


GLOBAL VALUE

MICROCAP FUND



MONTHLY PERFORMANCE AS AT 29/02/2020

latest unit price \$1.2041	return since inception 35.24%	return 1 month -7.12%	 monthly currency impact TAILWIND MODERATE (1-3%)
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FUND OUTLINE







Fund Manager:

Carlos Gil (CIO)

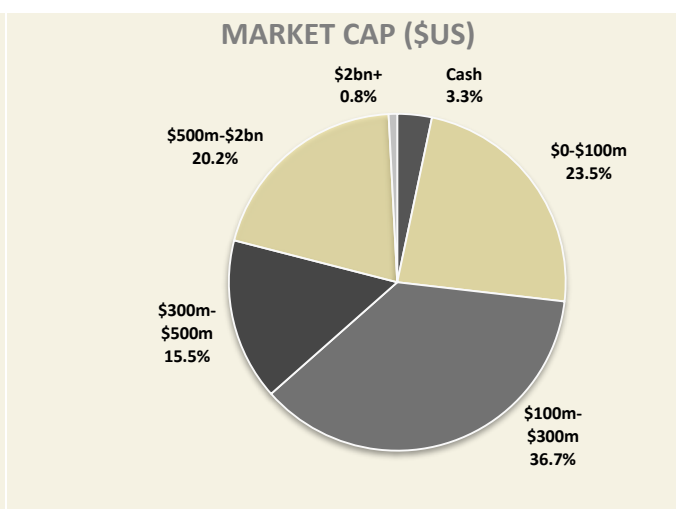
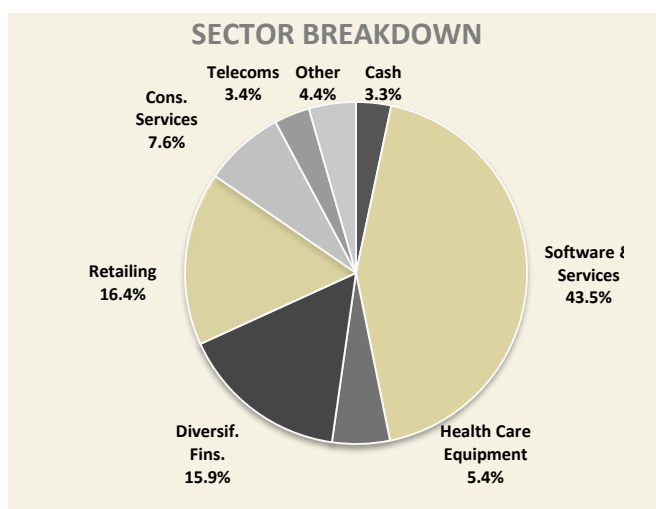
The Global Value Microcap Fund is a wholesale fund investing in a selection of undervalued, profitable and growing companies listed in predominantly advanced economies around the world.

COUNTRY BREAK UP

% of NAV

	United Kingdom	29.1%
	United States	16.3%
	Cont. Europe	38.6%
	Australia	4.2%
	Canada	4.9%
	New Zealand	3.6%
	Cash	3.3%
	Total	100.0%

	Total since inception	Compound p.a. since inception	3 Year	2 Year	1 Year	1 Month
GVMF	35.24%	7.36%	7.87%	3.16%	5.73%	-7.12%



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MARKET UPDATE AND COMMENTARY

February in Australia marks the first half reporting season for most ASX companies. However, as the month progressed the focus of equity markets shifted to developments surrounding the spread of a novel coronavirus, Covid-19. Earnings reports of companies took a back seat as financial markets attempted to grasp the economic impact of Covid-19 and its potential disruptive effects to societies and economies. By the end of the month markets shifted significantly down as concerns increased about Covid-19's potential to disrupt economies. The situation continues to be fluid. The likelihood is Covid-19 will stay front of mind of markets for some time. We expect the number of cases outside of China to continue to rise over coming months. There is likely to be strong state responses to attempt to contain the spread. While these measures are contextually understandable, ultimately the virus does not pose a serious threat to civilisation, though the duration of its disruption is uncertain. As in all market shocks, market pricing reactions for some companies will be unruly and disproportionate. Successful equity investing requires a long-term focus of buying quality businesses with strong fundamentals that can compound earnings throughout the peaks and troughs of markets cycles. The troughs inevitably open windows of immense opportunity for the patient investors like ourselves.

Microequities Global Value Microcap Fund returned -7.12% in February; this brings the total return net of fees to 35.24% for the Fund since inception in December 2015.

We fully exited two investee companies. One of them is an online travel agent (OTA) and the exit was undertaken for reasons unrelated to Covid-19 outbreak. We continue to own two other OTA in the Fund (eDreams been one of the OTAs within the portfolio). Whilst Covid-19 will impact the travel industry over the short term, our investment in these OTAs is underpinned by a long-term societal trend of increased travel as essential life experience and aided by an expanding global middle class.

The investment management team is actively monitoring a number of opportunities both already owned and those outside the fund. We expect the current pricing dislocation to continue over the short term and this will provide selective buying windows. The portfolio is strongly diversified and constituted by companies with strong fundamentals. Pricing turbulence is part of marked to market pricing dynamics and ultimately does not affect long term investment outcomes.

Projected EPS Growth 1 Year Forward (on a weighted basis)	+19.6%
Projected EPS Growth 2 Years Forward (on a weighted basis)	+16.7%

Number of companies	32
Top 5 Holdings % of NAV	36.2%
Top 10 Holdings % of NAV	56.5%
Top 20 Holdings % of NAV	83.5%
Cash Position % of NAV	3.3%

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.