


GLOBAL VALUE

MICROCAP FUND



MONTHLY PERFORMANCE AS AT 31/05/2021

latest unit price \$1.6418	return since inception 93.86%	return 1 month -0.82%	 monthly currency impact TAILWIND MODERATE (1-3%)
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FUND OUTLINE







Fund Manager:

Carlos Gil (CIO)

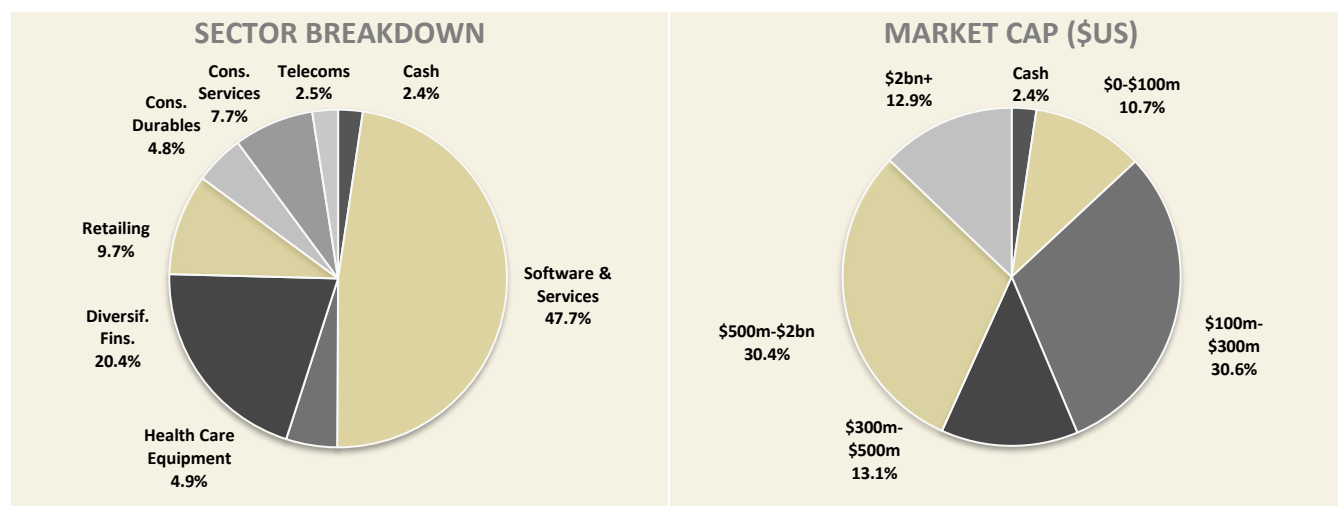
The Global Value Microcap Fund is a wholesale fund investing in a selection of undervalued, profitable and growing companies listed in predominantly advanced economies around the world.

COUNTRY BREAK UP

% of NAV

	United Kingdom	29.3%
	United States	17.1%
	Cont. Europe	42.3%
	Australia	3.4%
	Canada	1.1%
	New Zealand	4.4%
	Cash	2.4%
	Total	100.0%

	Total since inception	Compound p.a. since inception	5 Year	3 Year	2 Year	1 Year	1 Month
GVMF	93.86%	12.79%	14.42%	15.18%	22.79%	59.39%	-0.82%



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MARKET UPDATE AND COMMENTARY

During the first quarter of 2021, China's economy expanded at an annualised pace of +18.3%, the fastest rate of growth since 1993. During the same period, its exports surged by +38.1%, but behind the numbers there are some structural clouds. Chinese Covid-19 containment gave it a first mover advantage as it reopened its massive industrial productive capacity a lot earlier than its Western competitors. Some of those competitors, like the US and parts of Western Europe are now coming back to full capacity intensifying the competition for industrial exports. Outside of its strong export performance, retail sales look seemingly impressive growing at +33.9% compared to the same period last year, but had only grown +1.86% quarter on quarter. Household income in China is still unbalanced with large differences between its urban and regional populations. The Chinese population growth rate is also slowing. During the month of May its annual population growth slowed to +0.53%, continuing its long-term structural decline. These elements will present significant challenges in China's long term economic growth journey, which in fairness has been an incredibly impressive one.

Microequities Global Value Microcap Fund returned -0.82% in May; this brings the total return net of fees to 93.86% for the Fund since inception in December 2015.

Our US based investee company **ShotSpotter Inc. (NSDQ:SSTI)** reported 1QFY21 results. It delivered revenue growth of +44% and adjusted EBITDA of \$3.3m +53% year-on-year (YoY). The company added its shot detection platform to six new cities across the US. The company also experienced minor attrition below its 3% to 4% estimates. Management raised full year revenue guidance to \$60m to \$61m (previously \$58m to \$60m range).

Our UK based automotive dealer/retailer **Vertu Motors Plc (LON:VTU)** published its FY21 results. The company achieved a large increase in PBT of 206% to 22.4m GBP despite a decline of revenues of 21.6% to 2.5bn GBP thanks to cost reductions. It was a commendable result given the distortionary impact of Covid-19 in the UK market. Pleasingly the company has started FY22 strongly with solid cash flow generation and adjusted PBT of 19.2m GBP for the first two months of FY22.

We are pleased to report that during the month we were able to build on the new entrant into the Fund mentioned in April's update. The technology company creates software for digital identity verification and certain aspects of digital banking services. Currently the company represents 1.1% of the total assets of the Fund.

Projected EPS Growth 1 Year Forward (on a weighted basis)	+26.9%
Projected EPS Growth 2 Years Forward (on a weighted basis)	+14.1%

Number of companies	31
Top 5 Holdings % of NAV	42.0%
Top 10 Holdings % of NAV	61.9%
Top 20 Holdings % of NAV	87.1%
Cash Position % of NAV	2.4%

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.