


# GLOBAL VALUE

## MICROCAP FUND



### MONTHLY PERFORMANCE AS AT 28/02/2022

latest unit price <b>\$1.4504</b>	return since inception <b>71.26%</b>	return 1 month <b>-5.75%</b>	 monthly currency impact <b>HEADWIND MODERATE (1-3%)</b>
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#### FUND OUTLINE







Fund Manager:

Carlos Gil (CIO)

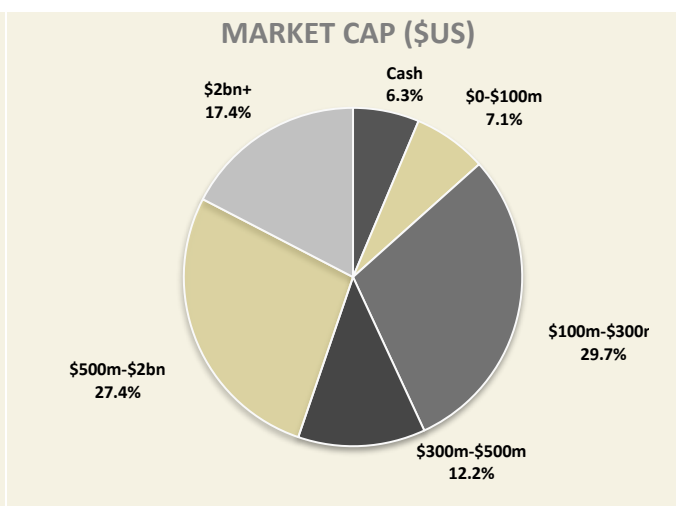
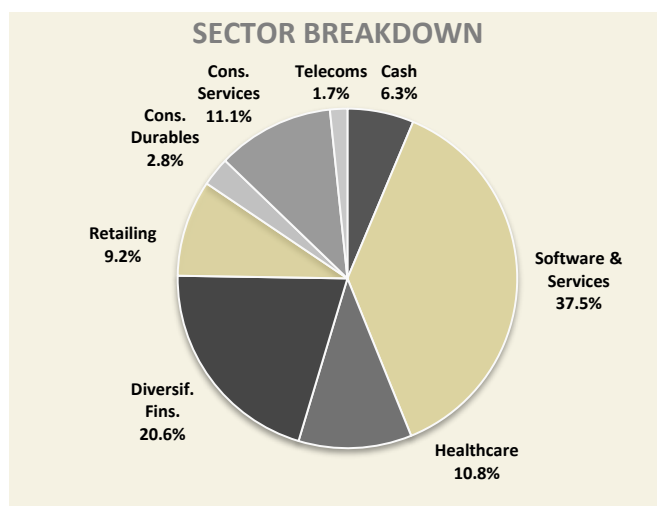
The Global Value Microcap Fund is a wholesale fund investing in a selection of undervalued, profitable and growing companies listed in predominantly advanced economies around the world.

#### COUNTRY BREAK UP

% of NAV

	United Kingdom	24.1%
	United States	18.7%
	Cont. Europe	39.9%
	Australia	5.6%
	Canada	1.2%
	New Zealand	4.2%
	Cash	6.3%
	<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>71.26%</b>	<b>8.99%</b>	<b>9.71%</b>	<b>10.22%</b>	<b>12.53%</b>	<b>-5.84%</b>	<b>-5.75%</b>



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### MARKET UPDATE AND COMMENTARY

The month saw financial markets become unsurprisingly pre-occupied and focused on the geopolitical events taking place in Russia and Ukraine. The military conflict is tragic from a human perspective and likely to have lasting geopolitical effects and consequences. Economically, the short-term impact will be higher energy prices (and commodities) which, will create further impetus for those European economies that have their energy base reliant on hydrocarbons to move faster *towards* renewables. Beyond, the geopolitics and energy market impacts, both of which will be substantial, the conflict is likely to have limited impact on the world economy. Russia's GDP is not much bigger than Spain's, i.e., it's a mid-size economy, with an over weighted energy sector. It has to a significant degree decoupled its trading relationship with the West (with the exception of Germany which it exports gas and imports capital equipment). China is by far Russia's biggest trading partner and the economic interconnection between the West and Russia beyond energy is very limited. The increase in energy prices comes at an unwelcome time for the world economy which already has significant input cost pressures to contain.

**Microequities Global Value Microcap Fund returned -5.75% in February; this brings the total return net of fees to 71.26% for the Fund since inception in December 2015.**

It was a busy month for the Fund with the investment team adding some new companies to the portfolio and important profit updates from a number of key holdings. Additionally, the cash proceeds of the takeover of French based IT group Prodware was received.

UK based OTA, **On the Beach Group PLC (LON:OTB)** provided a trading update at its recent AGM. This travel industry exposed business reported strong green shoots of recovery with group sales in September and October exceeding FY19 levels (the last financial year not impacted by Covid). The update reaffirms our long term thesis for the business, which we believe will be a long term beneficiary of the accelerated structural change in the travel agency industry towards online operators.

The single largest investment in the Global Value Microcap Fund reported results for its 4QFY21 and FY21 Results. The company delivered revenue growth of 60%, EBITDA grew by 55% and EPS growth of more than 50%. The business has very strong growth momentum and we expect it to continue to grow its earnings over the short to medium term.

<b>Projected EPS Growth</b> 1 Year Forward (on a weighted basis)	<b>+32.4%</b>
<b>Projected EPS Growth</b> 2 Years Forward (on a weighted basis)	<b>+14.3%</b>

<b>Number of companies</b>	<b>35</b>
<b>Top 5 Holdings</b> % of NAV	<b>38.7%</b>
<b>Top 10 Holdings</b> % of NAV	<b>58.6%</b>
<b>Top 20 Holdings</b> % of NAV	<b>81.0%</b>
<b>Cash Position</b> % of NAV	<b>6.3%</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.