

GLOBAL VALUE

MICROCAP FUND



MONTHLY PERFORMANCE AS AT 31/08/2022

latest unit price \$1.2358	return since inception 47.29%	return 1 month -1.83%	monthly currency impact HEADWIND LOW (0-1%)
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FUND OUTLINE

Fund Manager:

Carlos Gil (CIO)

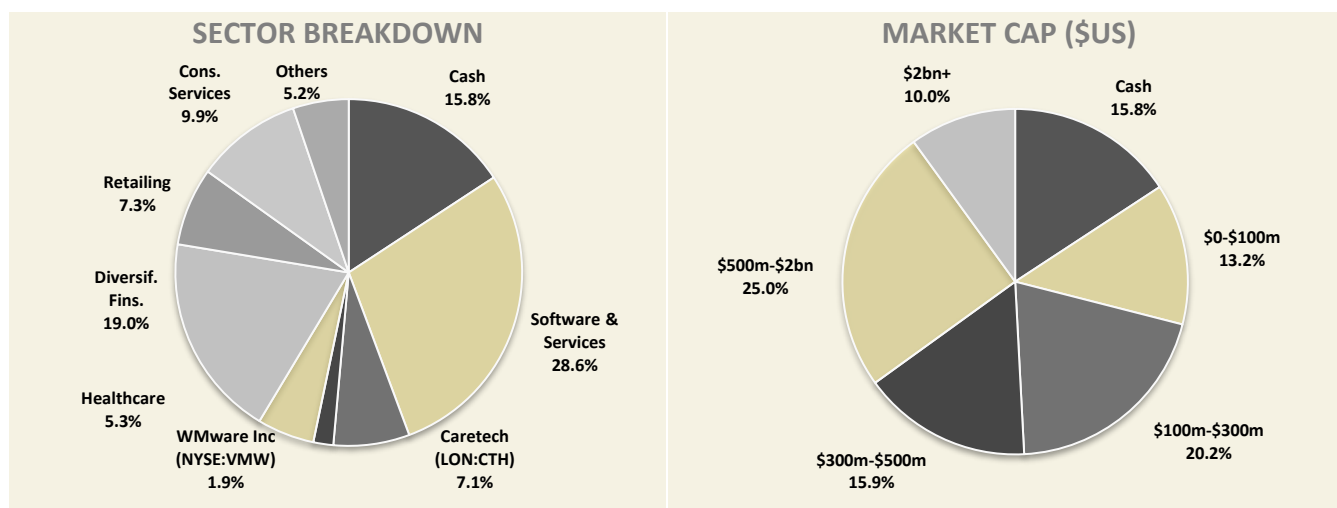
The Global Value Microcap Fund is a wholesale fund investing in a selection of undervalued, profitable and growing companies listed in predominantly advanced economies around the world.

COUNTRY BREAK UP

% of NAV

	United Kingdom	22.9%
	United States	18.9%
	Cont. Europe	28.3%
	Australia	7.9%
	Canada	1.3%
	New Zealand	4.9%
	Cash	15.8%
	Total	100.0%

	Total since inception	Compound p.a. since inception	5 Year	3 Year	2 Year	1 Year	1 Month
GVMF	47.29%	5.90%	5.79%	5.07%	3.38%	-28.41%	-1.83%



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MARKET UPDATE AND COMMENTARY

The US Federal Reserve Chairman's address at Jackson Hole dominated financial markets attention during the month, as Jay Powell vowed to continue to raise rates for a "sustained period" to contain inflation. Powell indicated that increasing rates would likely cause some softening in a red-hot labour market and that economic growth might moderate. The address reset financial market expectations about the pace and duration of the current rate rise cycle with the US Federal Reserve prioritising lower inflation and focusing on reducing the risk that inflationary expectations might become entrenched in the US economic system. The European Central Bank officials followed shortly, with Isabel Schnabel, an ECB executive board member, stating that European monetary policy would have to remain tight for an indefinite period of time. Domestically, the Australian unemployment rate fell to a 48-year low and came in at 3.4%, providing further evidence that there is an undersupply of labour in the Australian economy, a data point sure to be a focal point in the upcoming Australian jobs summit.

Microequities Global Value Microcap Fund returned -1.83% in August; this brings the total return net of fees to 47.29% for the Fund since inception in December 2015.

The Fund's cash position has risen from 2.9% to 15.8% following the successful takeover exit of **PiteCo SPA (BIT:PITE)**. PiteCo was the Fund's largest investment representing 13.8% of the NAV. We also remind investors that **Caretech Holdings PLC (LON:CTH)** and **ThinkSmart Ltd (LON:TSL)** are also under takeover offers. These two businesses currently account for 7.8% of the total assets of the Fund.

During the month, the Fund's largest investee company, **LiveChat S.A (LVC:WSE)** published 1QFY23 financial results. Revenue increased by 36.5% driven by increased users and favourable USD currency movement, EBIT rose by 37.9% whilst NPAT increased by 35.3%. We have upwardly revised our EPS forecasts for FY23 and FY24. Staying in Poland, and our Healthcare radiology investee company, **Voxel S.A (VOX:WSE)** published a mixed set of results, whilst radiology division (core of our investment thesis) grew revenue by 18.9% (radiology currently makes up ~64% of total revenue), the hospital division revenue fell by 34.1% hurting the Group's profitability. The Hospital division had been a previous beneficiary of the Covid pandemic. The investment thesis of Voxel remains intact and whilst we expect a year of transition at Group level, we are pleased to see Voxel's radiology division growing strongly. That division is the jewel in the crown and makes the business susceptible to M&A.

Projected EPS Growth 1 Year Forward (on a weighted basis)	+15.9%
Projected EPS Growth 2 Years Forward (on a weighted basis)	+20.2%

Number of companies	36
Top 5 Holdings % of NAV	35.7%
Top 10 Holdings % of NAV	52.6%
Top 20 Holdings % of NAV	71.7%
Cash Position % of NAV	15.8%

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.