


GLOBAL VALUE

MICROCAP FUND



MONTHLY PERFORMANCE AS AT 28/02/2018

latest unit price \$1.2708	return since inception 27.08%	return 1 year 17.94%	 monthly currency impact TAILWIND MODERATE (1-3%)
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FUND OUTLINE

Fund Manager:

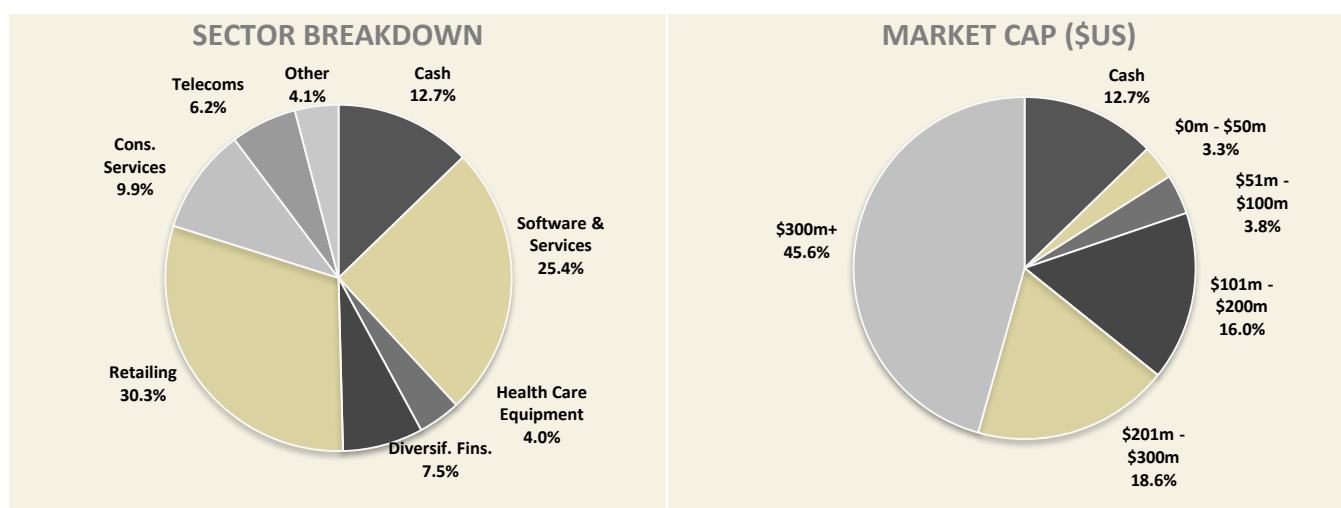
Carlos Gil (CIO)

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	40.4%	35.3%
	United States	24.6%	21.4%
	Cont. Europe	19.0%	16.6%
	Australia	9.2%	8.0%
	New Zealand	4.2%	3.7%
	Canada	2.6%	2.3%
	Total	100%	87.3%

	1 Month	6 Month	1 Year	2 Year	Compound p.a. since inception	Total since inception
GVMF	1.32%	14.31%	17.94%	13.33%	11.24%	27.08%
MSCI World Microcap (AUD)	0.30%	12.64%	19.25%	19.32%	12.99%	31.62%
Outperformance	1.02%	1.67%	-1.31%	-5.99%	-1.75%	-4.54%



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MARKET UPDATE AND COMMENTARY

2018 beckons as a year of continued world economic expansion, with a significant expected recovery in both investment and trade. Some advanced economies, like the US, will see central banks gradually remove monetary stimulus due to the strength of labour markets and clear signs that the depressed inflationary pattern is changing. Just how accentuated the increase in inflation will be, remains difficult to forecast. The US labour department's latest figures saw hourly earnings rise by 2.9% during the year, the best gain since 2009. With the unemployment rate at 4.1% and the economy continuing to create a staggering amount of new jobs each month, economic theory would suggest upward pressure in wages will exacerbate during 2018. Domestically, we are facing a similar pattern. Whilst Australia has created 292,000 full time jobs over the last 12 months, unlike the US however our wage growth remains suppressed at 2.1%.

Microequities Global Value Microcap Fund returned 1.32% versus the MSCI World Microcap Index (AUD) 0.30% in February; this brings the total return net of fees to 27.08% for the Fund since inception in December 2015 compared to 31.62% for the MSCI World Microcap Index (AUD).

Two business partnerships owned by the Global Value Microcap Fund became subject to takeover offers during the month. In the US, **Fogo de Chao (NASDAQ: FOGO)** a chain of Brazilian restaurants received a \$560m USD takeover offer from Rhone Capital, a 25% premium to the last traded price. The business partnership represents 2.5% of the totals assets of the Fund.

Across in Belgium, our IT services business partnership **Realdolmen (EBR: REA)** received a friendly conditional takeover offer from Gfi Informatique. The offer is an all cash bid of 37 Euros per share and represents a premium of 22% over the 3-month weighted average price. The business partnership represents 1.5% of the total assets of the Fund. These two offers now make it five takeover events in the Fund's short 26-month life.

Projected EPS Growth 1 Year Forward (on a weighted basis)	+20.7%
Projected EPS Growth 2 Years Forward (on a weighted basis)	+19.4%

Number of companies	39
Top 5 Holdings % of NAV	27.6%
Top 10 Holdings % of NAV	43.7%
Top 20 Holdings % of NAV	69.5%
Cash Position % of NAV	12.7%

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 Ltd 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.