


GLOBAL VALUE

MICROCAP FUND



MONTHLY PERFORMANCE AS AT 31/12/2019

latest unit price \$1.2637	return since inception 41.93%	return 1 month 2.96%	 monthly currency impact HEADWIND MODERATE (1-3%)
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FUND OUTLINE

Fund Manager:

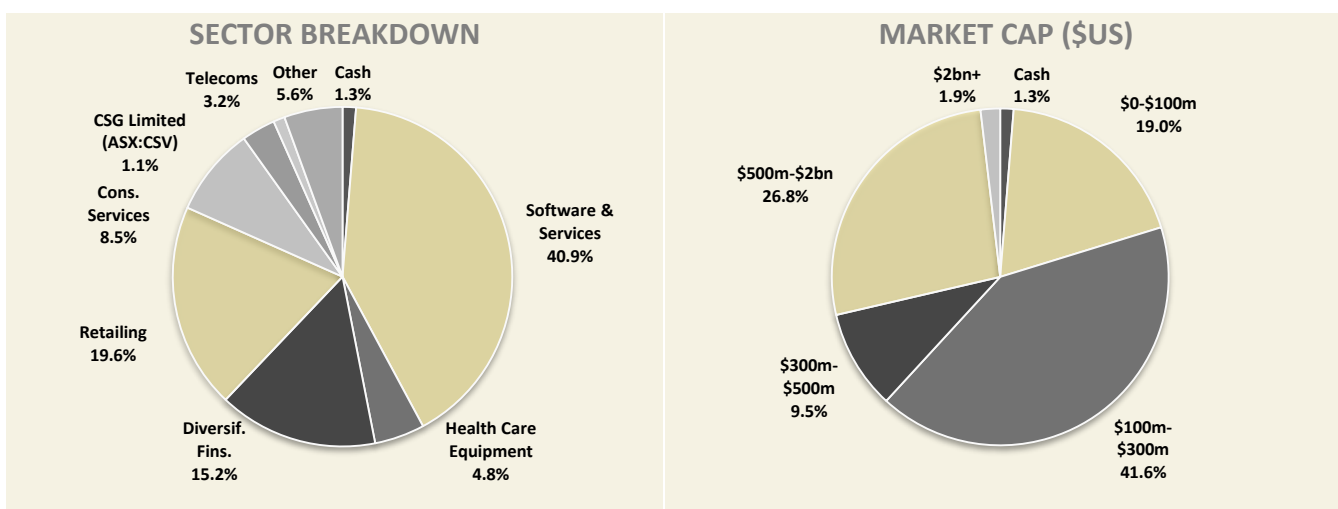
Carlos Gil (CIO)

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	31.8%	31.3%
	United States	16.3%	16.1%
	Cont. Europe	37.7%	37.2%
	Australia	5.7%	5.7%
	Canada	4.9%	4.8%
	New Zealand	3.6%	3.6%
	Total	100%	98.7%

	Total since inception	Compound p.a. since inception	3 Year	2 Year	1 Year	1 Month
GVMF	41.93%	8.95%	8.70%	6.97%	14.53%	2.96%



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MARKET UPDATE AND COMMENTARY

December provided financial markets with two important positives; an in-principle phase one Sino-US trade agreement and a UK election result that provides a clear Brexit mandate. The in-principle phase one trade deal winds back some of the US imposed tariffs on Chinese goods to 7.5% whilst also suspending new planned tariffs on a range of goods. It also includes some intellectual property protection measures sought by the US and solidifies the enforcement regime with a framework similar to what the US has with other trading partners. The agreement is more substantive than previously thought but leaves out contentious issues such as state subsidies, digital trade, manufacturing sector imbalances and data localisation restrictions. The second event, the British election was a de facto second referendum on Brexit and removed a significant nascent economic risk to the world economy; the possibility of radical anti-free market policies being enacted upon the British economy. Had the Labor Party won government a series of radical anti-free market economic policies would have been enacted including moving to a 32-hour week, the nationalisation of UK utilities, giving 10% of shares of companies to workers and massively growing the size of government. The British electorate voted in favour of common sense and rejected the Labor Party's manifesto.

Microequities Global Value Microcap Fund returned 2.96% in December; this brings the total return net of fees to 41.93% for the Fund since inception in December 2015.

Our main investee company in the healthcare sector reported its FY19 results. The UK based company delivered underlying EPS growth of 7.2% and increased its dividend by 6.4%. The company made a major acquisition during the financial year and we expect growth to accelerate into FY20 and FY21. This business is a founding constituent business in the Global Value Microcap Fund, currently representing 4.2% of the total assets of the fund. We continue to be happy owners of this business.

During the month we added to our holdings in a mining technology and a pharmaceutical business discussed in October's monthly update. Both companies now make up 2.4% of the fund's total assets. The accumulation phase has however been challenging, particularly in the pharmaceutical company which has very low daily volumes. We have also begun to deploy capital in a new business in the hospitality and resort sector. Currently this business represents 0.6% of the fund's assets and our stake will be amassed gradually and patiently.

Projected EPS Growth 1 Year Forward (on a weighted basis)	+22.1%
Projected EPS Growth 2 Years Forward (on a weighted basis)	+19.3%

Number of companies	36
Top 5 Holdings % of NAV	32.4%
Top 10 Holdings % of NAV	53.9%
Top 20 Holdings % of NAV	81.5%
Cash Position % of NAV	1.3%

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.