

GLOBAL VALUE

MICROCAP FUND



MONTHLY PERFORMANCE AS AT 31/05/2020

latest unit price \$1.0829	return since inception 21.63%	return 1 month 5.64%	 monthly currency impact HEADWIND LOW (0-1%)
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FUND OUTLINE

Fund Manager:

Carlos Gil (CIO)

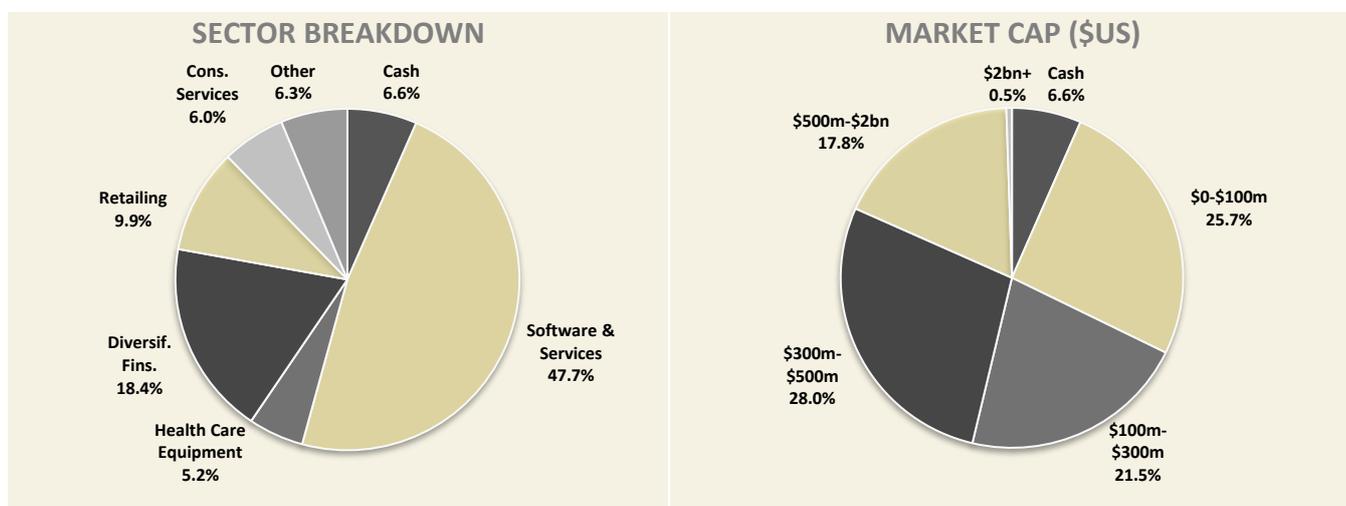
The Global Value Microcap Fund is a wholesale fund investing in a selection of undervalued, profitable and growing companies listed in predominantly advanced economies around the world.

COUNTRY BREAK UP

% of NAV

	United Kingdom	26.8%
	United States	16.1%
	Cont. Europe	40.4%
	Australia	4.8%
	Canada	1.3%
	New Zealand	4.0%
	Cash	6.6%
	Total	100.0%

	Total since inception	Compound p.a. since inception	3 Year	2 Year	1 Year	1 Month
GVMF	21.63%	4.45%	2.37%	-2.09%	-5.41%	5.64%



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MARKET UPDATE AND COMMENTARY

World equity markets continued their ascendancy during the month of May, buoyed by optimistic news flow regarding the phasing out of restrictions around some European countries and the semblance of some normality returning. Domestically, the effectiveness of the draconian control measures instigated by Federal and State governments have paid dividends. Australia is now facing a “best case scenario” with the number of active Covid-19 cases and contagion levels falling dramatically. In response to this positive evolution, state governments around the country have begun to implement loosening of restrictions, which will aid the economic recovery. Just how rapid and enduring the economic recovery will be, is still subject to a high level of uncertainty. We are however in a better place than eight weeks ago. Some sectors like tourism and education will still face enormous challenges until cross border travel restrictions are lifted. Encouragingly, the Federal government is looking to undertake economic reform aimed at removing red tape, including industrial and tax reform. An opportunity for Australia to come out of Covid-19 with a more competitive framework for sustainable economic growth is within our grasp.

Microequities Global Value Microcap Fund returned 5.64% in May; this brings the total return net of fees to 21.63% for the Fund since inception in December 2015.

Our German infrastructure software provider which represents 3.3% of the total assets of the Fund raised its EBIT forecast for FY20 from 10m Euro to at least 12m Euro. In a statement to the Frankfurt Stock Exchange the company also noted that its business has not been impacted by Covid-19.

Our UK car dealership investee company which currently represents 1.7% of the total assets of the Fund provided a trading update during the month. Its dealerships which had been closed because of the British government’s dictum, begun to reopen and currently has just over 70% of dealerships operating. The balance sheet remains lowly leveraged and the business is in a strong financial position to capitalise on trading opportunities with many of its competitors in a weakened financial position.

Our US email software security investee company which represents 6.1% of the total assets of the Fund reported its 1QFY21 financial results during the month. Organic revenue growth was +15%, Adjusted EBITDA increased by +91% and its adjusted EPS grew by +75%. The company is on track to deliver strong year on year organic revenue growth and double digit EPS growth.

Projected EPS Growth 1 Year Forward (on a weighted basis)	+6.3%
Projected EPS Growth 2 Years Forward (on a weighted basis)	+7.5%

Number of companies	31
Top 5 Holdings % of NAV	42.4%
Top 10 Holdings % of NAV	60.9%
Top 20 Holdings % of NAV	84.4%
Cash Position % of NAV	6.6%

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.