


GLOBAL VALUE

MICROCAP FUND



MONTHLY PERFORMANCE AS AT 30/04/2019

latest unit price \$1.2898	return since inception 31.44%	return 1 month 6.54%	 monthly currency impact TAILWIND LOW (0-1%)
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FUND OUTLINE

Fund Manager:

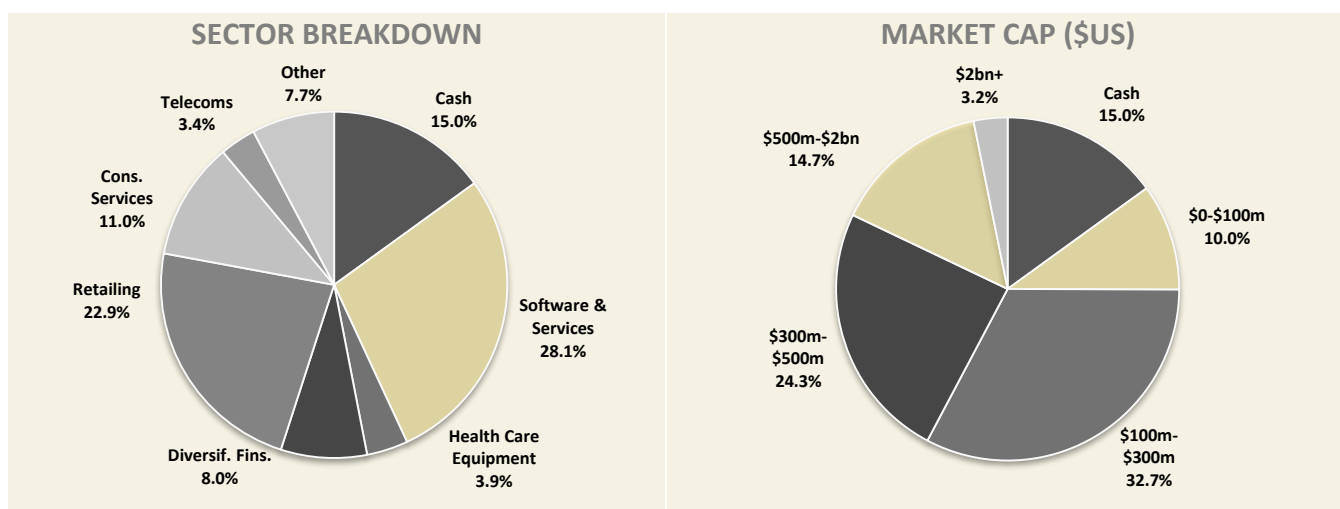
Carlos Gil (CIO)

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	36.1%	30.6%
	United States	24.3%	20.6%
	Cont. Europe	29.6%	25.2%
	Australia	5.0%	4.3%
	Canada	3.6%	3.1%
	New Zealand	1.4%	1.2%
	Total	100%	85.0%

	Total since inception	Compound p.a. since inception	3 Year	2 Year	1 Year	1 Month
GVMF	31.44%	8.33%	10.20%	7.47%	-0.05%	6.54%



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MARKET UPDATE AND COMMENTARY

The world's two largest economies have started 2019 with strong momentum. The US economy powered back to strong growth in the 1st quarter of 2019, with GDP rising at an adjusted annual rate of 3.2%. The 1st quarter number marks a significant improvement on the 4th quarter 2018 GDP number of 2.2%. Whilst the headline number looks strong, there is a caveat; the key consumer spending segment of the economy which makes up circa 70% of the US economy slowed to 1.2%, down from 2.5% in the previous quarter. Following the positive momentum in the US was China's GDP figures, which expanded at an annual pace of 6.4% during the first three months of 2019. The improvement in the Chinese economy follows concerted efforts by the government to stimulate the economy. Economic growth was powered by a sharp increase in investment and industrial production which surged 8.5% year on year. Other economic data suggests that the Chinese economy will improve the pace of expansion over the rest of 2019.

Microequities Global Value Microcap Fund returned 6.54% in April; this brings the total return net of fees to 31.44% for the Fund since inception in December 2015.

It was an active month for the Fund, divesting out of UK based pension administrator, **Curtis Banks PLC (LON:CBP)**, after we were unable to secure a meaningful stake at attractive prices. This position represented only 0.3% of the Fund's assets prior to its sale. We also successfully divested out of US software technology company, **GlobalSCAPE Inc (NYSE:GSB)**. The divestment comes after a successful investment term and a share price appreciation that the investment management team deemed to be in excess of the fair value of the business.

Replacing these two companies are two exciting new entrants into the Fund. The first is a fintech payments business out of the UK which is rapidly growing its business, has a low cost operating model and is disintermediating the incumbent banks. We expect the company to deliver EPS growth of over 30% over the next two financial years. The second company is the fastest growing German online broking business that has recently expanded into the Netherlands. The company can aggressively undercut its online competitors due to its integrated business model that includes a self-developed core banking system and a fully fledged bank with automated settlement and clearing processes. We expect profitability of the business to increase by 50% over the next two financial years.

Projected EPS Growth 1 Year Forward (on a weighted basis)	+18.7%
Projected EPS Growth 2 Years Forward (on a weighted basis)	+17.5%

Number of companies	36
Top 5 Holdings % of NAV	28.6%
Top 10 Holdings % of NAV	45.9%
Top 20 Holdings % of NAV	70.1%
Cash Position % of NAV	15.0%

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.