


GLOBAL VALUE

MICROCAP FUND



MONTHLY PERFORMANCE AS AT 30/04/2018

latest unit price \$1.3150	return since inception 31.50%	return 1 year 15.55%	 monthly currency impact TAILWIND LOW (0-1%)
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FUND OUTLINE

Fund Manager:

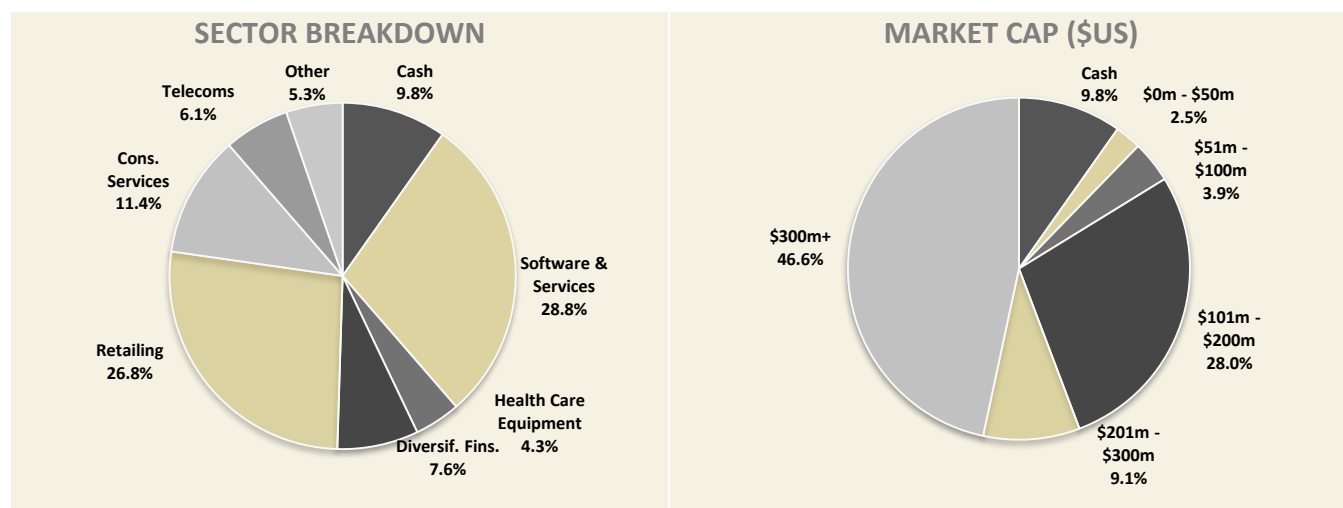
Carlos Gil (CIO)

The Global Value Microcap Fund is a wholesale fund investing in a selection of undervalued, profitable and growing companies listed in predominantly advanced economies around the world.

COUNTRY BREAK UP

		% of Equity Portfolio	% of NAV
	United Kingdom	39.0%	35.2%
	United States	23.4%	21.2%
	Cont. Europe	21.3%	19.2%
	Australia	9.3%	8.4%
	New Zealand	4.6%	4.1%
	Canada	2.4%	2.1%
	Total	100%	90.2%

	1 Month	6 Month	1 Year	2 Year	Compound p.a. since inception	Total since inception
GVMF	1.84%	11.06%	15.55%	15.71%	12.00%	31.50%
MSCI World Microcap (AUD)	1.32%	5.43%	15.93%	16.76%	12.61%	33.25%
Outperformance	0.52%	5.63%	-0.38%	-1.05%	-0.61%	-1.75%



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MARKET UPDATE AND COMMENTARY

The Chinese economy continues to maintain a steady growth trajectory with the manufacturing purchasing managers index (PMI) data coming at 51.4 whilst the services sector strengthened to 54.8 (a figure above 50 indicates economic expansion). The numbers are encouraging and point to strong resilience in domestic consumption at a time when local government investment has slowed. The Chinese economy will continue to shift towards a consumption-led one. At a macro level, the Chinese economy still requires significant reforms which entails not merely opening up certain protected sectors but also making the financial system more capital efficient and ensuring resources are allocated to more productive sectors and businesses.

Microequities Global Value Microcap Fund returned 1.84% versus the MSCI World Microcap Index (AUD) 1.32% in April; this brings the total return net of fees to 31.50% for the Fund since inception in December 2015 compared to 33.25% for the MSCI World Microcap Index (AUD).

A busy month for the Fund. As we alluded to last month, the Fund flagged that it was looking to acquire a stake in an exceptional software business in Western Europe. The Fund engaged directly with the Chairman of the business, who has a very large equity stake in the business and we were able to secure an initial stake that currently represents 3.8% of the Funds' total assets. The business has a very large diversified client base, recurring revenues representing 70% of total sales, and operating margins of circa 40%. Client retention is excellent, and the business has a credible and probable long-term growth pathway. It is a remarkably high quality business and we are extremely pleased to have secured an anchor investment in the enterprise.

The Fund divested out of its **Fogo de Chao (NASDAQ:FOGO)** investment following the completion of the takeover offer from private equity. As a reminder, another business partnership in the Fund, **RealDolmen (EBR: REA)** remains under takeover offer. The investment currently represents 1.4% of the total assets of the Fund.

With the Funds cash assets representing 10% of the Fund we are well positioned to access new investment opportunities should they arise.

Projected EPS Growth 1 Year Forward (on a weighted basis)	+19.2%
Projected EPS Growth 2 Years Forward (on a weighted basis)	+18.2%

Number of companies	37
Top 5 Holdings % of NAV	27.4%
Top 10 Holdings % of NAV	44.6%
Top 20 Holdings % of NAV	71.1%
Cash Position % of NAV	9.8%

Important information: This information is not intended to be financial advice. Past performance is not indicative of future performance. Microequities Asset Management Pty Ltd is a corporate authorised representative, number 462438, as appointed by Microequities Asset Management Group Limited holder of AFSL number 287526. Application for units in the Fund is limited to investors that are wholesale or sophisticated investors within the meaning of Section 761G(7) and 761GA(7) of the Corporations Act 2001.