


GLOBAL VALUE

MICROCAP FUND



MONTHLY PERFORMANCE AS AT 30/06/2020

latest unit price \$1.1130 Cum-distribution	return since inception 25.01%	return 1 month 2.78%	 monthly currency impact HEADWIND MODERATE (1-3%)
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FUND OUTLINE







Fund Manager:

Carlos Gil (CIO)

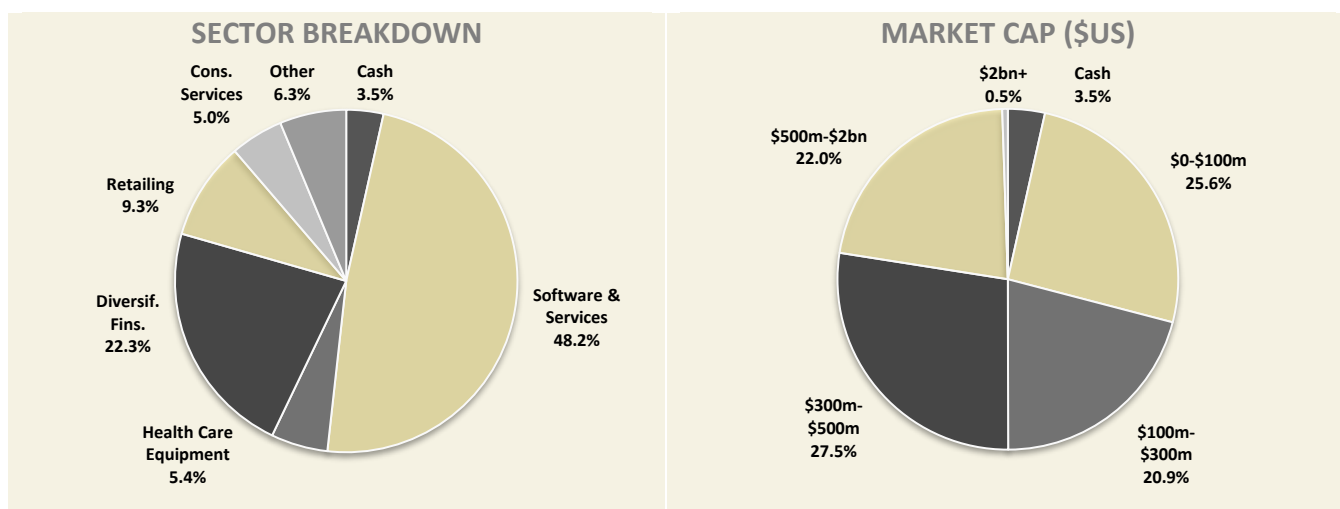
The Global Value Microcap Fund is a wholesale fund investing in a selection of undervalued, profitable and growing companies listed in predominantly advanced economies around the world.

COUNTRY BREAK UP

% of NAV

	United Kingdom	25.9%
	United States	14.9%
	Cont. Europe	44.5%
	Australia	5.0%
	Canada	1.3%
	New Zealand	4.9%
	Cash	3.5%
	Total	100.0%

	Total since inception	Compound p.a. since inception	3 Year	2 Year	1 Year	1 Month
GVMF	25.01%	4.99%	3.73%	-1.92%	-4.19%	2.78%



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MARKET UPDATE AND COMMENTARY

Europe, Asia and North America face different Covid-19 dynamics and by consequence different short-term economic outlooks. Europe which bore the brunt of new cases early in the pandemic is progressively relaxing restrictions and consumer consumption data in its major economies all point to a substantial recovery in spending behaviour. Asia, whilst facing different regional undercurrents, is experiencing a recovery in major economies with China and South Korea leading the economic recovery. Effective management of the pandemic outbreaks allowed their economies to reopen earlier. Japan which is a more export reliant economy faces a harder road to recovery as domestic demand resurgence will not offset the sharp fall in exports. The US is now experiencing a sharp rise in new Covid cases, potentially endangering the unlocking of its economic activity.

The likely scenario is regional outbreaks of Covid will continue to be experienced across the world, but it is improbable that state responses will be as aggressive as the shutdowns enacted at the beginning of the pandemic. We have likely entered a “management phase” of the pandemic with less severe government intrusion upon the economic system.

Microequities Global Value Microcap Fund returned 2.78% in June; this brings the total return net of fees to 25.01% for the Fund since inception in December 2015.

The two remaining online travel businesses in our Global Value Microcap Fund undertook capital raisings during the month as both businesses sought to strengthen their respective balance sheet in the face of adverse trading conditions because of Covid 19 restrictions. The aggregate weighting of both businesses account for 5.3%. The investment management team remains supportive of both investments and believe that both businesses have significant competitive advantages and improved competitive position as the travel industry slowly moves towards normality.

Our UK based healthcare business, **Caretech Holdings (LON:CTH)** posted 1H20 financial results during the month. The company grew revenue by +8.3%, EBITDA by +24.5% and NPAT by +20.1%. Free cashflow also improved markedly and maintained a stable dividend. The company has been unaffected by Covid-19. Caretech has been in the Fund since inception and has delivered both a consistent and solid return. We continue to be supportive of the investment and note the business has a defensive business model in the disability and foster care sector in the UK.

Projected EPS Growth 1 Year Forward (on a weighted basis)	+10.5%
Projected EPS Growth 2 Years Forward (on a weighted basis)	+9.3%

Number of companies	31
Top 5 Holdings % of NAV	47.1%
Top 10 Holdings % of NAV	66.3%
Top 20 Holdings % of NAV	87.9%
Cash Position % of NAV	3.5%

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.