


GLOBAL VALUE

MICROCAP FUND



MONTHLY PERFORMANCE AS AT 31/10/2021

latest unit price \$1.6465	return since inception 94.42%	return 1 month 0.09%	 monthly currency impact HEADWIND STRONG (3%+)
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FUND OUTLINE







Fund Manager:

Carlos Gil (CIO)

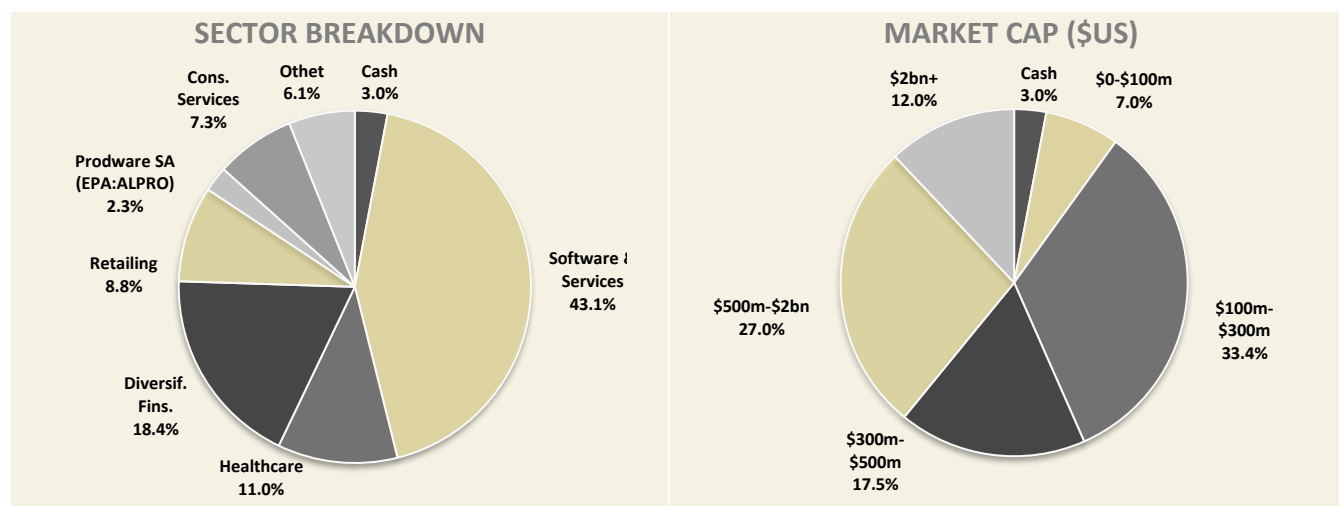
The Global Value Microcap Fund is a wholesale fund investing in a selection of undervalued, profitable and growing companies listed in predominantly advanced economies around the world.

COUNTRY BREAK UP

% of NAV

	United Kingdom	25.4%
	United States	17.5%
	Cont. Europe	45.0%
	Australia	3.6%
	Canada	1.1%
	New Zealand	4.4%
	Cash	3.0%
	Total	100.0%

	Total since inception	Compound p.a. since inception	5 Year	3 Year	2 Year	1 Year	1 Month
GVMF	94.42%	11.89%	14.40%	14.38%	21.31%	34.50%	0.09%



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MARKET UPDATE AND COMMENTARY

Increases in gas and oil prices are expected to exacerbate upward pressure on short term inflation rates across the world. These increases come at an unwelcome time for the world economy which is already grappling with global supply chain issues. To shed light on the supply chain issues, Amazon.com Inc. told investors this month it will incur several additional billions of dollars of costs to manage what it says are "labour supply shortages, increased wage costs, global supply chain issues, and increased freight and shipping costs". What this means for the inflation outlook is that uncomfortably short-term inflation rates that are rising all over the world, will persist for some time and are likely to worsen.

Domestically, as we had previously anticipated, the Australian economy is experiencing a fast rebound as its two most populous states, NSW and Victoria emerge from lockdowns. Early data coming through is suggesting some of the large pool of savings in Australia has begun to flow back into the economy. Retail sales for September grew by +1.3% a trend that will continue into October as Victoria emerges from its lockdown.

Microequities Global Value Microcap Fund returned 0.09% in October; this brings the total return net of fees to 94.42% for the Fund since inception in December 2015.

The Fund a received a takeover offer for IT services provider, **Proware SA (EPA:ALPRO)**. **The takeover has come at a +66% premium to the last traded price of Proware.** Currently the company represents 2.7% of the net assets of the Global Value Microcap Fund. The deal will allow us to release some much-needed cash that we will redeploy into several underinvested opportunities.

Fund investee company **Vertu Motors PLC (LON:VTU)** published its 1H22 results during the month. The company attained impressive revenue growth of +16.8% whilst growing EBIT +169% to 20.m GBP. Free cash flow generation also rose sharply to 63.6m GBP compared to 16.0m on the previous corresponding period. Vertu Motors is a long-term investment for the Fund, and we believe the company remains highly undervalued.

UK furniture retailer **SCS Group PLC (LON:SCS)** provided us with a meaningful insight in the UK economic recovery post the unwinding of the lockdowns when it released its FY21 results. Sales grew by +21% whilst the business returned to profitability delivering a PBT of 8.2m GBP versus a loss of 7.5m GBP in the previous corresponding period. Pleasingly the outlook is positive with the company stating like-for-like order intake for the first 9 weeks was +11.9% higher.

Projected EPS Growth 1 Year Forward (on a weighted basis)	+31.4%
Projected EPS Growth 2 Years Forward (on a weighted basis)	+15.4%

Number of companies	34
Top 5 Holdings % of NAV	40.8%
Top 10 Holdings % of NAV	61.6%
Top 20 Holdings % of NAV	84.9%
Cash Position % of NAV	3.0%

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.