

GLOBAL VALUE

MICROCAP FUND

MICROEQUITIES
ASSET MANAGEMENT

MONTHLY PERFORMANCE AS AT 30/06/2016

latest unit price	return 1 month	outperformance 1 month	return since inception (December 2015)
\$0.9628	-2.58%	+1.85%	-3.72%



FUND OUTLINE

Fund Manager:

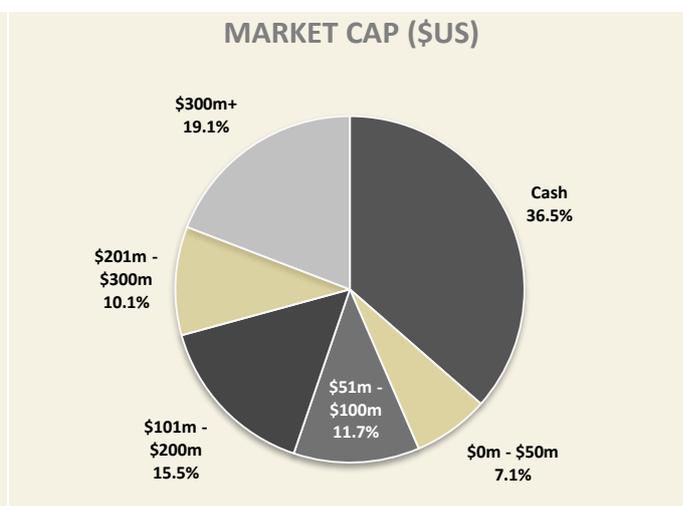
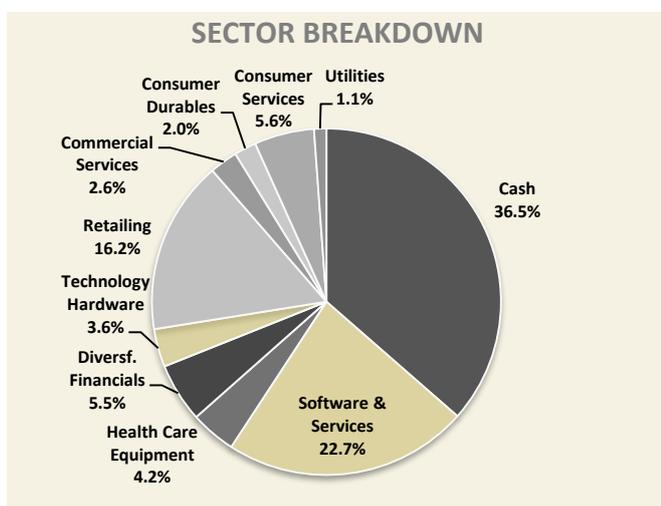
Carlos Gil (CIO)

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	45.8%	29.1%
	Cont. Europe	18.4%	11.7%
	United Kingdom	16.1%	10.2%
	Australia	7.6%	4.8%
	New Zealand	7.0%	4.4%
	Canada	2.9%	1.8%
	Israel	2.2%	1.4%
	Total	100%	63.5%

	1 Month	2 Month	3 Month	6 Month	Total since inception
GVMF	-2.58%	-1.98%	0.38%	-4.83%	-3.72%
MSCI World Microcap (AUD)	-4.43%	-1.10%	4.04%	-2.04%	-3.33%
Outperformance	1.85%	-0.87%	-3.66%	-2.80%	-0.39%



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MARKET UPDATE AND COMMENTARY

What an interesting month! The British people surprisingly decided that they should leave the economically beneficial confines of the European Union, well at least that's the intention. For now, it remains an intention, because the departing Cameron cabinet has yet to activate Article 50 of the Lisbon Treaty which formally opens the pathway for an exit negotiation. If and when activated, the exit divorce will be long and involve arduous negotiations with European counterparts that are unlikely to make the exit painless for Great Britain. Just what type of relationship Great Britain wants with Europe is yet to be determined but the Kingdom has inextricable economic links with the continent and powerful vested economic interests depend on that relationship being maintained. The engine room of the British economy is the City of London whose openness to foreign capital and people have made it a pivotal centre of the world's finance industry. What does this mean? The likelihood is we will end up with a significantly watered down version of a Brexit, but even that is no certainty given the leave campaign has completely lost political momentum and many exit supporters are questioning the wisdom of the very initiative they supported. Uncertainty looms, markets dislike uncertainty, negative markets create ample opportunity for long term value investors like us. An interesting month.

Microequities Global Value Microcap Fund returned -2.58% versus the MSCI World Microcap Index (AUD) -4.43% in June; this brings the total return net of fees to -3.72% for the Fund since inception in December 2015 compared to -3.33% for the MSCI World Microcap Index (AUD).

One of our US business partnerships, Skullcandy Inc. (SKUL.US) has become the subject of a bidding war by two parties. The business partnership is illustrative of our deep value investment approach applied in our capital allocation process; profitable growing business, no debt and purchased at such a significant undervalued price that the business has now attracted two competing buyers. In the UK market we are capitalising on the Brexit by aggressively purchasing an Online Travel Agent (OTA) which has a formidable and profitable high growth business model. The Global Fund is now 63.5% invested with the core of the investee companies already selected and in accumulation mode.

Projected EPS Growth FY16 (on a weighted basis)	+16.0%
Projected EPS Growth FY17 (on a weighted basis)	+26.3%

Number of companies	35
Top 5 Holdings % of NAV	17.9%
Top 10 Holdings % of NAV	32.3%
Top 20 Holdings % of NAV	51.4%
Cash Position % of NAV	36.5%

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.