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Microequities pushes into private deals with new \$50 million fund

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Small but mighty Microequities Asset Management is looking at an early close for a new \$50 million fund for private companies and those readying to go public early.

The 'Private to Beyond the IPO Fund' is the latest endeavour for the specialist fund manager, which exclusively invests in micro cap companies. The new fund will also hold positions in listed companies, but its focus will be on the private market.



Microequities CEO Carlos Gil says investing in private businesses was a natural extension for the boutique investment manager. **Brook Mitchell**

The boutique firm is in the market raising capital for the fund and is expected to bring forward the August 1 slated close thanks to investor demand.

The manager told potential investors it would target returns 15 per cent to 25 per cent annual returns, a minimum investment threshold of \$100,000 and a seven to 10 year recommended investment term.

Microequities Deep Value Fund has been running since March 2012 and has delivered an annual compound return, after fees, of 19.9 per cent per annum - 758.9 per cent since inception.

[Headed up by former head of international equities for Banesto \(part of Spanish multinational Santander Group\) Carlos Gil](#), Microequities has positions in listed companies such as Smartpay, which is up 33 per cent in the last year, and was an early investor in the pet services platform Mad Paws, which has traded down since listing earlier this year.

“Our public equity strategy, which is to buy substantial stakes in companies with a long-term five-year-plus investment and partnership approach is at its core is very similar to private equity investing. Launching a private equity strategy was therefore not only logical but a natural progression,” he said.

“There is going to be great industrial synergy from both owning public and private assets, including research synergies but also deal origination benefits. Many of the executives that we have backed and supported in the publicly listed space go on to start new businesses after they leave their public companies.”

Gil and the other Microequities principals will co-invest \$3 million in the fund.

Microequities has started making investments from the new fund, despite the raise still being under way.

Its first deal was a \$5 million investment in AI software company for supply and demand optimisation Complexica earlier this month.

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