


GLOBAL VALUE

MICROCAP FUND



MONTHLY PERFORMANCE AS AT 28/02/2023

latest unit price \$1.4625	return since inception 74.31%	return 1 month 1.84%	 monthly currency impact TAILWIND MODERATE (1-3%)
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FUND OUTLINE







Fund Manager:

Carlos Gil (CIO)

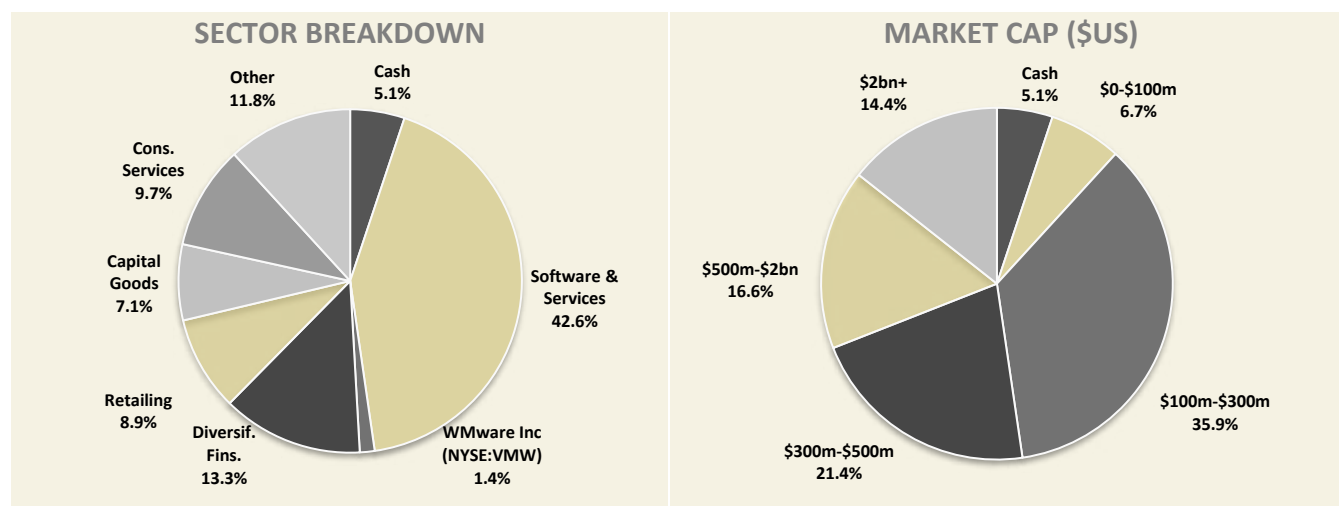
The Global Value Microcap Fund is a wholesale fund investing in a selection of undervalued, profitable and growing companies listed in predominantly advanced economies around the world.

COUNTRY BREAK UP

% of NAV

	United Kingdom	20.3%
	United States	23.4%
	Cont. Europe	33.6%
	Australia	8.1%
	Canada	1.6%
	New Zealand	7.9%
	Cash	5.1%
	Total	100.0%

	Total since inception	Compound p.a. since inception	7 Year	5 Year	3 Year	1 Year	1 Month
GVMF	74.31%	7.97%	8.43%	6.52%	8.83%	1.78%	1.84%



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MARKET UPDATE AND COMMENTARY

Equity market sentiment and direction continue to be governed by interpreting every economic data point in the context of its impact to near term monetary policy. The US Personal Consumption expenditures index (PCE) for the month of January increased by +0.6% to an annual rate of 5.4%, up from 5.3% on the previous month. Core PCE which strips out food and energy, rose by +0.6% to 4.7%. The increases were higher than expected and came following other recent macroeconomic data points like employment and retail numbers that came in stronger than expected pointing to a lack of an economic slowdown needed to slow inflation. The reading increases the probability that the US Federal Reserve will increase rates by 50 basis points at its next meeting. In Australia, the unemployment rate unexpectedly increased from 3.5% to 3.7% as the number of unemployed rose by 22,000. The weaker employment number was soon followed by a wage growth data that came lower than expected at 3.3%, missing the forecast of 3.5%. While these are softer numbers than expected, we still think it is highly likely the RBA will increase rates by another 25 bps at its next meeting on the 7th of March.

Microequities Global Value Microcap Fund returned 1.84% in February; this brings the total return net of fees to 74.31% for the Fund since inception in December 2015.

Telecommunications and managed service investee company **Adept Technologies PLC (LON:ADT)** received an all cash takeover during the month at a 75% premium to its last closing price. Microequities is pleased with the offer in the absence of a superior offer, given the number of alternative undervalued opportunities available within the Fund. **The takeover by Macquarie Group Ltd** closes the deep valuation discount between Adept Technologies market price and its intrinsic value. Currently Adept Technologies represents 1.7% of the total assets in the Global Value Microcap Fund.

Enterprise software company **LiveChat SA (WSE:LVC)** published its 3Q23 financial results on the last trading day of the month. Revenue grew by +53%, whilst net profit grew by +60.4%. The increase in revenues were partly driven by increases in prices across the LiveChat product range implemented at the beginning of 3Q23. Average revenue per user (ARPU) increased from ~\$120 USD per user to ~\$160 USD per user.

With the Fund sitting on 5.1% of its assets in cash, the investment management team will look to deploy 50 to 60% of its cash assets over the course of the next month.

Projected EPS Growth 1 Year Forward (on a weighted basis)	+11.1%
Projected EPS Growth 2 Years Forward (on a weighted basis)	+18.6%

Number of companies	38
Top 5 Holdings % of NAV	35.8%
Top 10 Holdings % of NAV	54.5%
Top 20 Holdings % of NAV	77.6%
Cash Position % of NAV	5.1%

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.