


# GLOBAL VALUE

## MICROCAP FUND



### MONTHLY PERFORMANCE AS AT 30/04/2021

latest unit price <b>\$1.6554</b>	return since inception <b>95.47%</b>	return 1 month <b>7.86%</b>	 monthly currency impact <b>TAILWIND LOW (0-1%)</b>
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#### FUND OUTLINE







Fund Manager:

Carlos Gil (CIO)

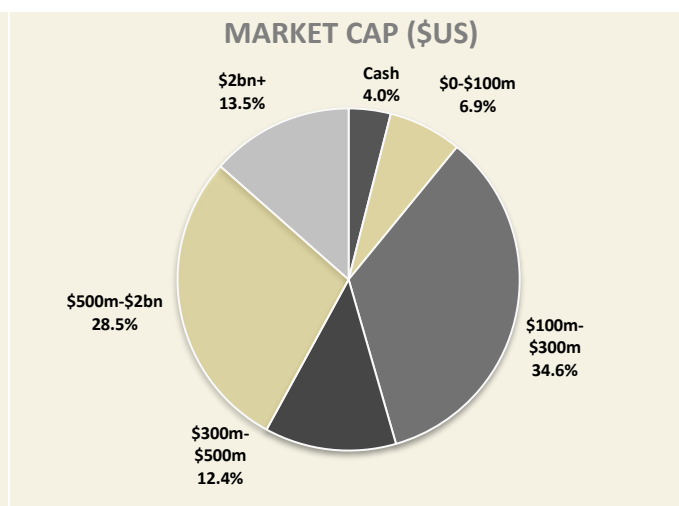
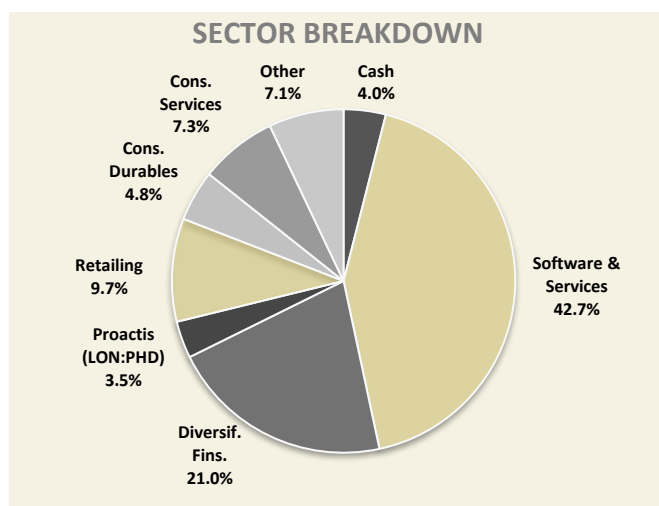
The Global Value Microcap Fund is a wholesale fund investing in a selection of undervalued, profitable and growing companies listed in predominantly advanced economies around the world.

#### COUNTRY BREAK UP

% of NAV

	United Kingdom	28.6%
	United States	15.5%
	Cont. Europe	43.3%
	Australia	2.9%
	Canada	1.1%
	New Zealand	4.6%
	Cash	4.0%
	<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>95.47%</b>	<b>13.17%</b>	<b>14.76%</b>	<b>14.13%</b>	<b>21.95%</b>	<b>69.77%</b>	<b>7.86%</b>



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### MARKET UPDATE AND COMMENTARY

As the economic recovery across the world gathers space, forward looking financial markets are increasingly focused on the outlook for inflation. The US March quarter CPI number was 2.6%, slightly above consensus. Stripping out energy and food prices, core inflation was 1.6%, also ahead of expectations. While the number is still significantly below the long-term core inflation range, the trend is clearly upward. The difficulty for financial markets is its currently very difficult to form a reasonable basis for what the inflationary climate will look like over the next 12 months, let alone 36 months. Covid-19 and then the subsequent government stimuli has distorted the underlying basis of economic activity, meaning extrapolating what is short term adulterated forces versus true underlying factors is a difficult exercise. Clouding the picture even further is supply chain disruption specially in Asia, increasing short term prices for many end consumer goods. Removing the distortive temporal effects and acknowledging demand is likely to increase means it is highly likely US core inflation will move above 2% over the medium term.

**Microequities Global Value Microcap Fund returned 7.86% in April; this brings the total return net of fees to 95.47% for the Fund since inception in December 2015.**

**UK-based Proactis Holdings PLC (LON:PHD) received a bid by UK private equity group Pollen Street Capital.** Pollen Street will acquire 100% of Proactis for 75 pence a share, a **79% premium to the last traded price of the company.** Proactis represents 3.5% of the assets of the Microequities Global Value Microcap Fund. The takeover is timely as cash proceeds from the sale of this asset will be quickly reinvested in several underinvested opportunities within the portfolio.

During the month, the investment team acquired a new company for the Fund taking the total number of companies to 31. The initial small stake in the business currently represents 0.3% of the total assets of the Fund. It is the intention of the investment team, subject to favourable pricing conditions, to materially increase this stake. Subject to a more meaningful stake being acquired in this business we will provide a more insightful overview of the investment opportunity.

<b>Projected EPS Growth</b> 1 Year Forward (on a weighted basis)	<b>+27.1%</b>
<b>Projected EPS Growth</b> 2 Years Forward (on a weighted basis)	<b>+11.3%</b>

<b>Number of companies</b>	<b>31</b>
<b>Top 5 Holdings</b> % of NAV	<b>43.2%</b>
<b>Top 10 Holdings</b> % of NAV	<b>62.3%</b>
<b>Top 20 Holdings</b> % of NAV	<b>86.4%</b>
<b>Cash Position</b> % of NAV	<b>4.0%</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.