

# GLOBAL VALUE

## MICROCAP FUND

**MICROEQUITIES**  
ASSET MANAGEMENT

### MONTHLY PERFORMANCE AS AT 31/03/2016

latest unit price	return 1 month	return 3 months	return since inception (December 2015)
<b>\$0.9592</b>	<b>-3.06%</b>	<b>-5.19%</b>	<b>-4.08%</b>



#### FUND OUTLINE

Fund Manager:

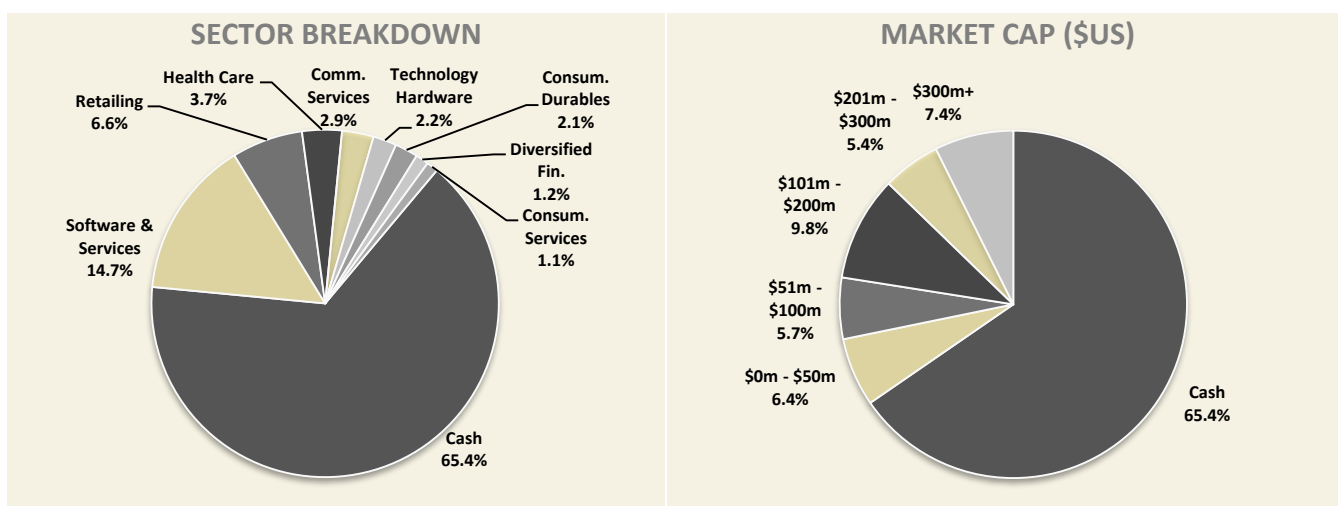
Carlos Gil (CIO)

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
	Cont. Europe	29.2%	10.1%
	United States	24.1%	8.3%
	United Kingdom	19.4%	6.7%
	New Zealand	11.8%	4.1%
	Israel	6.5%	2.2%
	Australia	5.9%	2.0%
	Canada	3.1%	1.1%
	<b>Total</b>	<b>100%</b>	<b>34.6%</b>

	1 Month	2 Month	3 Month	Total since inception
<b>GVMF</b>	-3.06%	-2.01%	-5.19%	-4.08%
<b>MSCI World Microcap (AUD)</b>	0.52%	-0.21%	-5.84%	-7.08%
<b>Outperformance</b>	<b>-3.58%</b>	<b>-1.80%</b>	<b>0.65%</b>	<b>3.00%</b>



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### MARKET UPDATE AND COMMENTARY

We continue to see an unprecedented benign central bank rate environment across Western economies. The US Federal Reserve will maintain dovish slow interest rate increases despite strong economic data. Across Europe, ECB President Maria Draghi lowered the rate on deposits for commercial banks at the central bank to -0.4% from -0.3% and increased the scale of its monthly bond purchases from 60 billion Euro to 80 billion (ie increased its printing money activity). In Japan, central rates remained unchanged at -0.1%. These extraordinary monetary policy stances have driven equity values upwards. The shift to equity has been exacerbated by the fact that dividend yields across Western economies are higher than their risk free rates. At Microequities we continue to apply above current market risk free rates in our internal valuations. That is, we do not assume that the depressed risk free rates will last indefinitely. We are deriving more conservative valuations than if we used market based interest rates.

**Microequities Global Value Microcap Fund returned -3.06% versus the MSCI World Microcap Index (AUD) 0.52% in March; this brings the total return net of fees to -4.08% for the Fund since inception in December 2015 compared to -7.08% for the MSCI World Microcap Index (AUD).**

Whilst we continued to deploy capital during the month of March, these purchases were offset by cash inflows into the Fund leaving the cash holdings as a percentage of the Fund largely unchanged from last month (65.4%). We expect the Fund's cash position to come down during the next 3-6 months as we continue to deploy capital in pursuit of undervalued business partnerships we have identified. Currently the Fund owns 26 business partnerships and that number will also rise as we deploy capital in newly identified opportunities.

<b>Projected EPS Growth</b> FY16 (on a weighted basis)	<b>+15.6%</b>
<b>Projected EPS Growth</b> FY17 (on a weighted basis)	<b>+20.1%</b>

<b>Number of companies</b>	<b>26</b>
<b>Top 5 Holdings</b> % of NAV	<b>13.8%</b>
<b>Top 10 Holdings</b> % of NAV	<b>23.5%</b>
<b>Top 20 Holdings</b> % of NAV	<b>32.9%</b>
<b>Cash Position</b> % of NAV	<b>65.4%</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.