

GLOBAL VALUE

MICROCAP FUND



MONTHLY PERFORMANCE AS AT 31/10/2019

latest unit price \$1.1762	return since inception 32.11%	return 1 month 3.52%	 monthly currency impact TAILWIND LOW (0-1%)
--------------------------------------	---	--------------------------------	--



FUND OUTLINE

Fund Manager:

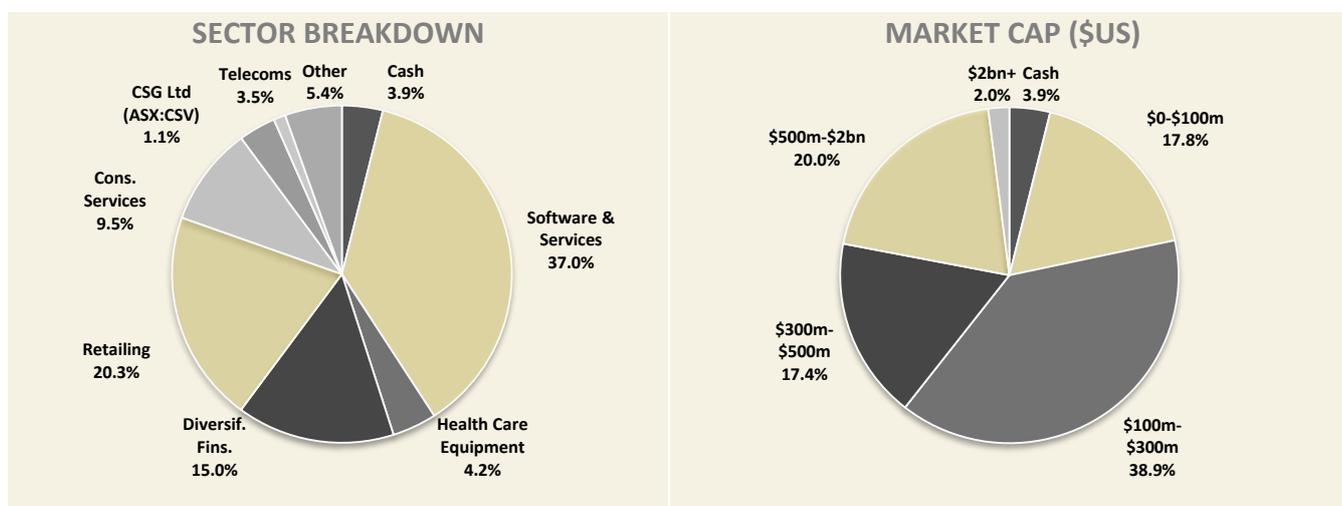
Carlos Gil (CIO)

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	32.6%	31.4%
	United States	18.1%	17.4%
	Cont. Europe	38.1%	36.6%
	Australia	5.9%	5.7%
	Canada	3.9%	3.7%
	New Zealand	1.4%	1.3%
	Total	100%	96.1%

	Total since inception	Compound p.a. since inception	3 Year	2 Year	1 Year	1 Month
GVMF	32.11%	7.37%	10.02%	5.63%	1.68%	3.52%



GLOBAL VALUE

MICROCAP FUND



MARKET UPDATE AND COMMENTARY

Whilst the Australian stock market fell for the month, the US equity market nudged into record territory as a Sino-US trade deal, at least an interim one, looks more likely. If that wasn't enough, the Federal Reserve continued its dovish monetary stance by undertaking its third interest rate cut in 2019, cutting its benchmark funds rate by 25 basis points to a range of 1.5% to 1.75%. The Federal Reserve is now likely to pause on further cuts to the benchmark funds rate. Across the Atlantic, the chances of a no-deal Brexit look low as Britons will face another political election that is likely to determine whether Boris Johnson's proposed EU deal will be ratified by parliament. Whatever the UK election outcome, we view the possibility of a no deal Brexit as low. The economic impact of Johnson's proposed Brexit deal remains unclear and is subject to significant debate. The UK will still need to negotiate a long-term trade agreement with the EU. However, over the short term, the ratification of the deal would remove uncertainty and likely lead to a boost of investment in Britain and overall investor confidence.

Microequities Global Value Microcap Fund returned 3.52% in October; this brings the total return net of fees to 32.11% for the Fund since inception in December 2015.

We started accumulating two new companies in the Fund this month. The first is a mining software technology company with a substantial market share in its niche vertical. The company has best of breed software and its long-term growth pathway is expected to come from growth into adjacent product verticals. The business has a high-quality SaaS business model with strong customer retention and visible revenue streams. The second company is a pharmaceutical business focused on prescription products for acute hospital care. It distributes its products both directly through a 40+ salesforce and through distribution partners. We believe their product portfolio will provide the business with a strong growth runway whilst the current entry price embeds only a small downside risk in the event of unsuccessful execution. The combination of these two factors make it highly attractive from a risk/reward relationship.

Currently these two new companies make up 1% of the total Fund's asset, however the investment management team will seek to increase the investment over the course of the next few months, price permitting.

Projected EPS Growth 1 Year Forward (on a weighted basis)	+19.4%
Projected EPS Growth 2 Years Forward (on a weighted basis)	+18.3%

Number of companies	36
Top 5 Holdings % of NAV	32.0%
Top 10 Holdings % of NAV	53.9%
Top 20 Holdings % of NAV	79.7%
Cash Position % of NAV	3.9%

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.