


GLOBAL VALUE

MICROCAP FUND



MONTHLY PERFORMANCE AS AT 30/06/2021

latest unit price \$1.7050	return since inception 101.32%	return 1 month 3.85%	 monthly currency impact TAILWIND LOW (0-1%)
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FUND OUTLINE







Fund Manager:

Carlos Gil (CIO)

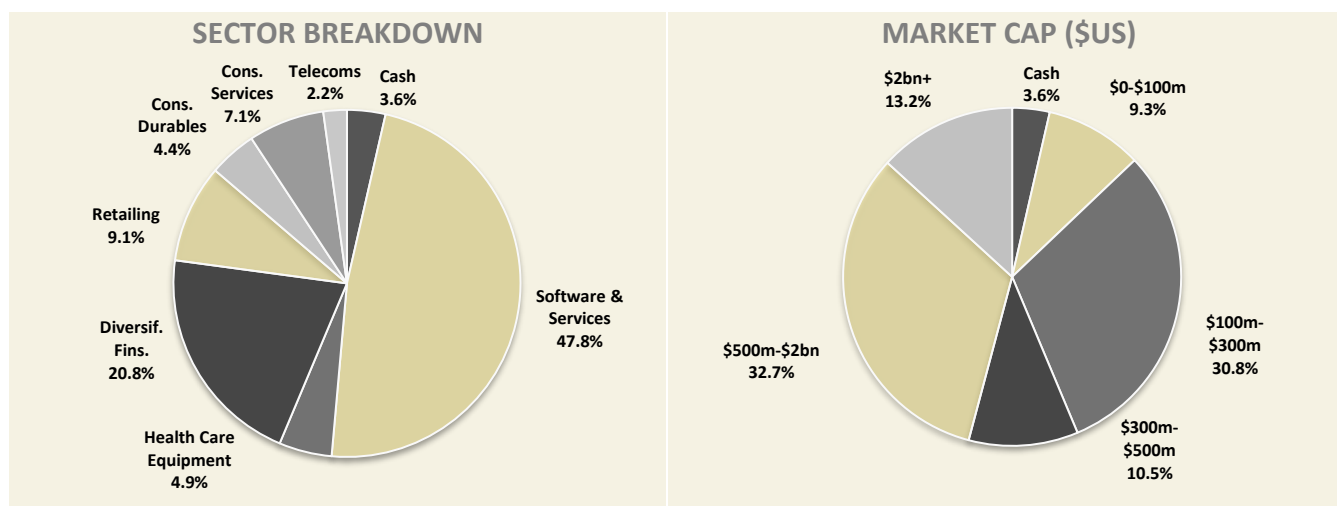
The Global Value Microcap Fund is a wholesale fund investing in a selection of undervalued, profitable and growing companies listed in predominantly advanced economies around the world.

COUNTRY BREAK UP

% of NAV

	United Kingdom	28.7%
	United States	17.0%
	Cont. Europe	42.3%
	Australia	3.0%
	Canada	1.0%
	New Zealand	4.4%
	Cash	3.6%
	Total	100.0%

	Total since inception	Compound p.a. since inception	5 Year	3 Year	2 Year	1 Year	1 Month
GVMF	101.32%	13.35%	15.90%	15.71%	24.22%	61.05%	3.85%



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MARKET UPDATE AND COMMENTARY

The US Federal Reserve's meeting during the month provided compelling insight into the fine line the institution is walking as it faces a stronger than anticipated recovery, rising inflation and a health pandemic that is yet to be completely nullified. There is growing evidence that the labour market is strengthening, and companies are increasingly raising wages to attract workers as a subset of workers remain stubbornly opposed to returning to the labour market. Whilst wage growth has risen slightly to +2% per annum, the pace of wage growth picked up in April and May. The Federal Reserve revised its core inflation upwards to 3%. Against that backdrop the Fed shifted interest rate rise expectations from 2024 to 2023, projecting it will make at least two rate rises during 2023. Inflation upside risk remains and there is a possibility the Fed may have to raise rates before 2023. Whilst markets and the financial media may make a lot of noise about the impact of such an event, a return to a normalised inflationary and central bank rate environment would be a welcomed development. Domestically, Australia's economy has recovered even stronger than the US, with the May unemployment rate dropping to 5.1%. This is lower than when the pandemic started, and faster wage growth is now highly probable.

Microequities Global Value Microcap Fund returned 3.85% in June; this brings the total return net of fees to 101.32% for the Fund since inception in December 2015.

We are pleased to report our key investment in business software developer **LiveChat Software SA (WSE:LVC)**, a top 3 holding in the Global Value Microcap Fund, delivered another stellar financial result. Revenue rose by +31.6% whilst EBITDA increased by +32.2%. The company achieved client growth whilst also increasing the average revenue per user by +17%. LiveChat continues to be a key holding for the Fund and we retain a positive outlook on its future growth prospects. We expect +20% revenue growth in FY22 and the operating leverage in the business should see operating earnings increase by a higher amount.

Our oldest constituent in the Fund, UK based healthcare business **Caretech Holdings PLC (LON:CTH)** reported another solid set of interim results with group revenue +16.5%, underlying PBT +31.6% and underlying EPS +23.3%. The company also declared a dividend of 4.6 pence up +15% on the previous year.

We continue to increase our investment in several underweighted companies and still retain cash holdings for new investment opportunities.

Projected EPS Growth 1 Year Forward (on a weighted basis)	+24.9%
Projected EPS Growth 2 Years Forward (on a weighted basis)	+13.4%

Number of companies	31
Top 5 Holdings % of NAV	42.3%
Top 10 Holdings % of NAV	61.7%
Top 20 Holdings % of NAV	85.7%
Cash Position % of NAV	3.6%

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.