



29<sup>th</sup> August 2024

## GVF delivers another year of strong performance and high dividends

### Highlights for the year ended 30 June 2024

- Operating profit before tax of \$28.5M
- Adjusted pre-tax NTA increases by 14.0%
- Discount capture strategy drives returns, generating 74% of the return over the period
- A fully franked dividend of 3.3 cents per share declared

The Staude Capital Global Value Fund Limited (ASX: GVF) ('GVF' or 'the Company') announces an operating profit before tax of \$28.5 million and an operating profit after tax of \$20.0 million for the full year ended 30 June 2024. The Company has declared a fully-franked final dividend of 3.3 cents per share.

Company Chairman Jonathan Trollip said: "Financial markets enjoyed strong tailwinds over FY2024, boosted by the exceptional strength of the US economy and continued investor excitement over the potential for Artificial Intelligence (AI) to revolutionise large parts of the economy. Against this backdrop, GVF's lower risk investment strategy performed well, with the Company's adjusted pre-tax NTA increasing by 14.0%<sup>1</sup> over FY2024. Shareholder total returns for the period were higher than this at 18.1%<sup>2</sup>, with the difference between shareholder total returns and NTA returns explained by Company's discount to NTA tightening over the year. As at 30 June 2024 the discount stood at 4.4%. Given the continued healthy performance of the investment portfolio, the Board is pleased to announce a fully franked final dividend for FY2024 of 3.3 cents per share. Since its IPO at \$1 per share in 2014, the Company has now declared total grossed up dividends of 77.5<sup>3</sup> cents per share".

### FY2024 review and Company outlook

Portfolio Manager Miles Staude said: "The key event on the horizon for investors today is the pending US election cycle. Whether you have been following the US elections, or like many, have been willfully disengaged, the importance of the outcome for markets means it requires a good amount of your dispassionate attention. While most of the attention around the US elections centers on the race for the White House, the less well understood story is that Republicans will likely take control of the Senate this year (betting markets put the odds at over 70%)<sup>4</sup>.

If Kamala Harris wins the presidency, a Republican controlled Senate will be able to block most of her legislative initiatives. It will also greatly frustrate her attempts to appoint preferred candidates to key governmental posts. Conversely, if Donald Trump wins the presidency, it will allow him to deliver on one of his key campaign pledges and an important focus of his first administration – deregulation and a great unwinding of the federal government's role in the economy. Importantly, with control of the Senate, such initiatives can be enacted unilaterally as they do not need Republicans to control the House of Representatives. We discuss the implications of this in our letter to shareholders, but from a game theory point of view, the key takeaway from the probable

<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.

<sup>3</sup> Grossed up dividends comprise 56.25 cents per share of cash distributions and 21.27 cents per share of franking credits.

<sup>4</sup> Only eight senate races are competitive in 2024, and Democrats need to win all eight of them to bring the Senate to a 50-50 tie. Even then they would need to have won the presidency, as the Vice President casts a vote in the event of a tie.

Mirabella Financial Services LLP, which is authorised and regulated by the Financial Conduct Authority (FRN: 415559), is the investment manager of the Staude Capital Global Value Fund and has seconded the investment team at Staude Capital to manage the Staude Capital Global Value Fund.

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Republican control of the Senate is that a Trump victory will provide a sugar rush boost to markets. Meanwhile, a Harris win likely means more government dysfunction and a very limited administrative agenda.

Looking back at FY2024, little has changed in financial markets since our last update to shareholders for the December half-year period. The two main themes we talked about then - the exceptional strength of the US economy and the dominance of the Artificial Intelligence ("AI") stocks – continue to be the main drivers across markets. As a reminder on the latter, the commercial promise of AI has propelled a small group of mega-cap technology stocks fantastically higher since the release of ChatGPT in November 2022 captivated investors imaginations. The gains on this narrow sub-set of stocks have been so great that it has dragged any share market index that contains them dramatically higher. It has also greatly changed the make-up of those share market indices if they are derived on a market capitalisation basis (like most are).

In Australian dollar terms, global share<sup>5</sup> and bond<sup>6</sup> markets increased by 19.3% and 4.4% respectively over FY2024. As shareholders will know, GVF owns a widely diversified portfolio of underlying asset classes, though our largest exposures are typically to equity and debt markets. Over the course of FY2024, our average see-through holding in these two asset classes was 24% and 33% respectively. Against that backdrop, GVF's adjusted NTA returns<sup>7</sup> of 14.0% for FY2024 compare well. Arguably this is more so given the relatively limited exposure the company has to the mega-cap technology stocks that have driven most of the global share market returns recently. For the exercise, if you excluded the Magnificent Seven tech stocks from FY2024 returns, global share markets increased by a more modest 11.2% in A\$ terms over the year.

Pleasingly, the largest source of GVF's returns over FY2024 came from our discount capture strategy, which generated gross (pre-fee) returns of 10.4%<sup>8</sup>. Returns from our discount capture strategy represent the outperformance the manager generated over the underlying market exposures that the Company holds. This source of additional returns allows us to run with a relatively low risk investment portfolio, while still targeting higher returns over the medium to long term. It can also provide us with a valuable cushion during times of falling markets, allowing the manager to target positive investment returns for the Company in most investment environments.

For over ten years now this approach has served shareholders well. As of June 2024, the Company's investment approach had generated annualised investment returns of 10.9% since inception".

#### **FY2024 final dividend key dates\***

Ex-dividend date	30 September 2024
Dividend record date	1 October 2024
Last election date for DRP	2 October 2024
Dividend payment date	12 November 2024

\*These dates may be subject to change

#### **Final dividend of 3.3 cents per share fully franked declared**

The Board has resolved to pay a final dividend of 3.3 cents per share, 100% franked, payable to all shareholders on the Company's register. GVF shares will trade ex-entitlement to this dividend on 30 September 2024.

<sup>5</sup> All references to global share markets refer to the total return (price and dividends) of the MSCI All Country World Equity Index.

<sup>6</sup> All references to global credit markets refer to the Bloomberg Barclays Global Credit Total Return Index.

<sup>7</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>8</sup> Source: Staude Capital Ltd.

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### Dividend reinvestment plan

The Company's dividend reinvestment plan ('DRP') will be in effect for the fully franked FY2024 final dividend of 3.3 cents per share and special dividend payment of 1.00 cent 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 FY2024 final dividend is 5.00 pm (AEDT) Wednesday 2 October 2024. Details of the DRP are available on the Company's website, click [here](#).

### FY2025 full year dividend guidance

The Board currently anticipates that both the interim and final dividend for FY2025 will be 3.3 cents per share, franked as fully as possible.

The above dividend guidance is not a formal declaration of dividends for FY2025. The size and payment of any interim or final dividend for FY2025 will be subject to the Company having sufficient profit reserves and the dividend payment being within prudent business practices. If a FY2025 interim dividend is declared, the Board expects that it would be payable during May 2025.

*This announcement is authorised for release by the Board of Directors of the Company.*

### Contact

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

### About GVF

The Staude Capital Global Value Fund (ASX: GVF) is a listed investment company that provides shareholders with the opportunity to invest globally through a portfolio of securities purchased at a discount to their underlying asset value. By capturing this discount for its shareholders, the Company aims to provide an alternative source of market outperformance compared to more common stock selection strategies.

Staude Capital has offices in both London and Sydney, and its investment team has considerable experience in finding international assets trading at a discount to their intrinsic worth, and in identifying or creating catalysts that will be used to unlock this value. The investment team at Staude Capital has been seconded into Mirabella Financial Services LLP to manage the GVF portfolio. For more information, visit [www.globalvaluefund.com.au](http://www.globalvaluefund.com.au).

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