


GLOBAL VALUE

MICROCAP FUND



MONTHLY PERFORMANCE AS AT 31/08/2020

latest unit price \$1.1672	return since inception 37.82%	return 1 month 4.99%	 monthly currency impact HEADWIND MODERATE (1-3%)
--------------------------------------	---	--------------------------------	---



FUND OUTLINE







Fund Manager:

Carlos Gil (CIO)

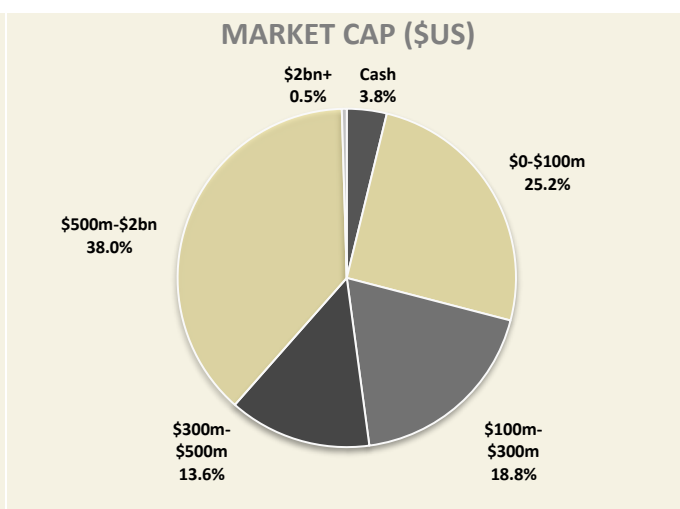
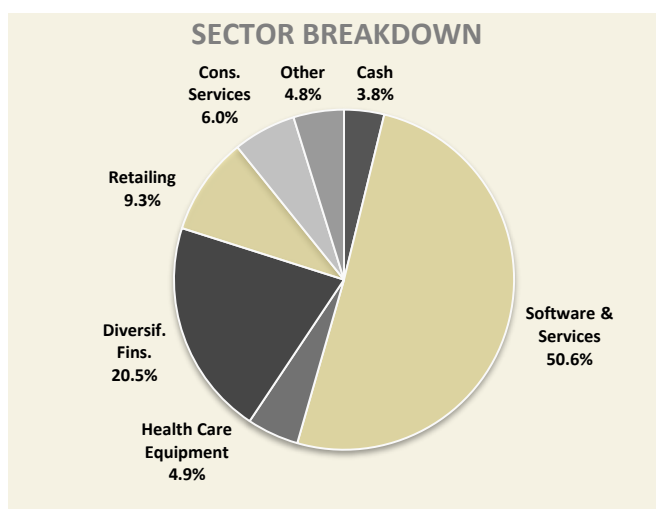
The Global Value Microcap Fund is a wholesale fund investing in a selection of undervalued, profitable and growing companies listed in predominantly advanced economies around the world.

COUNTRY BREAK UP

% of NAV

	United Kingdom	27.0%
	United States	14.4%
	Cont. Europe	44.9%
	Australia	4.0%
	Canada	1.4%
	New Zealand	4.5%
	Cash	3.8%
	Total	100.0%

	Total since inception	Compound p.a. since inception	3 Year	2 Year	1 Year	1 Month
GVMF	37.82%	6.99%	7.43%	0.16%	8.52%	4.99%



GLOBAL VALUE

MICROCAP FUND



MARKET UPDATE AND COMMENTARY

The Chinese economy is recovering quickly from the effects of the Covid-19 pandemic. In data published last week, domestic air travel bookings are at 98% of the level of 2019, marking the first domestic aviation market anywhere in the world that is back to normal pre-Covid levels. The aviation data is coherent with the recovery seen across the overall Chinese economy which expanded by +3.2% in the second quarter of 2020. Interestingly some major luxury brands across fashion to car manufacturing have reported double digit revenue growth in China over the second quarter. The Chinese economy was of course the first economy to feel the brunt of the effects of the Covid-19 so its recovery will be an indicator of the potential speed of recovery in other economies that manage to contain Covid-19.

Microequities Global Value Microcap Fund returned 4.99% in August; this brings the total return net of fees to 37.82% for the Fund since inception in December 2015.

The Global Value Microcap Fund undertook various sell downs during the month. Some of these were related to portfolio recalibrating after strong rises in share prices allowing us to slightly raise our cash position, but we also decided to fully exit two industrial businesses. One of them was **Nilorngruppen AB (NILB:SS)**, which was completely exited during the month. The other full sell down is UK based industrial fluids business, **Flowtech (FLOW:LON)**. We have currently sold approximately 90% of our stake in this business and expect to fully exit the investment over the next month. Both businesses have not performed to our expectations and we can best redeploy the capital to more productive investments.

Offsetting these sell actions, we also added to our new investment in the Global Value Microcap Fund. We have acquired a stake in a German online retailer that is currently growing its revenue at strong double-digit rates whilst the German and European markets remain relatively underpenetrated compared to other markets. The initial stake in this business represents 2% of the total assets of the Fund.

The investment team continues to research several new potential investments which might result in new additions to the Fund over the ensuing months.

Projected EPS Growth 1 Year Forward (on a weighted basis)	+7.5%
Projected EPS Growth 2 Years Forward (on a weighted basis)	+15.2%

Number of companies	31
Top 5 Holdings % of NAV	46.3%
Top 10 Holdings % of NAV	66.3%
Top 20 Holdings % of NAV	89.3%
Cash Position % of NAV	3.8%

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.