


GLOBAL VALUE

MICROCAP FUND



MONTHLY PERFORMANCE AS AT 31/03/2020

latest unit price \$0.9123	return since inception 2.47%	return 1 month -24.23%	 monthly currency impact TAILWIND STRONG (3%+)
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FUND OUTLINE







Fund Manager:

Carlos Gil (CIO)

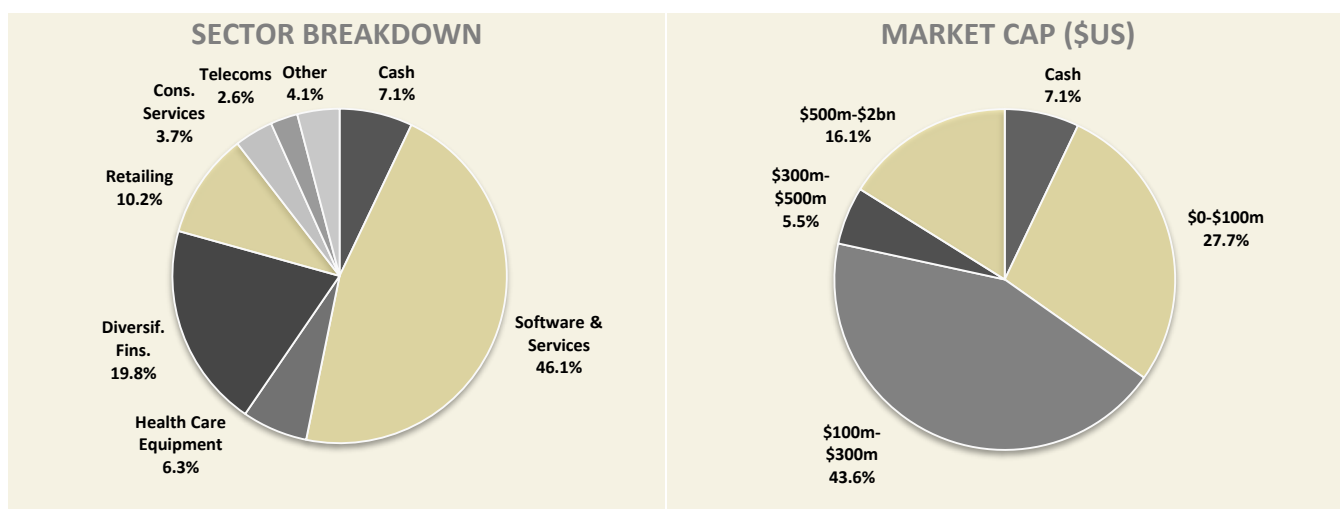
The Global Value Microcap Fund is a wholesale fund investing in a selection of undervalued, profitable and growing companies listed in predominantly advanced economies around the world.

COUNTRY BREAK UP

% of NAV

	United Kingdom	24.9%
	United States	13.5%
	Cont. Europe	45.3%
	Australia	5.2%
	Canada	1.4%
	New Zealand	2.7%
	Cash	7.1%
	Total	100.0%

	Total since inception	Compound p.a. since inception	3 Year	2 Year	1 Year	1 Month
GVMF	2.47%	0.56%	-2.01%	-10.92%	-16.94%	-24.23%



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MARKET UPDATE AND COMMENTARY

March 2020 will go down as a month that saw one of the worst stock market crashes in history. The Covid-19 outbreak and the reactive social distancing measures, bans on international travel and other restrictions on economic activity saw financial markets scrambling to reassess earnings and economic implications. The consequent immediate effect on the world economy is an almost certain recession across most of the developed world, inclusive of Australia. The severity and duration of the ensuing recession will depend on two key factors; how long the draconian containment regime lasts across the developed world and the size and effectiveness of the massive fiscal stimuli being instigated by governments around the world. Investors might deem that an imminent recession has a consequent negative return relationship with equity markets, but that is not necessarily the case. In half of the recessions during the last 100 years, stock markets actually rose, with the 3 years after the end of a recession recording the strongest stock market returns. For Microequities the pricing dislocation during the March crash has opened many new investment opportunities previously not accessible to us due to valuation concerns. Our experience tells us these windows of opportunity do not stay open for long.

Microequities Global Value Microcap Fund returned -24.23% in March; this brings the total return net of fees to 2.47% for the Fund since inception in December 2015.

We expect the 3 biggest investments in the Global Value Microcap Fund with a combined weighting of 33.6% of the Fund's assets, to grow despite the looming world economic slowdown (Livechat is one of the top 3 weighted businesses). The updated positive earnings outlook also extends to our top 5 investee companies. The core of the portfolio is very well placed with enterprise software businesses and other service businesses that benefit from financial market volatility. Outside the core holdings, the investment management team has actively reduced the exposure to our online travel agencies businesses such as eDreams which currently has a 1.7% total weighting. Our total OTA business exposure accounts for 4.9% of the total assets of the Fund, which we consider to be prudent. Despite the short-term economic pain, these OTA businesses are formidable businesses that will in time rebound strongly. Further portfolio recalibration will take place over the next month as the investment team focusses on acquiring businesses that were previously beyond our deep value requisites.

Projected EPS Growth 1 Year Forward (on a weighted basis)	+4.7%
Projected EPS Growth 2 Years Forward (on a weighted basis)	+13.4%

Number of companies	32
Top 5 Holdings % of NAV	44.2%
Top 10 Holdings % of NAV	62.3%
Top 20 Holdings % of NAV	82.0%
Cash Position % of NAV	7.1%

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.