

GLOBAL VALUE

MICROCAP FUND



MONTHLY PERFORMANCE AS AT 31/07/2021

latest unit price \$1.6776	return since inception 98.09%	return 1 month -1.61%	 monthly currency impact TAILWIND MODERATE (1-3%)
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FUND OUTLINE

Fund Manager:

Carlos Gil (CIO)

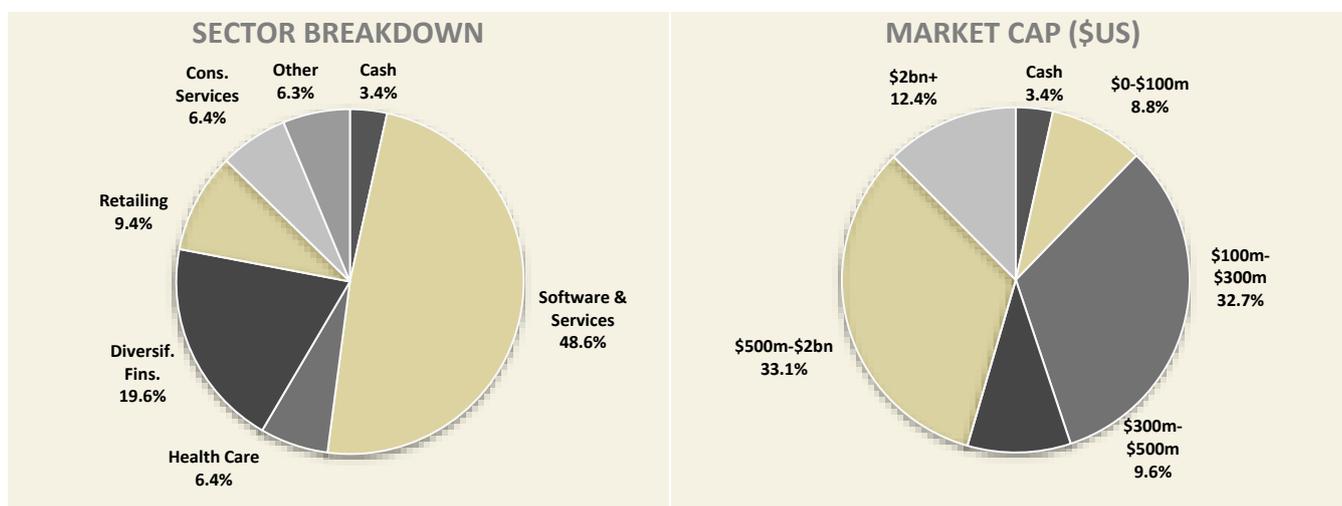
The Global Value Microcap Fund is a wholesale fund investing in a selection of undervalued, profitable and growing companies listed in predominantly advanced economies around the world.

COUNTRY BREAK UP

% of NAV

	United Kingdom	29.3%
	United States	16.9%
	Cont. Europe	42.1%
	Australia	3.3%
	Canada	0.9%
	New Zealand	4.1%
	Cash	3.4%
	Total	100.0%

	Total since inception	Compound p.a. since inception	5 Year	3 Year	2 Year	1 Year	1 Month
GVMF	98.09%	12.82%	14.90%	15.47%	22.50%	50.90%	-1.61%



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MARKET UPDATE AND COMMENTARY

Australia's citizens are feeling the ill effects of a troubled vaccine rollout with both Victoria and NSW experiencing Covid outbreaks and both states suffering prolonged lockdowns. The lockdowns will dampen the economic recovery that was taking place. Australia's 1QFY22 GDP growth rate will likely be negative however the medium term outlook remains largely unchanged, and we expect the resurging economic trend to resume once the lockdowns are lifted and pent-up demand is once again unleashed. Internationally, the prevailing economic rebound continues despite outbreaks of the Delta variant. The developed economies in the Northern hemisphere of the US, UK, Canada, Germany, Spain, France, and Italy are in much more advanced phases of their vaccine rollout and thus the impact of the Delta strain is unlikely to cause the same type of dislocation as previous waves of the pandemic. The higher level thematic outside of the day-to-day noise of Covid case numbers is that a country that undertakes a large-scale vaccination rollout on its population can go back to a semblance of business as usual. The world economic recovery remains on track.

Microequities Global Value Microcap Fund returned -1.61% in July; this brings the total return net of fees to 98.09% for the Fund since inception in December 2015.

We expect the previously announced takeover of Proactis Holdings Ltd (LON:PHD) to be finalised during early August. Currently this investment represents 3.6% of the total assets of the Fund and the cash will quickly be redeployed within other opportunities.

There were various trading updates across the portfolio. Forensic software firm **Micro Systemation AB (STO:MSABB)** reported its 2Q 2021 results which delivered a reverse in sales growth, and a disappointing earnings outcome. There are however some green shoots, with the company receiving an initial order in Japan to service the Japanese police force. Its North American market is expected to regain momentum into 2022.

We are excited to announce that we have begun to acquire a new investment for the Fund. We have begun to purchase a stake in a diagnostic imaging business in Europe, leveraging our knowledge gained from our investments in Australia's Integral Diagnostics & Capitol Health. This Eastern European company has strong organic growth, and its core domestic market is still relatively immature, presenting us with a long-term growth runway. **Excitingly we have purchased this business at almost half the relative price of comparable Australian businesses.**

Projected EPS Growth 1 Year Forward (on a weighted basis)	+25.4%
Projected EPS Growth 2 Years Forward (on a weighted basis)	+13.4%

Number of companies	32
Top 5 Holdings % of NAV	42.0%
Top 10 Holdings % of NAV	61.0%
Top 20 Holdings % of NAV	84.6%
Cash Position % of NAV	3.4%

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.