

## Investment Update and Net Tangible Assets

### Net Tangible Assets (NTA) per share

NTA before tax*	\$ 1.2380
NTA after tax	\$ 1.1781

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

### December review

Following a blistering November, during which global share markets moved 9.2% higher, December saw most financial asset classes record another month of very strong gains. In US\$ terms, global share<sup>4</sup> and bond<sup>5</sup> markets rose by 4.8% and 4.2% respectively, although another strong performance from the A\$ over the month offset most of these gains for Australian dollar investors. In A\$ terms global share and bond markets increased by 1.6% and 1.0% respectively, while the local Australian share market rose 7.3%.

The main game in town for risk assets continues to be the outlook for US interest rates. During November, inflation data surprised markets on the downside, setting in train a narrative that the US Fed was done for hiking in this cycle and that rate cuts would be coming soon. During December, the Fed endorsed this view then went one step further. Alongside confirming that the US benchmark rate was likely “at or near its peak for this tightening cycle”, Fed officials published their latest expectations for the future path of interest rates in 2024 and 2025. These forecasts were more dovish than previous projections, with officials pencilling in three 25 basis point cuts in 2024 and a further four in 2025. Implicit in these forecasts is a view that the battle to bring inflation back under control is largely done, which for markets represents the best of all worlds: solid economic growth, low inflation and falling interest rates.

If the Fed really has brought inflation back under control without tipping the economy into recession, then that would represent an impressive victory in the face of daunting odds. The data increasingly supports this view, though markets have moved quickly to price the good news in, with global share and bond markets increasing by 14.5% and 9.9% respectively over the past two months in US\$ terms.

While GVF only has a modest exposure to higher risk asset classes, like global share markets, the fund recorded two notable wins over the month in two new positions that we have not yet disclosed to our investors. These gains, along with discounts tightening across several of our larger holdings, drove another strong month for the fund’s discount capture strategy.

The GVF investment portfolio increased by 0.8% during December. The fund’s discount capture strategy added 1.2% to performance during the month, while our underlying market exposures added a further 1.7%. These returns were offset by the strength of the A\$ over the month and by the Company’s operating costs.

### StauDe Capital Global Value Fund Limited (‘GVF’)

ASX Code	GVF
Listed	July 2014
Shares on issue	175M
Share price	\$1.155
Market cap	\$202M
Total dividends declared <sup>1</sup>	71.4 cents
Profits Reserve <sup>2</sup>	30 cents
Full year FF dividend	6.6cps
Grossed-up yield <sup>3</sup>	8.2%

### 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

Fund 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

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

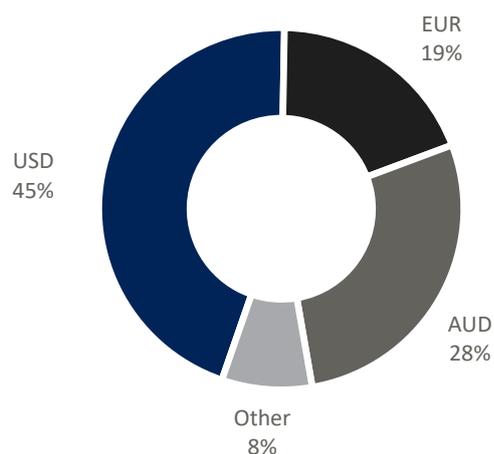


Over the life of the Company, GVF's annualised adjusted NTA returns have been 10.7%.

## Adjusted NTA Returns<sup>6</sup>

Financial Year	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	YTD <sup>7</sup>
FY2024	2.0%	1.5%	0.5%	-0.4%	1.3%	0.8%							5.7%
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%

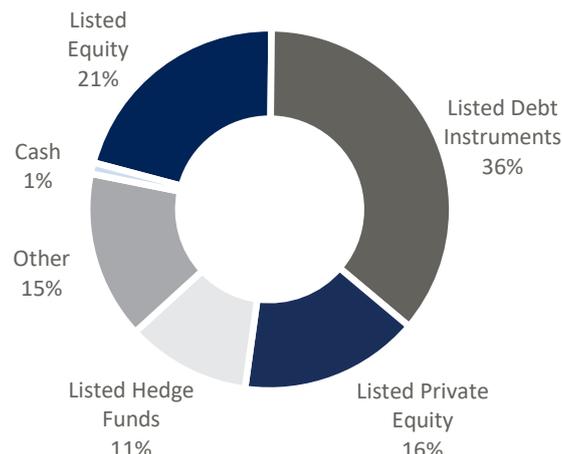
## Underlying Currency Exposures



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> December.

Including emerging market currencies that are chiefly pegged to the US\$, the fund's US\$ exposure is approximately 47%.

## 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> December.

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>8</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.16.6% 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 the introduction of



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	a capital allocation policy that will direct a portion of future net cash flows to buybacks, based on discount level.
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.
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 26% to asset backing.

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<sup>1</sup> Grossed up dividends of 71.38c declared from IPO at \$1 through to 8<sup>th</sup> November 2023, the HY2023 final dividend payment date.

<sup>2</sup> The profits reserve sits at 29.64c as of 31<sup>st</sup> December 2023.

<sup>3</sup> Based on the end of month share price of \$1.155 and the FY2023 dividend guidance of 6.6 cents per share, fully franked.

<sup>4</sup> All references to global share markets refer to the total return (price and dividends) of the MSCI All Country World Equity Index.

<sup>5</sup> All references to global credit markets refer to the Bloomberg Barclays Global Credit Total Return Index.

<sup>6</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. Performance data is estimated and unaudited. Source: Staude Capital Ltd.

<sup>7</sup> Refers to the full year returns for a given Financial Year, or the year-to-date returns in the current Financial Year.

<sup>8</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 31<sup>st</sup> December 2023.

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**Investment Update and Net Tangible Assets.** As at 31st December 2023

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