


GLOBAL VALUE

MICROCAP FUND



MONTHLY PERFORMANCE AS AT 31/03/2019

latest unit price \$1.2106	return since inception 23.37%	return 1 month -3.55%	 monthly currency impact HEADWIND LOW (0-1%)
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FUND OUTLINE

Fund Manager:

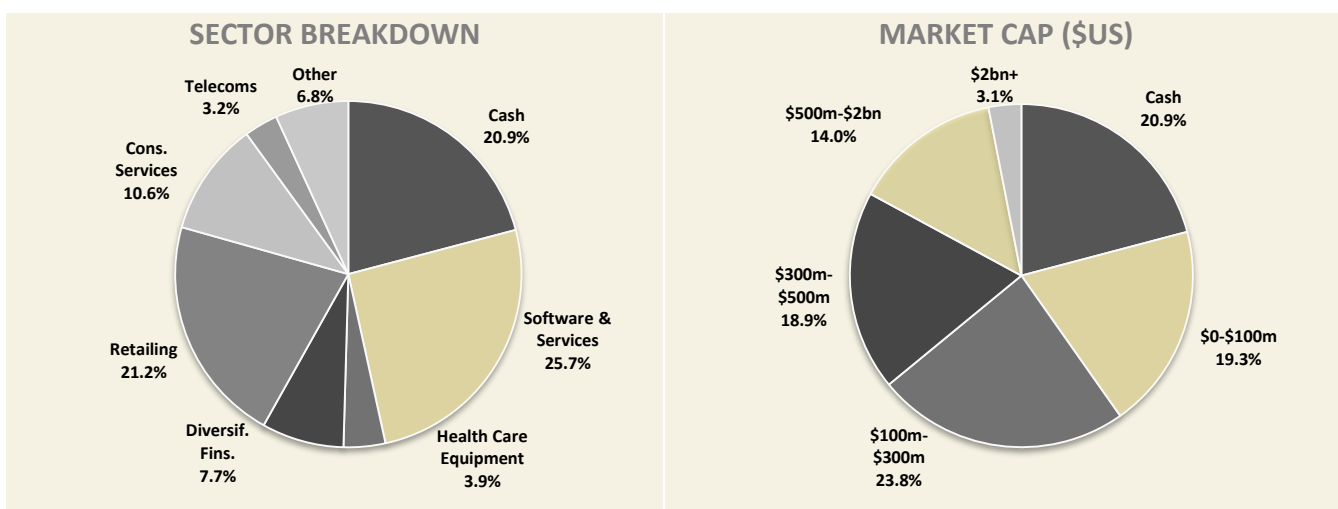
Carlos Gil (CIO)

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	36.3%	28.8%
	United States	26.2%	20.8%
	Cont. Europe	26.2%	20.7%
	Australia	5.9%	4.6%
	Canada	3.9%	3.1%
	New Zealand	1.5%	1.1%
	Total	100%	79.1%

	Total since inception	Compound p.a. since inception	3 Year	2 Year	1 Year	1 Month
GVMF	23.37%	6.50%	8.75%	6.43%	-4.46%	-3.55%



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MARKET UPDATE AND COMMENTARY

The most significant financial market occurrence during the month was the inversion of US treasury yield curve. During the month, the 10-year US treasury was trading at a lower yield than the 3-month US treasury as investors bought up the longer duration bonds sending yields down. The inversion of the US bond yield has normally been an indicator of a forthcoming economic recessions. Whilst that might be a historical trend, this latest inversion has been triggered by a change in the US Federal Reserve monetary policy stance. US Federal Reserve Chairman Jerome Powell stated that the Federal Reserve would indefinitely stick with an extended pause on rate changes and there would be no rate hikes for the remainder of 2019. At the same time, Fed officials downgraded US GDP growth rate from +2.3% to +2.1% for 2019. The more dovish stance coincides with the world economy facing increased risk of a slowdown across several of its geographies.

Microequities Global Value Microcap Fund returned -3.55% in March; this brings the total return net of fees to 23.37% for the Fund since inception in December 2015.

Market prices increased for our largest investee company, however there was broad market price declines across the rest of the Fund holdings. The month also saw an overall currency headwind of around 60 basis points. From a fundamental perspective, two of our technology investee companies published financial reports. One of these two companies is the second largest investment held by the Fund and currently represents 5% weighting. This business which is in the financial treasury software sector, delivered 55% EPS growth for the FY18 year, grew its revenue by +18.6% and expanded EBIT margins to 31.6% from 29.2% previously. Outlook is positive for the company and we plan to increase our investment in this growing business. The second technology company that reported FY18 results is a German transport software company and represents a 2.7% weighting (11th largest investment for the Fund). The company reported just under 10% revenue growth, with EBIT margins rising from 7.8% to 8.6% and EPS growing by 24%. This was a commendable result though we will be lowering the overall investment in the company after a strong run up in the share price of almost 50% over the past six months. We have yet to deploy capital into a new global software business but our intention is to look deploy capital over the coming months.

Projected EPS Growth 1 Year Forward (on a weighted basis)	+18.5%
Projected EPS Growth 2 Years Forward (on a weighted basis)	+17.5%

Number of companies	36
Top 5 Holdings % of NAV	25.1%
Top 10 Holdings % of NAV	42.2%
Top 20 Holdings % of NAV	65.2%
Cash Position % of NAV	20.9%

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.