


GLOBAL VALUE

MICROCAP FUND



MONTHLY PERFORMANCE AS AT 31/07/2022

latest unit price \$1.2589	return since inception 50.04%	return 1 month +2.85%	 monthly currency impact HEADWIND MODERATE (1-3%)
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FUND OUTLINE







Fund Manager:

Carlos Gil (CIO)

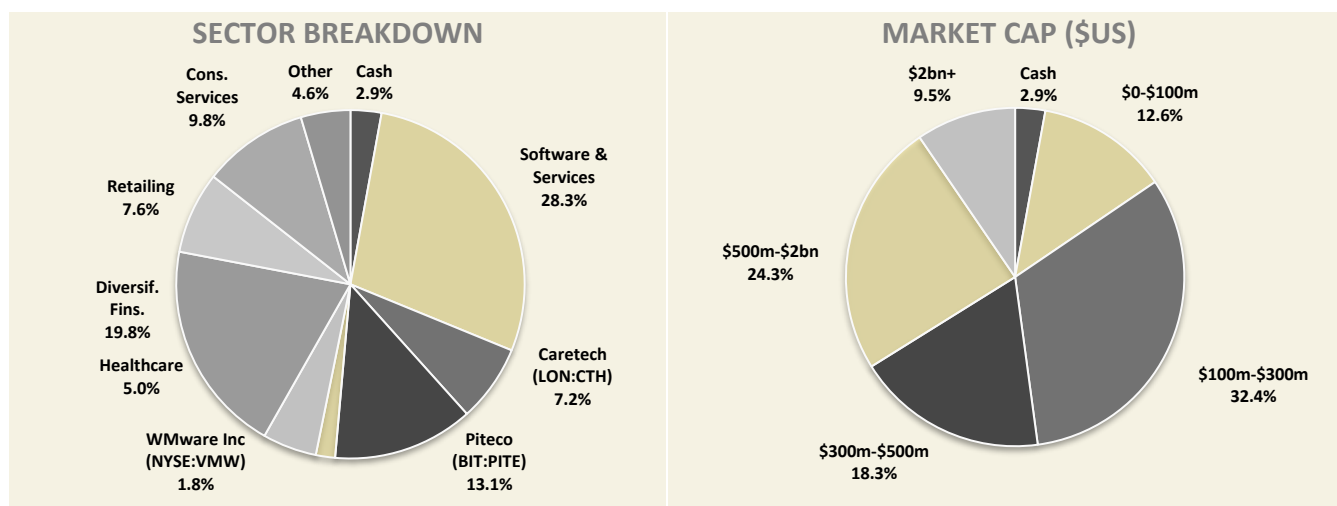
The Global Value Microcap Fund is a wholesale fund investing in a selection of undervalued, profitable and growing companies listed in predominantly advanced economies around the world.

COUNTRY BREAK UP

% of NAV

	United Kingdom	23.9%
	United States	18.6%
	Cont. Europe	40.7%
	Australia	7.7%
	Canada	1.3%
	New Zealand	4.9%
	Cash	2.9%
	Total	100.0%

	Total since inception	Compound p.a. since inception	5 Year	3 Year	2 Year	1 Year	1 Month
GVMF	50.04%	6.28%	6.23%	4.36%	6.91%	-24.25%	2.85%



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MARKET UPDATE AND COMMENTARY

Financial markets focus continued to be on inflation and central bank rates. July saw the US Federal Reserve raise rates by 75 basis points (rate range now 2.25 to 2.5%), the ECB raised its rates for the first time in 11 years from 0% to 0.5% and Australia's RBA increase rates by 50 basis points to 1.35%. All these movements were expected and flagged to financial markets. Thus, the real focus turned to the future direction of rates. The US Chairman Jerome Powell pointed the obvious (though you wouldn't think so if you have been reading gloom and doom recent headlines), the US was not in a recession and that there were early signals recent rate increases was moderating the pace of growth in the economy. The implication being, that future rate rises might be more tempered than what markets had feared. Domestically, our view is that the RBA will continue to raise rates and will have to increase them above the neutral level of 2.5% to tame inflation, that implies that rates are likely to move towards 3.0% over the next 12 months. Employment markets in both the US and Australia continue to exhibit very tight labour supply.

Microequities Global Value Microcap Fund returned 2.85% in July; this brings the total return net of fees to 50.04% for the Fund since inception in December 2015.

Following the takeovers for **Caretech Holdings PLC (LON:CTH)** and financial software technology company **PiteCo SPA (BIT:PITE)** (which is currently the largest investment in the Fund representing 13.8% of the Fund's total assets) we received another takeover bid, this time for **ThinkSmart Ltd (LON:TSL)**. The company has agreed to a management buyout from its main shareholder. Under the terms of the agreement the scheme consideration could be as high as a **44% premium to the last traded price**. ThinkSmart currently represents 0.7% of the total assets of the Fund. **Currently 22.8% of the net assets of the Fund are under takeover offers.**

During the month we also begun to accumulate a stake in a home appliances business whose brand is world renowned. The business is vertically integrated in manufacturing and distributing its products. It exports its products in Europe, the Americas, Middle East & Africa as well as the Asia Pacific. The company also sells directly to consumers via its online platform which accounts for approximately 21% of its revenues. We have begun to acquire a stake in the business following a share price decline of more than 50% over the past 12 months.

Projected EPS Growth 1 Year Forward (on a weighted basis)	+18.7%
Projected EPS Growth 2 Years Forward (on a weighted basis)	+19.9%

Number of companies	37
Top 5 Holdings % of NAV	43.9%
Top 10 Holdings % of NAV	63.1%
Top 20 Holdings % of NAV	84.2%
Cash Position % of NAV	2.9%

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.