

GLOBAL VALUE

MICROCAP FUND

MICROEQUITIES
ASSET MANAGEMENT

MONTHLY PERFORMANCE AS AT 30/04/2016

latest unit price \$0.9822	return 1 month +2.40%	return 3 months +0.34%	return since inception (December 2015) -1.78%
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FUND OUTLINE

Fund Manager:

Carlos Gil (CIO)

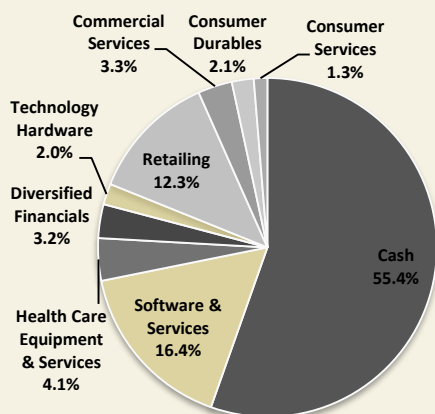
The Global Value Microcap Fund is a wholesale fund investing in a selection of undervalued, profitable and growing companies listed in predominantly advanced economies around the world.

COUNTRY BREAK UP

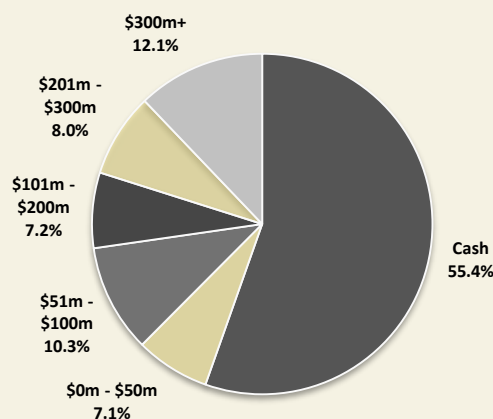
		% of Equity Portfolio	% of NAV
	United States	35.1%	15.7%
	Cont. Europe	25.3%	11.3%
	United Kingdom	17.6%	7.8%
	New Zealand	10.3%	4.6%
	Australia	5.2%	2.3%
	Israel	4.1%	1.8%
	Canada	2.4%	1.1%
	Total	100%	44.6%

	1 Month	2 Month	3 Month	Total since inception
GVMF	2.40%	-0.74%	0.34%	-1.78%
MSCI World Microcap (AUD)	5.20%	5.74%	4.98%	-2.25%
Outperformance	-2.80%	-6.48%	-4.64%	0.47%

SECTOR BREAKDOWN



MARKET CAP (\$US)



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MARKET UPDATE AND COMMENTARY

China's services sector continued to expand strongly during April with the nation's non-manufacturing PMI data coming in at 53.5 (expansionary is above 50). Whilst the headlines this week will likely focus on the manufacturing PMI which closed above 50 for the first time since June 2015, it is the strength of China's services sector that merits analysis. Most Western observers are failing to comprehend the structural transition taking place in China from a manufacturing led economy to a services led one, hence the erroneous focus on manufacturing. China's services sector expansion denotes a formative milestone in its economic development and will drive the shift towards a more consumer led economy versus an output driven one. The services sector will place pressure on the tightening labour market but it should also continue to underpin real wage increases, (China has one of the world's fastest real wage increase growth rates) a key ingredient in sustainable economic development and a consumer led economy.

Microequities Global Value Microcap Fund returned 2.40% versus the MSCI World Microcap Index (AUD) 5.20% in April; this brings the total return net of fees to -1.78% for the Fund since inception in December 2015 compared to -2.25% for the MSCI World Microcap Index (AUD).

During the month we made good progress in our capital deployment: Invested assets now represent 44.6% of total assets (versus 35.6% in the previous month). The total number of business partnerships has increased to 30 and whilst we expect that number to continue to rise we are also looking to increase our investments in some of our current business partnerships. This deployment process is ongoing and the adherence to our deep value ethos in concert with price discipline means that we need to be patient as we continue to accumulate. From an industry sector perspective, software and services continues to feature strongly in our overall exposure. During the month we added an insurance business based in New York with a strongly aligned management team, a niche product and geographic focus and strong risk management. The valuation is compelling and we will continue to build our stake in the business.

Projected EPS Growth FY16 (on a weighted basis)	+14.1%
Projected EPS Growth FY17 (on a weighted basis)	+26.1%

Number of companies	30
Top 5 Holdings % of NAV	15.8%
Top 10 Holdings % of NAV	26.2%
Top 20 Holdings % of NAV	39.7%
Cash Position % of NAV	55.4%

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.