DRP can enrol at [www.investorserve.com.au](http://www.investorserve.com.au), or alternatively contact the Company's share registrar, Boardroom, on 1300 737 760. The enrolment deadline for participation in the DRP for the FY2022 final dividend is 5.00 pm (AEDT) Tuesday 4 October 2022.

<sup>1</sup> 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.

<sup>2</sup> Shareholder total returns include dividend payments and franking credits. Source Bloomberg LLP.

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**Global Value Fund Limited**  
**Appendix 4E**  
**For the year ended 30 June 2022 (continued)**

<b>Net tangible assets</b>	<b>30 June 2022</b>	<b>30 June 2021</b>
	<b>\$</b>	<b>\$</b>
Net tangible asset backing per share before tax	1.1505	1.2040
Net tangible asset backing per share after tax	1.1080	1.1419

**Audit**

This report is based on the financial report which has been audited. All the documents comprise the information required by Listing Rule 4.3A.

**Annual General Meeting**

The Company advises that its Annual General Meeting will be held on 3.00pm (AEST) Thursday 24 November 2022. The time and other details relating to the meeting will be advised in the Notice of Meeting to be sent to all shareholders and released to ASX immediately after dispatch.

In accordance with the Company's constitution and ASX Listing Rules, valid nominations for the position of director are required to be lodged at the registered office of the Company by 5:00pm (AEST) Tuesday 27 September 2022.



Jonathan Trollip  
Chairman

Sydney  
24 August 2022

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