


GLOBAL VALUE

MICROCAP FUND



MONTHLY PERFORMANCE AS AT 31/01/2021

latest unit price \$1.4917	return since inception 76.14%	return 1 month 5.32%	 monthly currency impact TAILWIND LOW (0-1%)
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FUND OUTLINE







Fund Manager:

Carlos Gil (CIO)

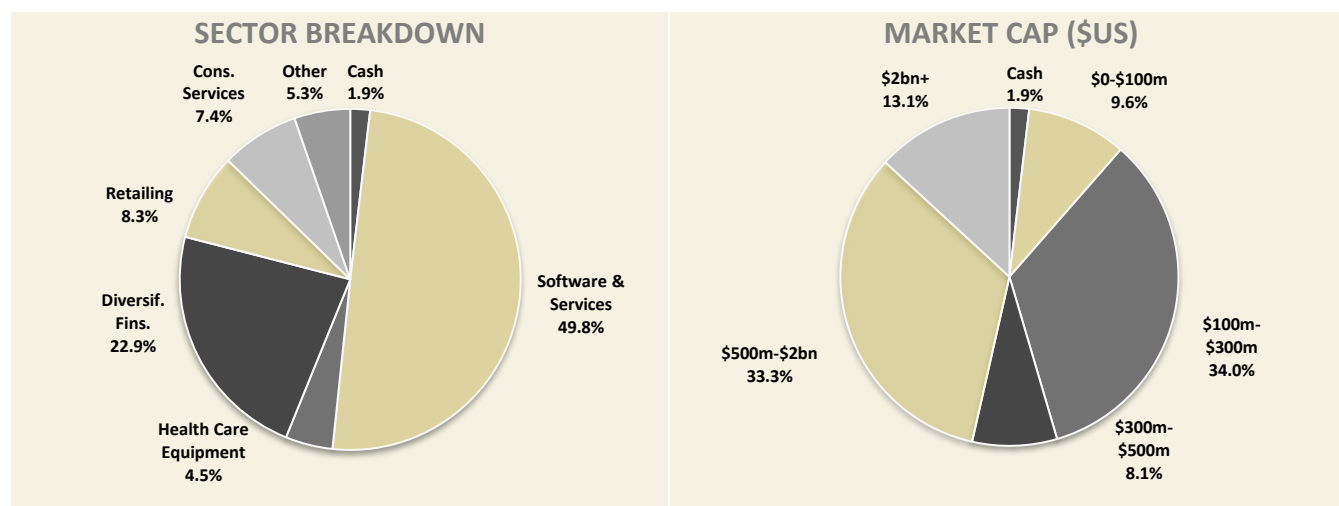
The Global Value Microcap Fund is a wholesale fund investing in a selection of undervalued, profitable and growing companies listed in predominantly advanced economies around the world.

COUNTRY BREAK UP

% of NAV

	United Kingdom	27.0%
	United States	15.2%
	Cont. Europe	46.1%
	Australia	3.4%
	Canada	1.2%
	New Zealand	5.2%
	Cash	1.9%
	Total	100.0%

	Total since inception	Compound p.a. since inception	5 Year	3 Year	2 Year	1 Year	1 Month
GVMF	76.14%	11.58%	12.47%	11.98%	17.16%	20.97%	5.32%



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MARKET UPDATE AND COMMENTARY

2021 will be a year of recovery for the world economy, battered by the distortive effects of Covid-19. The first major economy to feel its effects, China, is also the first economy to come out the Covid induced slow down. In numbers published during the month of December, the Chinese economy expanded by +6.5% during the 4th quarter, taking the annual GDP growth to +2.3%. This was a commendable effort, but it was still the lowest GDP growth experienced in China in more than 40 years. The full year GDP number understates the resurgence of economic activity in the world's second biggest economy. The Chinese economy could expand at a growth rate above +8% during 2021. A growth rate that should help Australian commodity exports. The US economy is also likely to grow at above trend rates as its economy emerges from a 3.4% contraction in 2020. The degree and timing of the US recovery will to some degree depend on the national Covid vaccine rollout, a process that will take months. In Australia, our economy looks set to expand at its fastest rate in more than 20 years, though the recovery will also likely be tilted towards the 2nd half of 2021 and will require some easing of international border restrictions.

Microequities Global Value Microcap Fund returned 5.32% in January; this brings the total return net of fees to 76.14% for the Fund since inception in December 2015.

It is very early days for our new investment in **Shotspotter Inc (NSDQ:SSTI)** which was disclosed to our investors last month but its share price has rallied by more than 20%. The investment is a long term investment for the Global Value Microcap Fund so we take little notice of the short term price movements other than market price falls, for they might provide an opportunity to increase our investment.

We are pleased to announce another new company was added to the Global Value Microcap Fund during December. The new addition takes the total number of companies owned by the Fund back to 31. The new investment is a deep value acquisition of a consumer products purchased at approximately 9x PE. The business generates very strong free cash flows, has strong pricing power, and is paying out a significant portion of its NPAT providing our investment with unusually high dividends for a US based company. We intend to increase our stake in this business subject to favourable pricing conditions being maintained.

Projected EPS Growth 1 Year Forward (on a weighted basis)	+26.3%
Projected EPS Growth 2 Years Forward (on a weighted basis)	+14.0%

Number of companies	31
Top 5 Holdings % of NAV	49.1%
Top 10 Holdings % of NAV	69.0%
Top 20 Holdings % of NAV	90.9%
Cash Position % of NAV	1.9%

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.