

# GLOBAL VALUE

## MICROCAP FUND



### MONTHLY PERFORMANCE AS AT 31/12/2020

latest unit price <b>\$1.4163</b>	return since inception <b>67.23%</b>	return 1 month <b>5.80%</b>	 monthly currency impact <b>HEADWIND MODERATE (1-3%)</b>
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#### FUND OUTLINE

Fund Manager:

Carlos Gil (CIO)

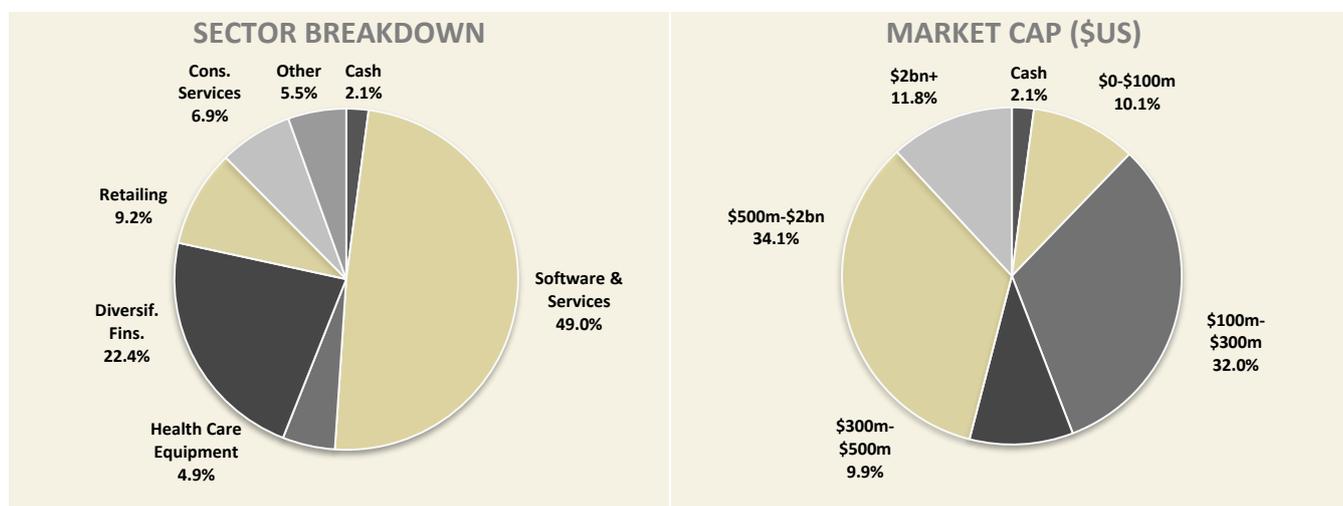
The Global Value Microcap Fund is a wholesale fund investing in a selection of undervalued, profitable and growing companies listed in predominantly advanced economies around the world.

#### COUNTRY BREAK UP

% of NAV

	United Kingdom	27.7%
	United States	15.7%
	Cont. Europe	45.4%
	Australia	3.7%
	Canada	1.1%
	New Zealand	4.3%
	Cash	2.1%
	<b>Total</b>	<b>100.0%</b>

	Total since inception	Compound p.a. since inception	5 Year	3 Year	2 Year	1 Year	1 Month
<b>GVMF</b>	<b>67.23%</b>	<b>10.65%</b>	<b>10.57%</b>	<b>10.47%</b>	<b>16.17%</b>	<b>17.82%</b>	<b>5.80%</b>



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### MARKET UPDATE AND COMMENTARY

Financial markets digested two significant events during the month: The US presidential election outcome and Brexit. The US presidential election outcome was not a surprise to financial markets which were also imbued with confidence given the status quo result in the chambers. A Republican held Senate and a Democrat majority House of Representatives will continue. Across the Atlantic, it was a case of relief. After years of arduous, tenacious and at times strenuous negotiations, the European Commission and UK finally agreed on a Brexit pathway that will see the UK leave the EU after 47 years of membership. The main elements of the deal focuses on capital and goods both of which will still be able to move freely between the EU and UK. The deal will see the end of the free movement of people within the bloc, however services, which makes up to 80% of the UK economy have to a significant degree been left out of the agreement and will require further negotiations between the parties. Despite the shortcomings, the accord does however remove a significant risk element to financial markets and provides a more stable regulatory platform for companies to make investment decisions.

**Microequities Global Value Microcap Fund returned 5.80% in December; this brings the total return net of fees to 67.23% for the Fund since inception in December 2015.**

We are pleased to report that during the month of December the Fund purchased an initial stake in **Shotspotter Inc (NSDQ:SSTI)**. Shotspotter is a software technology business that uses a combination of acoustic sensors and AI software technology to detect, review and then inform law enforcement agencies of gunshot activity. Its core clients are police departments (principally across the US) which pay a subscription fee to Shotspotter for the service. The price of these services ranges from \$65,000 USD to \$75,000 USD per square mile per year. The business currently has around 770 square miles under contract. Only 5 to 10% of gunshots are reported in the US and its technology can provide a critical aide in assisting security and helping case closure rates. With a significant market leading position, a probable long term growth runway, an attractive SaaS business model and no financial debt on its balance sheet, the investment management team has taken an initial long term investment stake in this profitable growing business.

The new investment into Shotspotter Inc represents the second new investment by the Fund over the last six months. It takes the total number of investee companies to 30.

<b>Projected EPS Growth</b> 1 Year Forward (on a weighted basis)	<b>+14.6%</b>
<b>Projected EPS Growth</b> 2 Years Forward (on a weighted basis)	<b>+21.1%</b>

<b>Number of companies</b>	<b>30</b>
<b>Top 5 Holdings</b> % of NAV	<b>47.2%</b>
<b>Top 10 Holdings</b> % of NAV	<b>68.0%</b>
<b>Top 20 Holdings</b> % of NAV	<b>91.5%</b>
<b>Cash Position</b> % of NAV	<b>2.1%</b>

**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.