


GLOBAL VALUE

MICROCAP FUND



MONTHLY PERFORMANCE AS AT 30/04/2022

latest unit price \$1.3414	return since inception 58.39%	return 1 month -3.29%	 monthly currency impact TAILWIND MODERATE (1-3%)
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FUND OUTLINE







Fund Manager:

Carlos Gil (CIO)

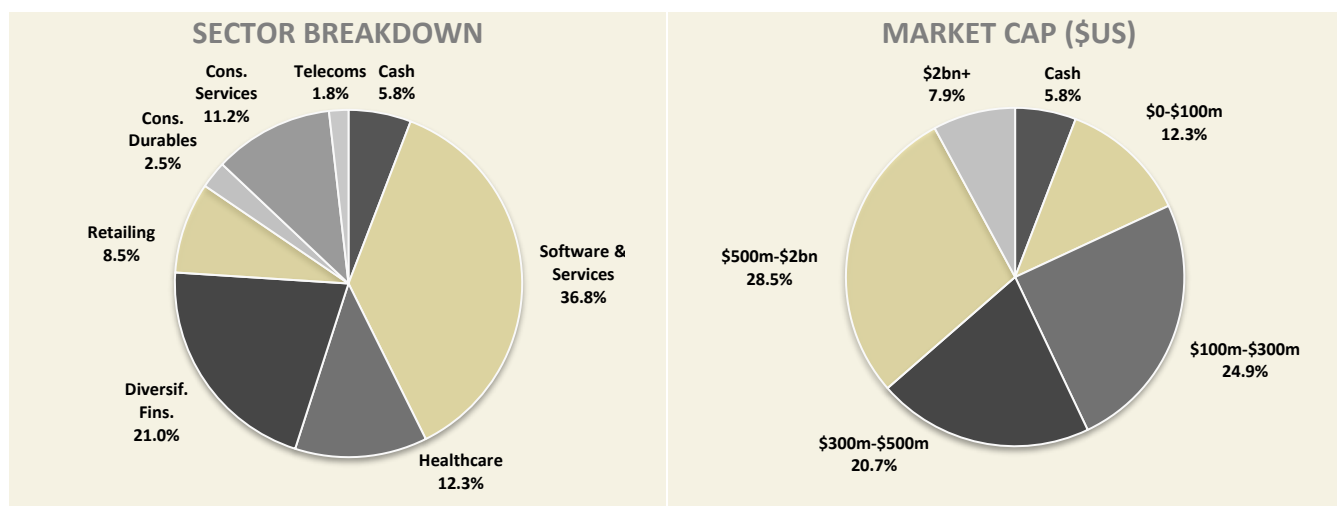
The Global Value Microcap Fund is a wholesale fund investing in a selection of undervalued, profitable and growing companies listed in predominantly advanced economies around the world.

COUNTRY BREAK UP

% of NAV

	United Kingdom	23.8%
	United States	18.4%
	Cont. Europe	39.6%
	Australia	6.7%
	Canada	1.2%
	New Zealand	4.5%
	Cash	5.8%
	Total	100.0%

	Total since inception	Compound p.a. since inception	5 Year	3 Year	2 Year	1 Year	1 Month
GVMF	58.39%	7.43%	6.84%	6.42%	17.29%	-18.97%	-3.29%



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MARKET UPDATE AND COMMENTARY

US Federal Reserve Chairman Jerome Powell recognised increasing concerns about the pace of inflation and indicated the central bank is committed to raising rates “expeditiously” to contain it. The market has interpreted that an interest rate hike of 50 basis points at the May meeting is now a very likely possibility. The previous market assumption of the official rates to be at 1.75% by the end 2022 now seems implausible given the more hawkish rhetoric emanating from Powell. Despite this, it would seem highly unlikely we would have rates beyond 2.5% before the end of 2022. There are clear and distinctive structural features in this inflationary wave, making the current long held accommodative stance at best highly imprudent, at worse irresponsible. A level of 2.5% would fall within a neutral monetary policy stance, neither accommodating nor restricting economic activity. The Federal Reserve would be wise to raise to those levels but not beyond them. The current macroeconomic environment is the most complex in recent decades. Faster wage and household income growth, a returning to normal global economic conditions, logistic and supply chain constraints, geopolitical conflict, rapidly rising energy prices and a world labour market in which the balance of power has shifted to the employee. Better to have less variables at play in a decision-making framework.

Microequities Global Value Microcap Fund returned -3.29% in April; this brings the total return net of fees to 58.39% for the Fund since inception in December 2015.

The second biggest investment owned by the Global Value Microcap Fund published its 1Q22 results during the month. The German based online broker reported a revenue decline of 12.5% YoY, whilst adjusted EBITDA margin declined by 25.4%. Despite the decline year on year, the 1Q22 numbers did grow quarter on quarter by +14.2% whilst EBITDA grew 75.8%. The quarter was the second-best quarter in the company’s history and was cycling an abnormally strong quarter last year. Two new products are expected to be launched over the next 24 months. The business stands to deliver benefits as interest rates rise, with a 1% rate hike equating to a 20m Euro EBIT improvement.

A founding investment in Global Value Microcap Fund, CareTech Holdings PLC (LON:CTH) is likely to be privatised following a bid by its largest shareholder, The Sheikh Holdings Group (Investments) Ltd. Consortium. The likely sale will see the Global Fund exit a highly successful investment in the UK based healthcare business. The business currently represents 6.7% of the Global Fund’s assets and is the 4th largest weighted investment in the Fund.

Projected EPS Growth 1 Year Forward (on a weighted basis)	+27.4%
Projected EPS Growth 2 Years Forward (on a weighted basis)	+17.0%

Number of companies	35
Top 5 Holdings % of NAV	41.2%
Top 10 Holdings % of NAV	60.3%
Top 20 Holdings % of NAV	81.7%
Cash Position % of NAV	5.8%

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.