


GLOBAL VALUE

MICROCAP FUND



MONTHLY PERFORMANCE AS AT 30/06/2022

latest unit price \$1.2355	return since inception 45.89%	return 1 month -5.19%	 monthly currency impact TAILWIND MODERATE (1-3%)
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FUND OUTLINE







Fund Manager:

Carlos Gil (CIO)

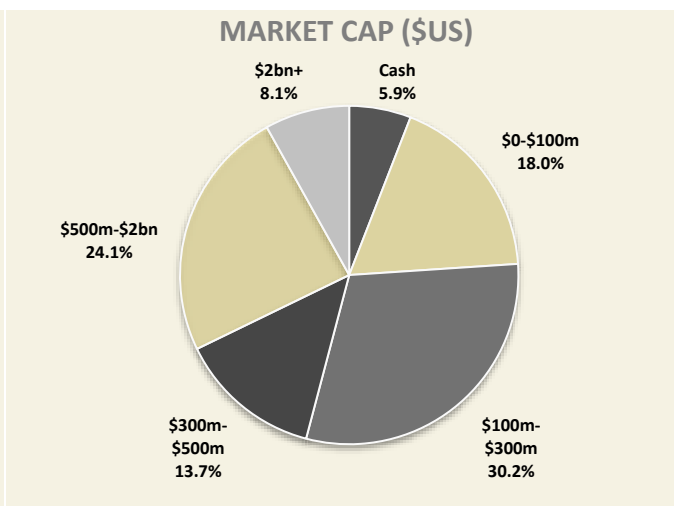
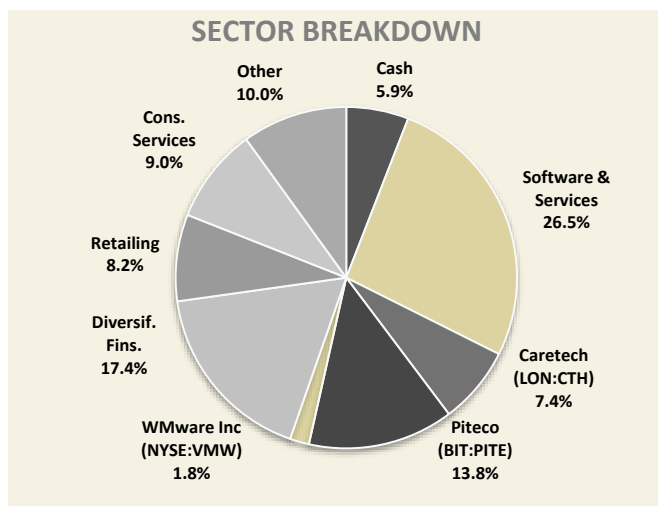
The Global Value Microcap Fund is a wholesale fund investing in a selection of undervalued, profitable and growing companies listed in predominantly advanced economies around the world.

COUNTRY BREAK UP

% of NAV

	United Kingdom	23.4%
	United States	16.7%
	Cont. Europe	41.4%
	Australia	6.7%
	Canada	1.4%
	New Zealand	4.5%
	Cash	5.9%
	Total	100.0%

	Total since inception	Compound p.a. since inception	5 Year	3 Year	2 Year	1 Year	1 Month
GVMF	45.89%	5.90%	5.43%	3.79%	8.03%	-27.54%	-5.19%



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MARKET UPDATE AND COMMENTARY

An evolving and highly complex macroeconomic environment continued into June. Equity markets are now factoring in a much more aggressive monetary stance by central banks after the US Federal Reserve increased benchmark rates by 75 basis points to a range of 1.50% to 1.75%, with the Fed Reserve chairman indicating a further 50 to 75 basis points increase at the next meeting in July. Paradoxically equity markets have also almost fully priced in a potential recession which would mean an overly hawkish monetary policy is unsustainable over the medium term. Despite many widely expressed views on the likely macroeconomic direction of the major economies, a composed understanding of the major forces currently at play, make for a highly unpredictable set of economic outcomes. We are certainly facing sustained inflationary pressures and the required central bank response will be firm (we have previously argued central banks have been neglectfully tardy to raise) but we also have very buoyant labour markets, strong consumer demand and a world economy crawling its way towards a pre-Covid normalisation. Under such contradicting forces, only a brave or foolish economist would have a high degree of confidence in their economic outlook. What we do know is that equity markets are almost fully pricing in a recession and secondly, and that equity markets price in many recessions that never eventuate.

Microequities Global Value Microcap Fund returned -5.19% in June; this brings the total return net of fees to 45.89% for the Fund since inception in December 2015.

Takeover activity remained high within our Global Value Microcap Fund. **Caretech Holdings PLC (LON:CTH)** accepted an 850m GBP offer (750p per share) at a 28% premium to its pre-bid price. Caretech Holdings has been a constituent investee company of the Fund since inception in 2015. The winning management consortium had originally bid 725p per share, which was countered by two other competing bids, before the consortium won the takeover with an unmatched 750p offer. Caretech is a top 5 investment in the Fund and currently represents 7.4% of the total net assets of the Fund. **PiteCo SPA (BIT:PITE)** a financial software technology company, and currently the biggest investee company in the Fund representing 13.8% of the total assets, received a tender offer for the company from its largest shareholder at a price of 11.25 Euros per share. PiteCo has also been a long time stalwart holding in the Fund.

There are currently three companies under active takeover offers in the Fund, representing a total of 23% of the NTA of the Fund.

Projected EPS Growth 1 Year Forward (on a weighted basis)	+17.9%
Projected EPS Growth 2 Years Forward (on a weighted basis)	+17.0%

Number of companies	35
Top 5 Holdings % of NAV	43.7%
Top 10 Holdings % of NAV	62.1%
Top 20 Holdings % of NAV	81.9%
Cash Position % of NAV	5.9%

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.