


GLOBAL VALUE

MICROCAP FUND



MONTHLY PERFORMANCE AS AT 31/08/2021

latest unit price \$1.7424	return since inception 105.74%	return 1 month 3.86%	 monthly currency impact TAILWIND LOW (0-1%)
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FUND OUTLINE







Fund Manager:

Carlos Gil (CIO)

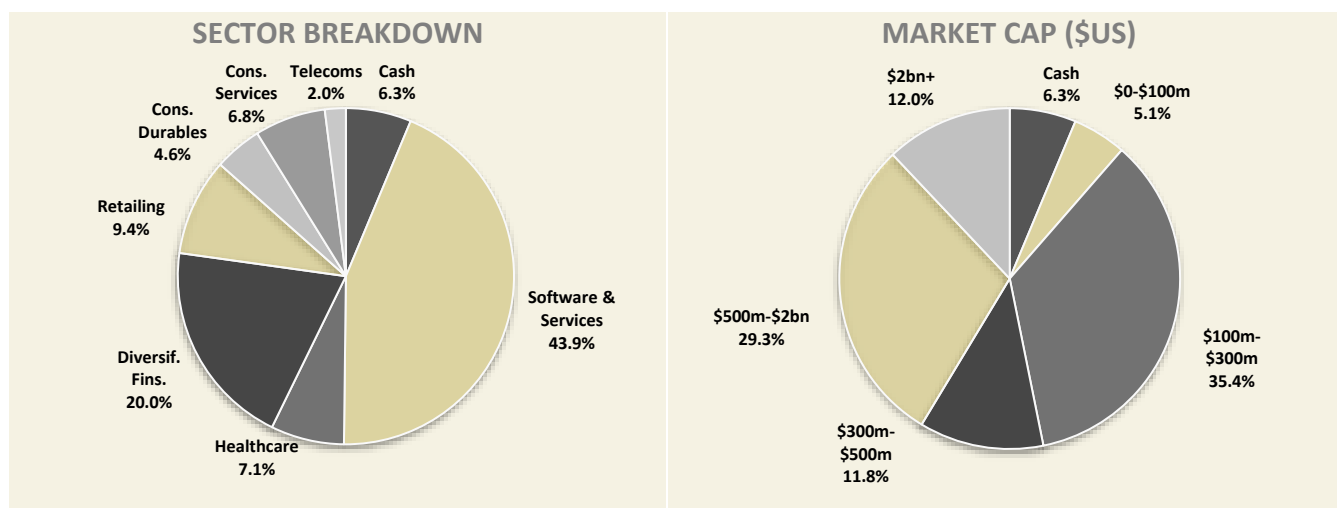
The Global Value Microcap Fund is a wholesale fund investing in a selection of undervalued, profitable and growing companies listed in predominantly advanced economies around the world.

COUNTRY BREAK UP

% of NAV

	United Kingdom	27.4%
	United States	16.7%
	Cont. Europe	41.6%
	Australia	3.5%
	Canada	0.7%
	New Zealand	3.8%
	Cash	6.3%
	Total	100.0%

	Total since inception	Compound p.a. since inception	5 Year	3 Year	2 Year	1 Year	1 Month
GVMF	105.74%	13.37%	15.37%	14.41%	27.28%	49.28%	3.86%



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MARKET UPDATE AND COMMENTARY

The US Federal Reserve gave its strongest signal that it is likely to begin tapering its massive bond buying program after acknowledging it had met two of its key goals required to unwind it. The Federal Reserve chairman recognised the US economy had made clear progress towards achieving full employment and inflation had gathered pace sufficiently to warrant removal of bond buying. The US Federal Reserve has been buying \$120b USD of bond securities each month since July 2020, the biggest quantitative easing programme in the history of economics. Whilst there appears to be clear consensus amongst US Federal Treasury members about cessation of the bond buying programme the exact timeline remains unclear though we believe it is likely to happen towards the end of 2021. Domestically Australia's most populated states, NSW and Victoria remain in a prolonged lockdown that will have distortive economic effects for the 1H22 period, however we are expecting a difference of two halves. Unwinding of the lockdowns towards the end of October with resultant pent-up demand will lead to resurging economic conditions in the last two months of this half.

Microequities Global Value Microcap Fund returned 3.86% in August; this brings the total return net of fees to 105.74% for the Fund since inception in December 2015.

LiveChat Software (WSE:LVC) which currently makes up 9.5% of the total assets of the Global Value Fund published its 1Q22 results during the month. It was another quality set of results with NPAT rising to 26.6m PLN versus 20.8m PLN in the pcp thanks to an increase in sales of 25.6% yoy. The company's newest product ChatBot now constitutes 5% of total sales for the business growing at a rapid 96% over the last 12 months and now has over 2,000 paying customers. LiveChat continues to be a core investment of the Fund and the business has delivered phenomenal performance for us since our initial purchase over 2 years ago. During the month we also fully exited our stake in **Proactis Holdings PLC (LON:PHD)** following a takeover bid by private equity. As we announced last month, we have begun acquiring a new investment in a diagnostic imaging business in Europe with strong organic growth and favourable societal long-term tailwinds. **This business is at almost half the relative price of comparable Australian businesses and is growing at very large double digits rates.** The free float is small and liquidity tight, as such it will likely take us another month to purchase our desired target weighting. Current weighting of this business at the end of the month is 2% of the total assets of Global Value Microcap Fund (up from 1% last month).

Projected EPS Growth 1 Year Forward (on a weighted basis)	+27.1%
Projected EPS Growth 2 Years Forward (on a weighted basis)	+16.6%

Number of companies	34
Top 5 Holdings % of NAV	40.7%
Top 10 Holdings % of NAV	59.5%
Top 20 Holdings % of NAV	82.5%
Cash Position % of NAV	6.3%

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.