


GLOBAL VALUE

MICROCAP FUND



MONTHLY PERFORMANCE AS AT 30/09/2019

latest unit price \$1.1362	return since inception 27.61%	return 1 month 0.49%	 monthly currency impact HEADWIND LOW (0-1%)
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FUND OUTLINE

Fund Manager:

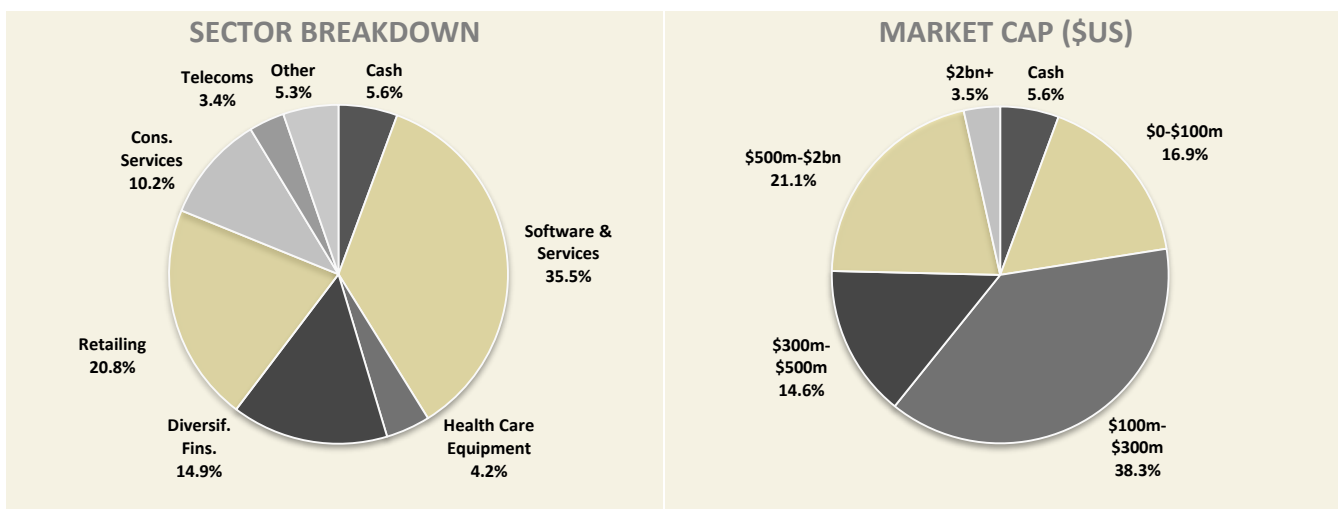
Carlos Gil (CIO)

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	31.1%	29.3%
	United States	21.2%	20.0%
	Cont. Europe	37.0%	34.9%
	Australia	6.2%	5.9%
	Canada	3.2%	3.0%
	New Zealand	1.3%	1.2%
	Total	100%	94.3%

	Total since inception	Compound p.a. since inception	3 Year	2 Year	1 Year	1 Month
GVMF	27.61%	6.57%	8.48%	5.85%	-5.24%	0.49%



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MARKET UPDATE AND COMMENTARY

Chinese manufacturing activity rebounded in the month of September thanks to improved domestic demand despite overseas orders dropping. China's PMI (Purchasing Managers Index) rose from 49.5 in August to 49.8 in September. Notwithstanding the improvement, a PMI figure below 50 still denotes a contraction in manufacturing activity. Earlier this year, the Chinese government introduced a range of fiscal stimulus initiatives as it seeks to offset a challenging export market as a result of the US-Sino trade war. The manufacturing sector was also a primary receiver of large tax reductions. In June, the government also introduced various consumer stimulus measures for a range of important economic product categories such as electric vehicles, 5G mobile devices and home appliances. The bigger picture is to shift the balance of economic growth to a more domestic consumption led economy. This transition is already taking place; in 2018, consumption growth contributed to 76.2% of China's GDP growth. In the context of a more uncertain external export market, this is a timely transition.

Microequities Global Value Microcap Fund returned 0.49% in September; this brings the total return net of fees to 27.61% for the Fund since inception in December 2015.

During the month of September, the investment team successfully divested out of two companies; **software company, Itesoft S.A (EPA:ITE) and global market research and consulting group Ipsos Group S.A. (EPA:IPS)**. Itesoft has been slowly sold down over the last year and the Fund only held a residual marginal stake. The sale of Ipsos comes after a material appreciation in its market value which represented a slight premium to fair value deemed satisfactory for the investment management team to exit the investment.

During the month, our largest investee company in the Fund posted its 1H19 results. This continental European company which provides specialist financial and treasury software posted strong results with revenue and EBITDA growth of 8% and 17% respectively. Pleasingly during the period, the company added 30 new customers. The investee company represents 7.6% of the net assets of the Fund.

The investment management team has identified several potential investment opportunities which are currently being researched further to scope their viability for inclusion in the Fund.

Projected EPS Growth 1 Year Forward (on a weighted basis)	+20.4%
Projected EPS Growth 2 Years Forward (on a weighted basis)	+19.0%

Number of companies	34
Top 5 Holdings % of NAV	30.6%
Top 10 Holdings % of NAV	53.0%
Top 20 Holdings % of NAV	79.4%
Cash Position % of NAV	5.6%

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.