


GLOBAL VALUE

MICROCAP FUND



MONTHLY PERFORMANCE AS AT 30/11/2018

latest unit price \$1.2354	return since inception 25.89%	return 1 month -3.11%	 monthly currency impact HEADWIND MODERATE (1-3%)
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FUND OUTLINE

Fund Manager:

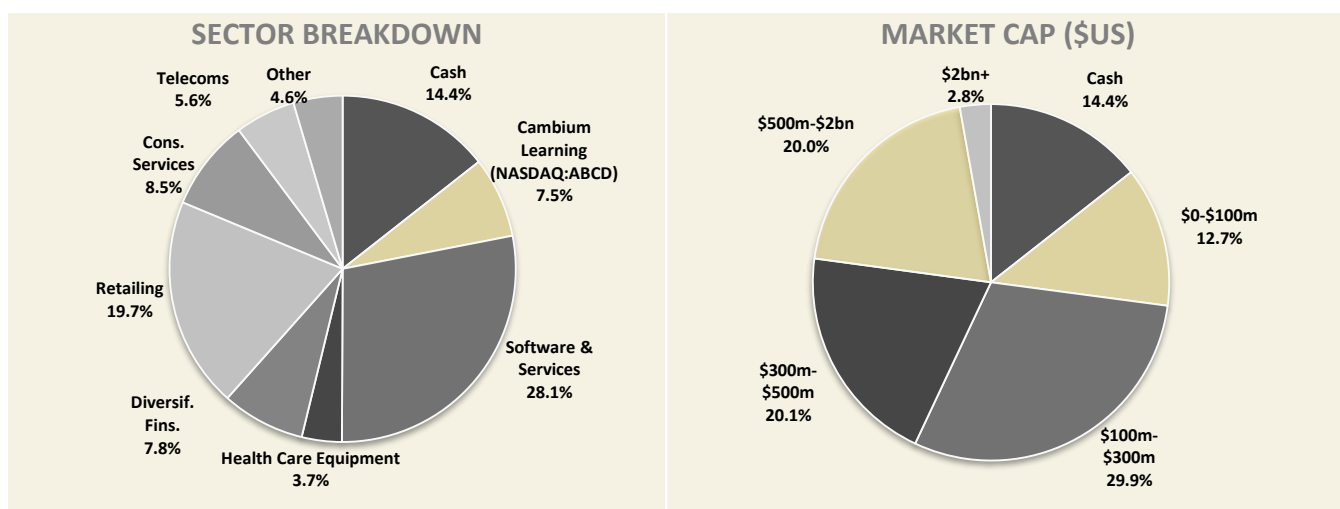
Carlos Gil (CIO)

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	38.2%	32.7%
	United States	31.4%	26.9%
	Cont. Europe	18.3%	15.7%
	Australia	8.2%	7.0%
	Canada	2.7%	2.3%
	New Zealand	1.2%	1.0%
	Total	100%	85.6%

	Total since inception	Compound p.a. since inception	3 Year	2 Year	1 Year	1 Month
GVMF	25.89%	7.98%	7.98%	9.00%	1.14%	-3.11%



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MARKET UPDATE AND COMMENTARY

A more dovish narrative from US Federal Reserve Chairman, Jerome Powell, has tempered expectations that the Fed will continue to raise rates in 2019 as it looks to adjust monetary policy. Whilst in October Powell had said the Fed was “a long way” from a neutral monetary stance, November saw the rhetoric soften to “just below the broad range of estimates of the level that would be neutral for the economy”. The prepared comments of the Federal Open Market Committee also suggest a more flexible approach to forthcoming interest rate decisions, as the Fed observes fallout from the trade war and downward shifts in sentiment. The change in the commentary comes at an interesting time for the Fed as wages inflation rose +3.1% in the quarter, the biggest rise in a decade. Wages had been the missing ingredient out of the Goldilocks economic boom in the US. Should the rise in wages continue, and so far, employment growth maintains a very solid trajectory, the Fed will be forced to continue its rate hikes irrespective of this month’s appeasing rhetoric that placated capital markets.

Microequities Global Value Microcap Fund returned -3.11% in November; this brings the total return net of fees to 25.89% for the Fund since inception in December 2015.

We received operational updates in several of our larger investee companies during the month. In aggregate, the investee companies are performing as per our expectations and remain on their growth pathways. Updates were provided by our UK and European Online Travel Agencies (OTAs) which have faced challenging conditions, given the unusually warmer Northern European summer leading to tempered travel demand. Pleasingly, despite the challenging background, these two OTAs have maintained solid operational results.

As we previously alluded to, our investment management team has been actively assessing various investment opportunities within the Nordic region. During November, we began to purchase a technology company based in Sweden specialising in analytics software used in law enforcement. It is one of the two leading companies with specialised software that allows law enforcement agencies to undertake critical data analysis in finding evidence. The company has a software-based business model, no financial debt, has a strong growth runway, and generates high free cash flows. The investment team has only started acquiring shares and it is likely to take a number of months until the desired weighting is reached.

Projected EPS Growth 1 Year Forward (on a weighted basis)	+19.7%
Projected EPS Growth 2 Years Forward (on a weighted basis)	+21.0%

Number of companies	36
Top 5 Holdings % of NAV	30.3%
Top 10 Holdings % of NAV	47.9%
Top 20 Holdings % of NAV	71.0%
Cash Position % of NAV	14.4%

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 Asset Management Group Limited 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.