


# GLOBAL VALUE

## MICROCAP FUND



### MONTHLY PERFORMANCE AS AT 31/01/2022

latest unit price <b>\$1.5389</b>	return since inception <b>81.71%</b>	return 1 month <b>-4.32%</b>	 monthly currency impact <b>TAILWIND MODERATE (1-3%)</b>
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#### FUND OUTLINE







Fund Manager:

Carlos Gil (CIO)

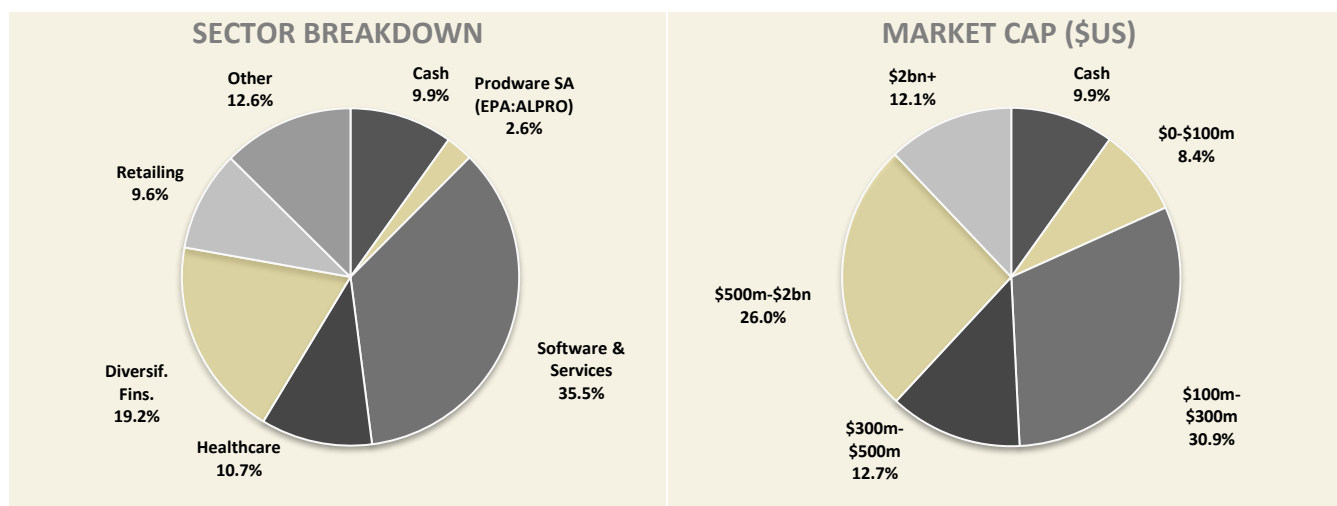
The Global Value Microcap Fund is a wholesale fund investing in a selection of undervalued, profitable and growing companies listed in predominantly advanced economies around the world.

#### COUNTRY BREAK UP

% of NAV

	United Kingdom	24.1%
	United States	12.3%
	Cont. Europe	43.1%
	Australia	5.3%
	Canada	1.0%
	New Zealand	4.3%
	Cash	9.9%
	<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>81.71%</b>	<b>10.17%</b>	<b>11.30%</b>	<b>12.30%</b>	<b>11.71%</b>	<b>3.16%</b>	<b>-4.32%</b>



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### MARKET UPDATE AND COMMENTARY

As we enter 2022, we expect Australia to accelerate its economic growth and register one of the most expansionary years in decades. Despite the short-term disruption caused by Omicron, high vaccination rates, more effective treatment and increasing societal resilience means any further negative impacts of the pandemic will be weaker. As we move through the year, a strong labour market, reopening of international borders and the fastest wage growth since 2012 will improve consumer sentiment and drive economic confidence. These combined factors make a +4% GDP growth number an attainable target. The biggest risk to our positive economic growth outlook is taming increasing structural inflation. Not all inflation however is bad and the much-needed increase in real wages is fundamental to the purchasing and borrowing power of households. Across the US, inflation surged to 7% in numbers published during December, the largest jump since 1982. Core inflation, which removes the impact of volatile inputs such as energy and food prices, jumped to 5.5%. The data points towards a picture of underlying structural inflation, with the Federal Reserve now increasingly likely to raise rates more than 3 times during 2022.

**Microequities Global Value Microcap Fund returned -4.32% in January; this brings the total return net of fees to 81.71% for the Fund since inception in December 2015.**

We are pleased to report that the Global Value Microcap Fund has added a new company to the portfolio. The company which is based in the Nordics and has most of its sales revenue from that region is a specialist e-Learning and HR software. We expect the company to scale considerably over the medium to long term in its current markets. The business is profitable and with the potential to improve its operational margins as it scales. We have acquired a small initial stake and expect to build slowly on this stake. Given the relatively small size of the business and the low levels of stock liquidity we expect the accumulation phase will take some time. The investment management team has also been busy researching various other potential investments and we are likely to proceed on several of those opportunities in the coming months.

**Micro Systemation (OM:MASBB)** which provides forensic technology for mobile device examination reported its 4Q21 financial results. The company delivered record result of SEK108.5m +62.7% v pcp, and EBIT of SEK16.2m. The record result was driven by revenue growth across North America and its EMEA geographic markets. The business retains a strong balance sheet with SEK66.0m in cash and no financial debt.

<b>Projected EPS Growth</b> 1 Year Forward (on a weighted basis)	<b>+28.8%</b>
<b>Projected EPS Growth</b> 2 Years Forward (on a weighted basis)	<b>+13.4%</b>

<b>Number of companies</b>	<b>34</b>
<b>Top 5 Holdings</b> % of NAV	<b>38.8%</b>
<b>Top 10 Holdings</b> % of NAV	<b>57.1%</b>
<b>Top 20 Holdings</b> % of NAV	<b>79.2%</b>
<b>Cash Position</b> % of NAV	<b>9.9%</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.