


GLOBAL VALUE

MICROCAP FUND



MONTHLY PERFORMANCE AS AT 30/11/2019

latest unit price \$1.2274	return since inception 37.86%	return 1 month 4.35%	 monthly currency impact TAILWIND MODERATE (1-3%)
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FUND OUTLINE

Fund Manager:

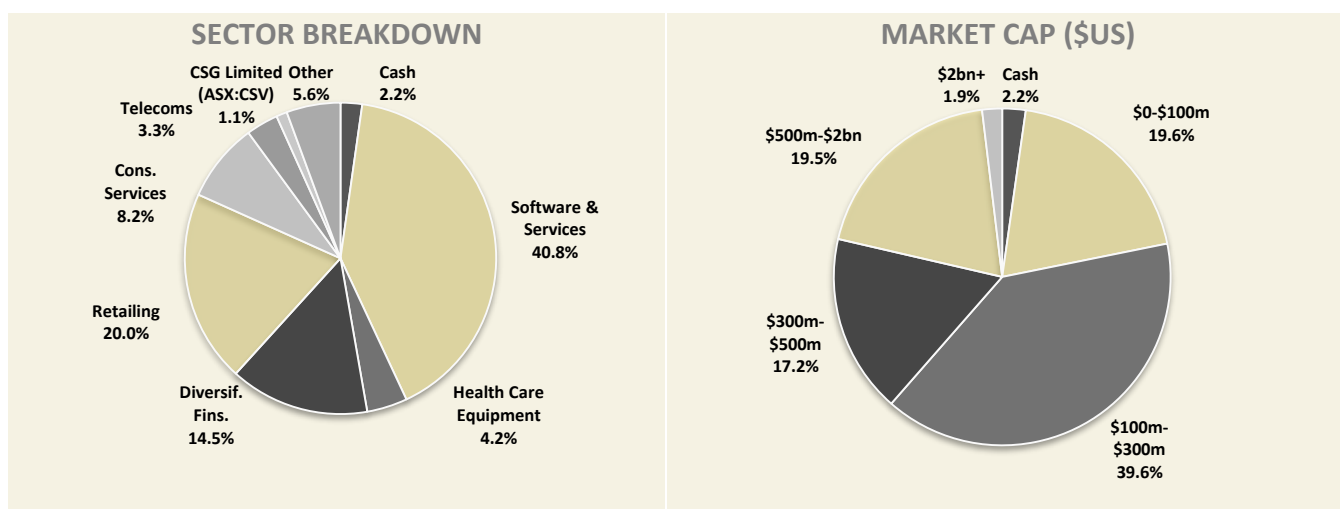
Carlos Gil (CIO)

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 Equity Portfolio	% of NAV
	United Kingdom	31.7%	31.0%
	United States	16.6%	16.2%
	Cont. Europe	38.0%	37.2%
	Australia	5.7%	5.6%
	Canada	4.8%	3.7%
	New Zealand	3.1%	3.1%
	Total	100%	97.8%

	Total since inception	Compound p.a. since inception	3 Year	2 Year	1 Year	1 Month
GVMF	37.86%	8.36%	9.17%	5.24%	9.50%	4.35%



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MARKET UPDATE AND COMMENTARY

December looks set to be an important month with two world events relevant to markets and with significant economic implications edging closer to a conclusion. In the UK, Britons will go to the polls as the Tories look to break through the Brexit stalemate. A Labour victory in the UK could lead to the most radical anti-free market reforms seen since the Second World War. Elsewhere, the Sino-US trade negotiations might edge closer to a first phase deal after the Chinese agreed to important US demands on intellectual property protection. Whilst a first phase would be welcomed by markets and likely improve economic sentiment within the major world economies, key issues such as Chinese industrial subsidies and others forms of protectionism will not be addressed. Thus, a first phase deal will not defuse the trade war, merely lessen tensions and lower points of conflict.

Domestically, Australian equities markets look set to continue to enjoy very low central bank rates, with the RBA rhetoric implying more headroom to cut rates further before it considers quantitative easing policy measures.

Microequities Global Value Microcap Fund returned 4.35% in November; this brings the total return net of fees to 37.86% for the Fund since inception in December 2015.

It was a busy reporting month for the Fund. Earnings reports from our two European online travel agencies (OTAs) were published. Our UK based OTA provided flat numbers following disruption to its business by the collapse of brick and mortar travel agent Thomas Cook. Whilst the collapse of Thomas Cook has adversely negatively impacted its earnings short term, over the medium term it is a positive development for our UK OTA which now has an unprecedented opportunity to organically gain market share. In continental Europe, **eDreams Odigeo** published HY20 results. eDreams has pleasingly returned to bookings growth and management continues to execute on its revenue diversification programme. We are pleased with the results and continue to view eDreams as one of the most undervalued assets within the portfolio.

The second largest investment in the Fund, **LiveChat Software SA** provided another stellar interim result. Net sales grew +20% YoY and NPAT grew +16.1%. The results are even more impressive in the context of a step-up in operational investment that has seen headcount grow from 107 to 160 in the last 12 months. We continue to add to our investment in this formidable business, which we believe remains undervalued.

Projected EPS Growth 1 Year Forward (on a weighted basis)	+21.7%
Projected EPS Growth 2 Years Forward (on a weighted basis)	+19.0%

Number of companies	35
Top 5 Holdings % of NAV	33.3%
Top 10 Holdings % of NAV	54.8%
Top 20 Holdings % of NAV	81.5%
Cash Position % of NAV	2.2%

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.