

# GLOBAL VALUE

## MICROCAP FUND



### MONTHLY PERFORMANCE AS AT 31/10/2016

latest unit price	return 1 month	outperformance 3 month	return since inception (December 2015)
<b>\$0.9921</b>	<b>-0.75%</b>	<b>-1.93%</b>	<b>-0.79%</b>



#### FUND OUTLINE

Fund Manager:

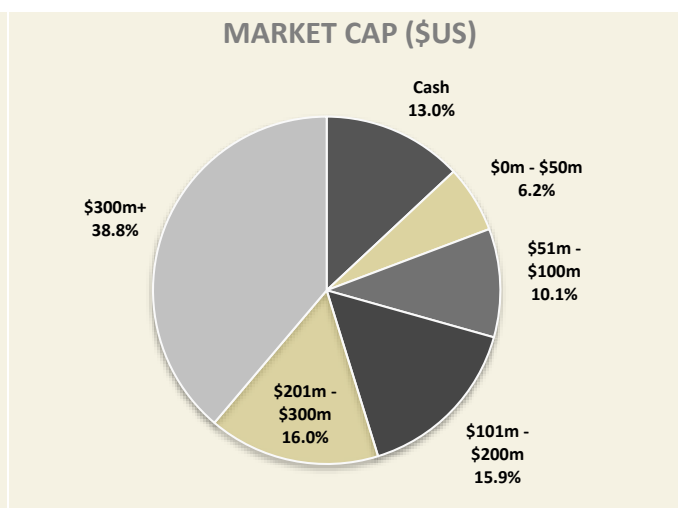
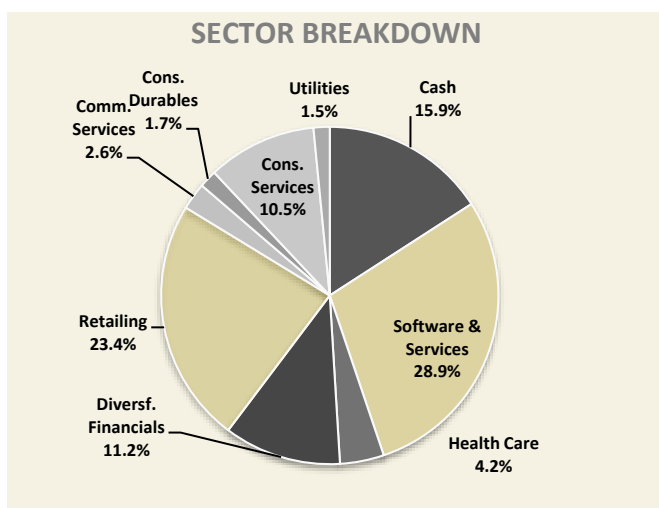
Carlos Gil (CIO)

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 States	45.2%	39.3%
	United Kingdom	19.6%	17.1%
	Cont. Europe	19.5%	16.9%
	Australia	8.8%	7.6%
	New Zealand	3.3%	2.8%
	Canada	2.8%	2.5%
	Israel	0.9%	0.7%
	<b>Total</b>	<b>100%</b>	<b>86.9%</b>

	1 Month	2 Month	3 Month	6 Month	Total since inception
<b>GVMF</b>	-0.75%	-1.44%	0.30%	1.01%	-0.79%
<b>MSCI World Microcap (AUD)</b>	-1.91%	0.23%	2.24%	3.90%	1.56%
<b>Outperformance</b>	1.16%	-1.67%	-1.93%	-2.89%	-2.35%



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### GLOBAL VALUE MICROCAP FUND UPDATE




**Microequities Global Value Microcap Fund returned -0.75% versus the MSCI World Microcap Index (AUD) -1.91% in October; this brings the total return net of fees to -0.79% for the Fund since inception in December 2015 compared to 1.56% for the MSCI World Microcap Index (AUD).**

The Global Value Microcap Fund is now 11 months old. For long term value investors like Microequities, 11 months means infancy and we take no notice of our short-term performance, be it good, great or ugly. We enter business partnerships within the context of a 5+ year investment horizon. Hence our performance reference points are not set or established until much later periods when our businesses have had sufficient time to execute their strategies, earnings growth has been demonstrated and inefficient capital market pricing corrected. In an impatient world, we choose to remain patient, anachronistically staying steadfast to the maxim that good things take time. We accept we might have investors that are impatient and might imprudently assess our performance within an inappropriate investment time horizon. We have captured value and invested across an excellent group of high quality, undervalued businesses that will grow their earnings over time and many of which will eventually be significantly revalued by the market. Many of our business partnerships are already delivering substantial returns although these returns have been obscured by the effects of a rising AUD which has offset local currency capital gains. Our policy on currency is not to enter costly forward contracts that would ultimately decrease long term returns. The Fund remains significantly undervalued; our two largest investments for example are two businesses with very high earnings growth +20% and below 10x price to earnings. We expect, in time, the value we have captured to demonstrate AUD based returns.

<b>Projected EPS Growth</b> FY17 (on a weighted basis)	<b>+15.7%</b>
<b>Projected EPS Growth</b> FY18 (on a weighted basis)	<b>+18.7%</b>

<b>Number of companies</b>	<b>40</b>
<b>Top 5 Holdings</b> % of NAV	<b>24.1%</b>
<b>Top 10 Holdings</b> % of NAV	<b>40.6%</b>
<b>Top 20 Holdings</b> % of NAV	<b>65.4%</b>
<b>Cash Position</b> % of NAV	<b>13.1%</b>

**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.

<b>AUD Currency Movement since Fund Inception</b>	
	<b>-5.3%</b>
	<b>-29.5%</b>
	<b>-1.3%</b>