

# GLOBAL VALUE

## MICROCAP FUND



### MONTHLY PERFORMANCE AS AT 30/09/2021

latest unit price <b>\$1.6451</b>	return since inception <b>94.25%</b>	return 1 month <b>-5.58%</b>	monthly currency impact <b>HEADWIND LOW (0-1%)</b>
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#### FUND OUTLINE

Fund Manager:

Carlos Gil (CIO)

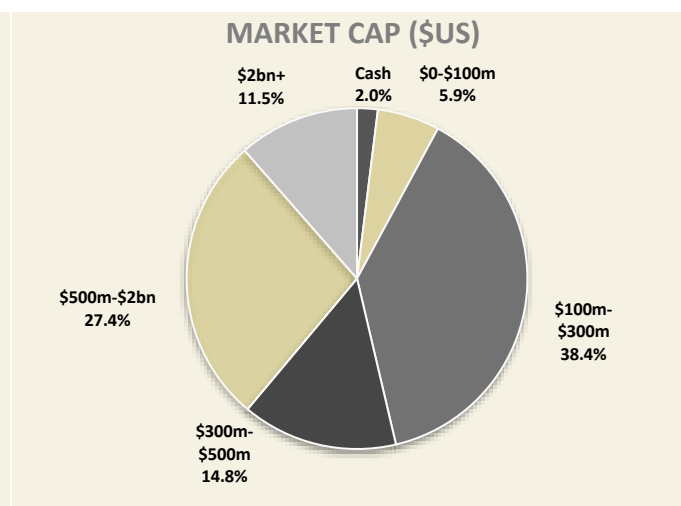
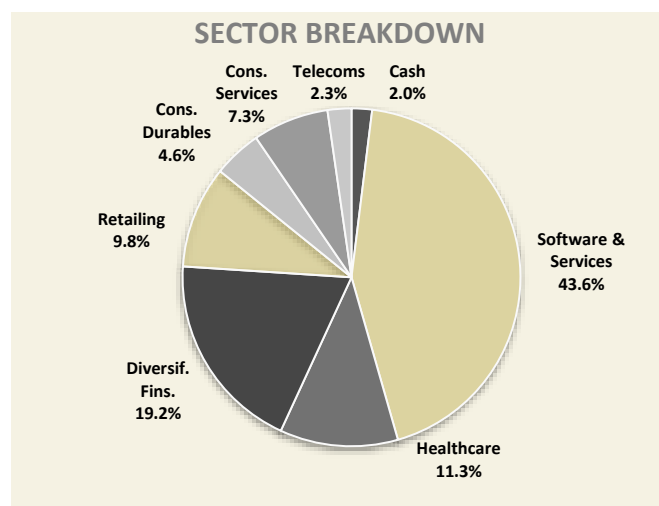
The Global Value Microcap Fund is a wholesale fund investing in a selection of undervalued, profitable and growing companies listed in predominantly advanced economies around the world.

#### COUNTRY BREAK UP

% of NAV

	United Kingdom	28.0%
	United States	16.9%
	Cont. Europe	44.5%
	Australia	3.6%
	Canada	1.0%
	New Zealand	4.0%
	Cash	2.0%
	<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>94.25%</b>	<b>12.06%</b>	<b>14.21%</b>	<b>12.99%</b>	<b>23.38%</b>	<b>40.94%</b>	<b>-5.58%</b>



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### MARKET UPDATE AND COMMENTARY

China's overreliance on a bloated real estate industry that disproportionately accounts for about 29% of its GDP gave a strong reminder to Chinese government officials of the unsustainability and structural flaws in the economy. Evergrande's troubles may be the first crack of a real estate sector that China has unduly relied upon to partly fuel its astonishing economic growth. It is quite possible that the Chinese real estate sector is at an inflection point. Part of the reason for China's oversized real estate sector is its citizen's high savings propensity with a gross savings rate of 45%, compared that to the US which sits around 8%. One can appreciate the scale of the Chinese government's challenge. To have a consumer led economy, one's population must seek to consume. The western world's consumer led culture is more easily seduced by the myriad of products and services. Thus, its higher propensity to save (and invest) less. US Federal Reserve chairman Jerome Powell signalled to the market a continuum of a dovish monetary policy which will see tapering begin to be unwound in 2021 but no upward move on interest rates until 2022, possibly 2023.

**Microequities Global Value Microcap Fund returned -5.58% in September; this brings the total return net of fees to 94.25% for the Fund since inception in December 2015.**

The largest weighted investee company in the portfolio, a European based fintech that represents 11% of the net assets of the Global Value Microcap Fund reported its 1H21 financial results. The company grew its revenue by +51% and EBITDA by +54% whilst maintaining a 41% EBITDA margin. Whilst most of the growth was inorganic, there is an improved organic growth outlook for 2H21 which is supported a general recovery in demand for software in the financial services industry.

We are pleased to report, that we have finalised our accumulation phase of **Voxel S.A (WSE:VOX)**, a diagnostic imaging business in Poland. The business operates 36 diagnostic centres in Poland and is the third largest player in the market. The business has been growing very strongly, the number of CT procedures per hundred thousand citizens in Poland is around 40% below European levels and that gap is expected to close over time as the government increases health funding. We have acquired the stake in Voxel at around 7x PE. The business is expected to grow rapidly over the next 5 years, and we expect it to make a material contribution to the Fund's return profile.

<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>+16.0%</b>

<b>Number of companies</b>	<b>34</b>
<b>Top 5 Holdings</b> % of NAV	<b>40.4%</b>
<b>Top 10 Holdings</b> % of NAV	<b>61.2%</b>
<b>Top 20 Holdings</b> % of NAV	<b>86.0%</b>
<b>Cash Position</b> % of NAV	<b>2.0%</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.