

GLOBAL VALUE

MICROCAP FUND

MICROEQUITIES
ASSET MANAGEMENT

MONTHLY PERFORMANCE AS AT 29/02/2016

latest unit price \$0.9895	return 1 month +1.08%	return 3 months -1.05%	return since inception -1.05%
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FUND OUTLINE

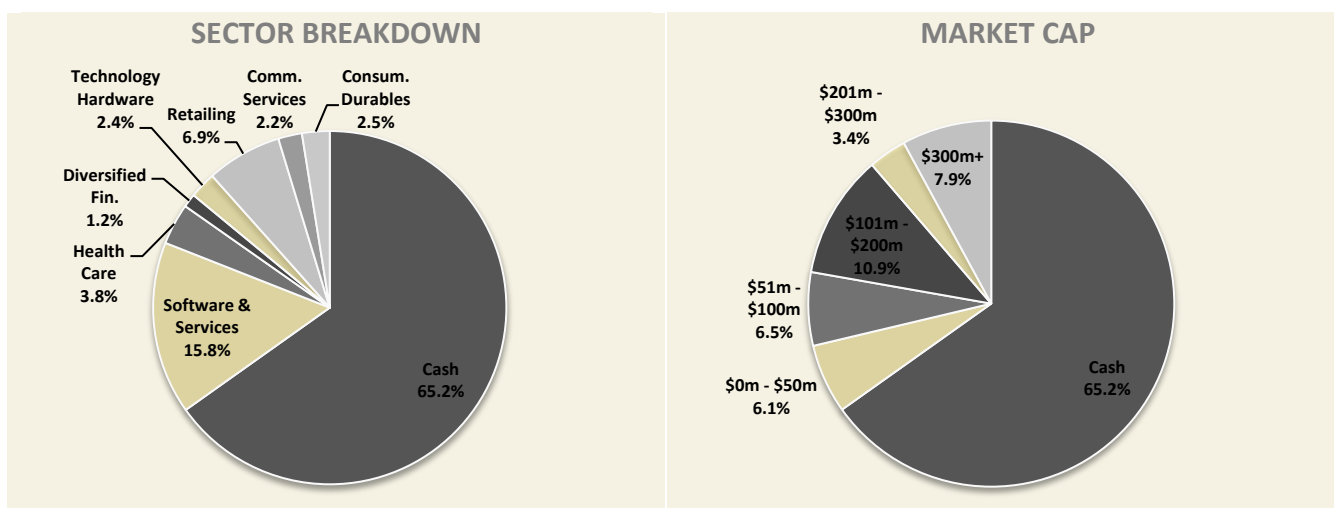
Fund Manager:
Carlos Gil (CIO)

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 States	32%	11%
	Europe	28%	10%
	United Kingdom	14%	5%
	New Zealand	11%	4%
	Israel	8%	3%
	Australia	6%	2%

	1 Month	2 Month	3 Month	Total since inception	Compound p.a. since Inception
GVMF	1.08%	-2.19%	-1.05%	-1.05%	-%
MSCI	-0.72%	-6.32%	-7.56%	-7.56%	-%
Outperformance	1.81%	4.13%	6.51%	6.51%	-%



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MARKET UPDATE AND COMMENTARY

Whilst we expect Australia's economy to continue to grow at trend-like growth rates between 2.0-2.5% for 2016, the likelihood of an interest rate rise during this year has been lowered. We therefore expect to continue to enjoy an expansionary monetary policy with the consequent benign interest rate environment that can best be defined as "lower for longer". By any objective assessment Australia is managing its post-resources boom transition with admirable robustness, with many services industries enjoying strong demand growth.

Microequities Global Value Microcap Fund returned +1.08% versus the MSCI World Microcap Index (AUD) -0.72% in February; this brings the total return net of fees to -1.05% for the Fund since inception in December 2015 compared to -7.56% for the MSCI World Microcap Index (AUD).

During the month we continued to deploy capital across the 23 business partnerships we own in the Global Value Fund. The core of the portfolio has been built but we expect to increase the number of business partnerships over coming months. The cash position remains high due to large fund inflows in the month, but the cash position both in absolute and relative terms is expected to decline over coming months.

Because of the different equity markets that the Global Fund invests in there is no uniform reporting period. Consequently some of the business partnerships reported quarterly and half year numbers but the reporting period varies from market to market. We are pleased with the earnings results of some of the European investee companies which have validated the thematic of their respective investment case. Of course it is very early days into our investment and one reporting season does not make a company. We are however seeing significant undervalued metrics across the global universe.

Projected EPS Growth FY16	+12.1%
Projected EPS Growth FY17	+20.3%

Number of companies 23	
Top 5 Holdings % of NAV	14.8%
Top 10 Holdings % of NAV	25.4%
Top 20 Holdings % of NAV	34.0%
Cash Position % of NAV	65.2%

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 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.