

## Investment Update and Net Tangible Assets

### Net Tangible Assets (NTA) per share

NTA before tax*	\$ 1.3410
NTA after tax	\$ 1.2382

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

### July review

After a long spell of relative calm, financial markets are currently working their way through a testing period of instability. For most of the past year, riskier assets like shares and high-yield bonds have enjoyed a period of consistent returns and low volatility. Global share markets in particular have enjoyed unusually strong returns, dragged higher by the large US technology companies dubbed the Magnificent Seven. During July, the market's faith in these technology companies wobbled as each reported quarterly earnings that were good, but not quite as good as markets had aspirationally priced in. Combined with a series of geo-political shocks, riskier assets sold off through the second half of July and continued to do so into the early part of August.

Over the month, global share markets<sup>6</sup> rose by 1.6% in US\$ terms, though they had been 3.7% higher as of the middle of the month. Meanwhile, global bond markets<sup>7</sup> were a notable 2.4% higher over July in US\$ terms, with a lower-than-expected US CPI print during the month increasing the chances that interest rates would soon be cut. (As bond prices move inversely to interest rates, lower interest rate expectations push bond prices higher). In A\$ terms, global share and debt markets were 3.6% and 4.4% higher respectively, while the local Australian share market increased by 4.2%<sup>8</sup>.

Turning to the GVF portfolio, the company enjoyed a particularly strong investment performance during July. The gains were spread across a number of GVF's core investments; however the largest contributor was our holding in the aircraft leasing fund Amedeo Air Four Plus (AA4), which gained 13.9% over the month. In our view, this strong performance was a reaction to some intriguing language in the company's annual results regarding an ongoing 'review of strategic options', as well as the result of strong demand from retail investors after the company received a favourable post-results write-up in a UK investment publication.

For some time now the board of AA4 has been considering strategic options, and late last year the Chairman listed several of these options in his letter to accompany the interim results. What got the attention of the market in late July were comments from the Chairman urging shareholders not to mistake comparative silence with a lack of effort. His letter assured investors that a great deal of work is being done behind the scenes with the help of a number of industry participants and advisers, with the aim of providing an update to the market later this year.

GVF's investment case in AA4 has always assumed we would hold the position for the long-term, enjoying the high-teens dividend yield until AA4's leases rolled-off, and receiving larger cash distributions over time as assets are sold and/or the company's conservative cash reserves are released. However, strategic alternatives, for example earlier asset sales or a sale of the company itself, have always been a possibility that we are open to, provided they provide a superior risk-adjusted outcome for shareholders. We look forward to seeing the company's update on strategic options, and to continuing our constructive dialogue with the board on

### StauDe Capital Global Value Fund Limited ('GVF')

ASX Code	GVF
Listed	July 2014
Shares on issue	175M
Share price	\$1.225
Market cap	\$214M
IPO Issue Price	\$1.00
Total dividends declared <sup>1</sup>	77.5 cents
Profits Reserve <sup>2</sup> (per share)	35 cents
Franking <sup>3</sup> (per share)	1.5 cents
FY25 FF dividend guidance <sup>4</sup>	9.4 cps
Grossed-up yield <sup>5</sup>	7.7%

### Company overview

GVF is a listed investment Company that provides shareholders with the opportunity to invest globally through a portfolio of securities purchased at a discount to their underlying asset value. By capturing this discount for its investors, the manager aims to provide an alternative source of market outperformance compared to more common stock selection strategies.

It is the Board's intention to pay regular dividends so long as the Company is in a position to do so.

### Investment Manager

The portfolio management team is split between London and Sydney and has considerable experience in finding international assets trading at a discount to their intrinsic value and in identifying, or creating, catalysts to unlock this value.

### Investment Management

**Miles StauDe, CFA**  
 Portfolio Manager, GVF  
**Board of Directors**  
**Jonathan Trollip**  
 Chairman  
**Chris Cuffe AO**  
 Non-executive Director  
**Geoff Wilson AO**  
 Non-executive Director  
**Miles StauDe, CFA**  
 Non-executive Director



these, while remaining comfortable holding AA4 for the long-term and allowing value to come back to us over time.

The GVF investment portfolio increased by 4.1% during July. The fund's discount capture strategy added 2.1% to performance, while foreign exchange movements added a further 1.7%. The remaining attribution of returns are explained by the company's underlying exposure to the increases in asset prices referred to above, and its operating costs.

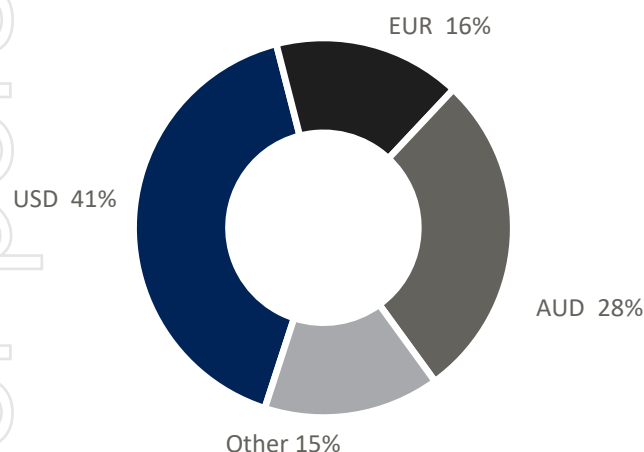
Authorised for release by Miles Staude, Portfolio Manager and Director.

Over the life of the Company, GVF's annualised adjusted NTA returns have been 11.3%.

### Adjusted NTA Returns<sup>9</sup>

Financial Year	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	YTD <sup>10</sup>
FY2025	4.1%												4.1%
FY2024	2.0%	1.5%	0.5%	-0.4%	1.3%	0.8%	2.5%	0.1%	1.2%	2.3%	1.1%	0.3%	14.0%
FY2023	1.5%	2.3%	-0.5%	2.5%	1.0%	1.1%	0.6%	3.4%	-0.9%	2.7%	1.0%	-0.1%	15.5%
FY2022	2.8%	2.4%	0.5%	0.0%	2.7%	1.9%	-0.6%	-2.3%	-1.7%	1.3%	-1.7%	-2.2%	2.8%
FY2021	1.6%	1.4%	3.2%	2.7%	5.4%	1.4%	2.7%	0.7%	0.4%	2.9%	2.0%	1.8%	29.3%
FY2020	2.7%	0.2%	1.4%	-0.3%	2.4%	-0.5%	3.7%	-3.5%	-13.5%	2.4%	6.0%	0.8%	0.2%
FY2019	0.8%	2.3%	-0.5%	-1.2%	-2.1%	-1.6%	0.2%	3.2%	-0.4%	1.9%	-0.3%	0.9%	3.2%
FY2018	-0.9%	0.4%	1.3%	2.3%	1.7%	-0.9%	0.7%	0.8%	0.0%	1.6%	-0.5%	2.2%	9.1%
FY2017	2.0%	1.9%	-0.5%	0.7%	2.7%	3.1%	-2.1%	1.1%	1.8%	2.0%	2.1%	-1.0%	14.5%
FY2016	4.6%	-1.0%	-1.0%	2.3%	-1.9%	-0.4%	-1.0%	-0.4%	-1.7%	2.3%	4.0%	-3.0%	2.4%
FY2015	0.3%	-0.3%	4.3%	-1.0%	3.1%	2.6%	3.9%	1.3%	1.8%	-0.6%	5.6%	-1.0%	21.6%

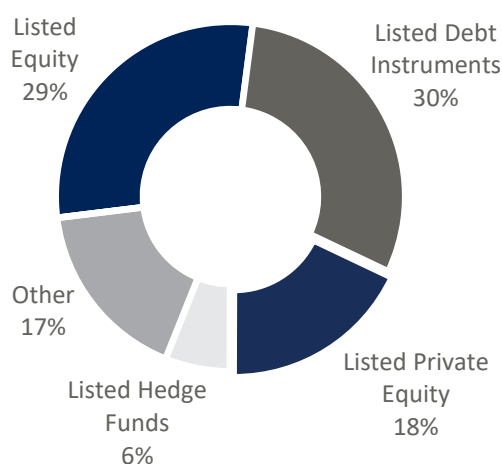
### Underlying Currency Exposures



The above chart reflects the manager's estimate of the currency exposures arising from the portfolio's underlying investments and cash balances as at 31<sup>st</sup> July.

Including emerging market currencies that are chiefly pegged to the US\$, the fund's US\$ exposure is approximately 43%.

### Underlying Asset Classes



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

Exposure to cash represents both cash balances held by the Company and the underlying cash holdings of the fund's portfolio of investments. If not separately disclosed above, 'Cash' is included in 'Other'.



## Selected Holdings<sup>11</sup>

Holding	Summary
Amedeo Air Four Plus	London-listed investment company that owns twelve widebody aircraft on long term leases. A special situation that GVF first invested into in 2020, Amedeo continues to offer an attractive long-term risk reward proposition. The company pays a dividend yield of c.16.7% pa that is more than covered by contractual lease payments from Emirates.
Pantheon International	London-listed closed-end fund with a diversified portfolio of private equity investments, which trades at a deep discount to asset backing that we believe is unsustainable over the medium term. Last year, the fund ramped up efforts to take advantage of the discount, announcing a highly accretive £200 million share buyback programme (including a £150 million tender offer) and, more recently, it introduced a capital allocation policy that will direct a portion of future net cash flows to buybacks, based on discount level.
Sherborne Investors Guernsey C	London-listed investment company managed by Sherborne Investors – an activist, turnaround firm led by Ed Bramson – which owns a significant stake in US-listed Navient Corp (NAVI). Despite being structured with the intention of pursuing a single turnaround investment and then returning capital to investors, the company's shares currently trade at a discount of at least c. 31.5% to asset backing.
US Masters Residential Property Fund	Deeply discounted ASX-listed fund that owns a portfolio of US residential property in New York and New Jersey. The fund is now focused on realising assets and returning the proceeds to unitholders, while operating a very active buyback program.

<sup>1</sup> Grossed up dividends of 77.52c declared from IPO at \$1.

<sup>2</sup> The profits reserve sits at 35c as of date of this report.

<sup>3</sup> GVF's franking credit balance as of the date of this report.

<sup>4</sup> Exclusive of the 1.0 cent per share fully franked special dividend declared to mark GVF's 10-year anniversary.

<sup>5</sup> Based on the end of month share price of \$1.225 and the FY2025 dividend guidance of 6.6 cents per share, fully franked.

<sup>6</sup> All references to global share markets refer to the total return (price and dividends) of the MSCI All Country World Equity Index.

<sup>7</sup> All references to global credit markets refer to the Bloomberg Barclays Global Credit Total Return Index.

<sup>8</sup> Refers to the total return (price and dividends) of the S&P ASX200 Index.

<sup>9</sup> Adjusted NTA returns are after all fees and expenses and are adjusted for the payment of taxes, dividends, and the effects of capital management initiatives. They do not include any franking credits received by the Company. Performance data is estimated and unaudited. Source: Staude Capital Ltd.

<sup>10</sup> Refers to the full year returns for a given Financial Year, or the year-to-date returns in the current Financial Year.

<sup>11</sup> Selected holdings are investments within the GVF portfolio that are representative of the types of opportunities the manager finds for the GVF investment portfolio. Holdings are listed in alphabetical order.

Unless otherwise stated, source for all data is Bloomberg LP and data as of the date of this report.

This is general information only. GVF has not taken your circumstances into account and strongly recommends you seek your own advice from a licensed provider in relation to any investment decision. This information is not an offer to buy or sell, or solicitation of an offer to buy or sell, any security or investment. Investors should read the Fund prospectus before making a decision to invest.

**Past performance is not an indicator of future returns.**