

GLOBAL VALUE

MICROCAP FUND



MONTHLY PERFORMANCE AS AT 28/02/2019

latest unit price \$1.2552	return since inception 27.91%	return 1 month -0.31%	 monthly currency impact TAILWIND MODERATE (1-3%)
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FUND OUTLINE

Fund Manager:

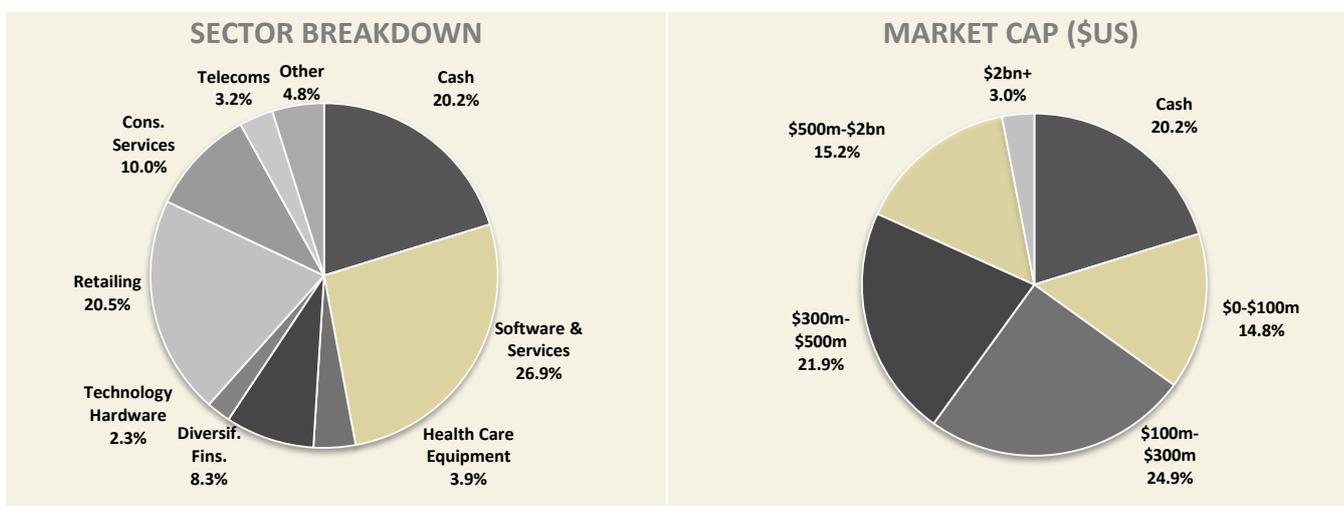
Carlos Gil (CIO)

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	36.9%	29.6%
	United States	27.0%	21.5%
	Cont. Europe	25.4%	20.2%
	Australia	5.9%	4.7%
	Canada	3.4%	2.7%
	New Zealand	1.4%	1.1%
	Total	100%	79.8%

	Total since inception	Compound p.a. since inception	3 Year	2 Year	1 Year	1 Month
GVMF	27.91%	7.87%	8.93%	8.95%	0.65%	-0.31%



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MARKET UPDATE AND COMMENTARY

As we look at the world economic growth prospects for 2019, the overall assessment is that the pace of economic growth will moderate into 2019. Western Europe is likely to have the slowest growth outlook, with several of its economies likely to enter negative growth and others at trend pace. China's economic growth will continue to grow at relatively high levels, but nominal growth rates are expected to moderate. We still expect the US to deliver +2.4% growth which is above its long-term growth trend but likely below the 3.0% it achieved in 2018. This leaves world central banks in a conundrum. Most central banks have rates around historical lows and in accommodative bands. Under a scenario where growth is moderating, they are unlikely to pursue rate cuts, but for those economies that enter negative growth they have little, if any, monetary policy levers to pull. The likely, but far less orthodox, policy response mechanism is quantitative easing. Quantitative easing was successfully used to avert a deep financial crisis during the GFC, but it has yet to be tested as a tool to spur economic growth under much milder cyclical downturns.

Microequities Global Value Microcap Fund returned -0.31% in February; this brings the total return net of fees to 27.91% for the Fund since inception in December 2015.

Various of our investee companies provided interim and end of financial year results. The overall financial performance is pleasing and consistent with our investment thesis. The solid progress of those companies was muted by one of our top 5 investments that produced a disappointing profit downgrade. Whilst the financial quantum of the revised profit guidance was not overly large, the share price reaction was, and this single share price movement offset the rest of the portfolio's positive gains. Notwithstanding this single company, the portfolio is in good position to deliver growth with an aggregate positive earnings profile.

The investment management team has been researching and following a potential investment opportunity in Europe. It is a business in the software technology space, with a large international client base, high margins, excellent financial disclosure and transparency. Importantly we can buy into the business at a highly attractive price point. We are aiming to deploy capital into the business during the month of March and hope to update you further in next month's update.

Projected EPS Growth 1 Year Forward (on a weighted basis)	+15.8%
Projected EPS Growth 2 Years Forward (on a weighted basis)	+14.7%

Number of companies	36
Top 5 Holdings % of NAV	24.6%
Top 10 Holdings % of NAV	41.5%
Top 20 Holdings % of NAV	66.2%
Cash Position % of NAV	20.2%

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.