


GLOBAL VALUE

MICROCAP FUND



MONTHLY PERFORMANCE AS AT 31/12/2022

latest unit price \$1.3457	return since inception 60.39%	return 1 month -1.82%	 monthly currency impact TAILWIND LOW (0-1%)
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FUND OUTLINE







Fund Manager:

Carlos Gil (CIO)

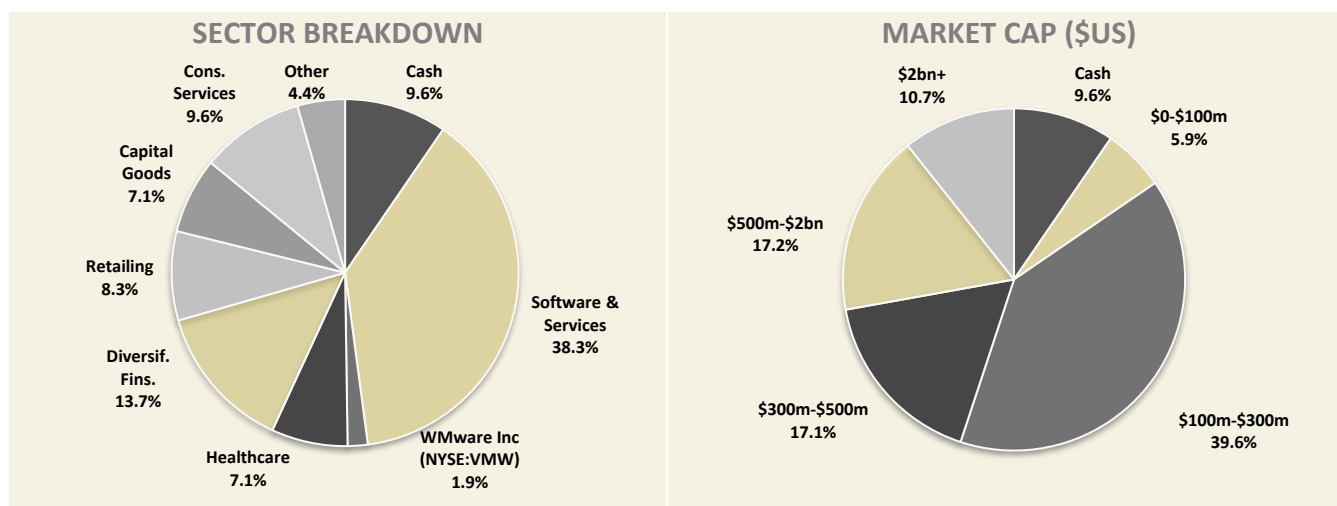
The Global Value Microcap Fund is a wholesale fund investing in a selection of undervalued, profitable and growing companies listed in predominantly advanced economies around the world.

COUNTRY BREAK UP

% of NAV

	United Kingdom	18.6%
	United States	20.3%
	Cont. Europe	33.7%
	Australia	9.3%
	Canada	1.5%
	New Zealand	7.0%
	Cash	9.6%
	Total	100.0%

	Total since inception	Compound p.a. since inception	7 Year	5 Year	3 Year	1 Year	1 Month
GVMF	60.39%	6.90%	6.80%	5.27%	4.16%	-15.55%	-1.82%



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MARKET UPDATE AND COMMENTARY

China has taken the painful but ultimately wise decision to drop its Covid-19 Zero tolerance policy. Better to change course late than to stubbornly continue in the wrong direction. While the policy shift will have large human and economic costs over the short term, over the long term it will recalibrate China's economic growth foundations to give the country a more robust platform for sustainable economic performance. The world should see the economic benefits of this social health policy reset by the end of 2H23 with better supply chain performance from the world's largest manufacturer, reopening of travel borders and a more internationally engaged China. By 1H24, China's economy should look a lot more like its pre-Covid self and GDP growth should be at +5%. Domestically, despite the gloom and doom headlines, we do not expect Australia's economy to enter into a recession. The reopening of international borders will have significant economic benefits for Australia's two biggest service export industries: education and tourism. Additionally, net immigration flows (a key engine in Australia's long term economic outperformance) will provide a further boost. These forces will help Australia cushion the negative impact of rising interest rates though we do expect GDP growth to slow down to the 1.5%-2.0% range.

Microequities Global Value Microcap Fund returned -1.82% in December; this brings the total return net of fees to 60.39% for the Fund since inception in December 2015.

During the month, our online travel agency business in the UK, **On the Beach Group (LON:OTB)** published its FY22 results. The business delivered TTV growth of 15.5% on FY19 levels (i.e.. pre Covid) and +259% on FY21. The results were driven by strong performance in long haul trips and B2B. Pleasingly the momentum has carried into FY23 with a good order book for the European summer of 2023.

In last month's update we revealed two new purchases for the Global Value Fund following excellent research work undertaken by the team. We have spent two months accumulating stakes in these two companies and we are pleased to report that we have been successful in building up our stake in both businesses. Specifically, the niche manufacturer of safety equipment now represents 4.5% of the net assets of the Fund, whilst the Italian telecommunications business is now 1.9% of the net assets of the Fund. We are continuing to actively buy both businesses and currently have 9.6% of the assets of the Fund in cash, partly boosted by the completion of the **ThinkSmart Ltd (LON:TSL)** takeover.

Projected EPS Growth 1 Year Forward (on a weighted basis)	+12.2%
Projected EPS Growth 2 Years Forward (on a weighted basis)	+18.3%

Number of companies	37
Top 5 Holdings % of NAV	34.5%
Top 10 Holdings % of NAV	52.9%
Top 20 Holdings % of NAV	74.9%
Cash Position % of NAV	9.6%

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.