


GLOBAL VALUE

MICROCAP FUND



MONTHLY PERFORMANCE AS AT 31/05/2023

latest unit price \$1.5617	return since inception 86.13%	return 1 month +0.50%	 monthly currency impact TAILWIND MODERATE (1-3%)
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FUND OUTLINE







Fund Manager:

Carlos Gil (CIO)

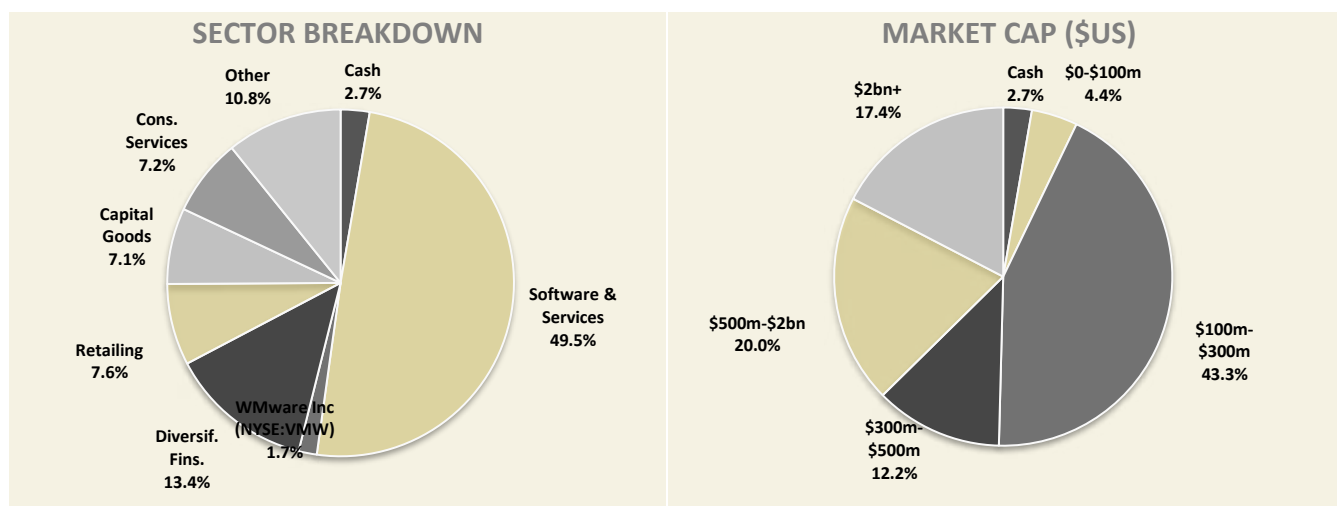
The Global Value Microcap Fund is a wholesale fund investing in a selection of undervalued, profitable and growing companies listed in predominantly advanced economies around the world.

COUNTRY BREAK UP

% of NAV

	United Kingdom	18.3%
	United States	25.0%
	Cont. Europe	35.7%
	Australia	6.4%
	Canada	1.6%
	New Zealand	8.8%
	Cash	4.2%
	Total	100.0%

	Total since inception	Compound p.a. since inception	7 Year	5 Year	3 Year	1 Year	1 Month
GVMF	86.13%	8.64%	9.47%	7.97%	15.24%	20.96%	0.50%



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MARKET UPDATE AND COMMENTARY

China's headline retail sales data for April showed impressive growth of +18.3% YoY. The number, however, needs to be contextualised given that a year ago China was engulfed in Covid-induced lockdowns which caused April 2022 retail sales to plunge by -13%. Industrial production also accelerated in April and is now running at an annualised rate of 5.6% YoY and back to pre-pandemic growth rates. Industrial production will face headwinds during 2023 given Chinese manufacturing exports are likely to weaken given advanced economy markets are shifting consumption to services, inventory levels are replenished and a growing trend to localisation of supply chains. Despite the challenges in manufacturing, we still see the Chinese economy expanding at +5% for 2023 with a rebound in domestic consumption likely to offset sluggish exports. Domestically, Australia's unemployment moved up slightly from its 50-year lows, edging upwards to 3.7% as the economy lost 4,000 jobs. The labour market remains extremely tight, and we expect it to loosen in the months ahead as a combination of additional labour supply comes into the market and interest rates begin to bite.

Microequities Global Value Microcap Fund returned +0.50% in April; this brings the total return net of fees to 86.13% for the Fund since inception in December 2015.

Our diagnostic imaging business **Voxel S.A (WSE:VOX)** published its 1Q23 financial results during the month. The business, which two years ago benefited from the Covid boom in testing and then experienced a large drop off in demand for those services, has demonstrated its core medical services (diagnostic imaging) continues to grow, which was the core of our investment thesis. In 1Q13, it performed 111,000 diagnostic tests (+4% YoY), 61,000 MRI scans (+22% YoY) and 4,000 PET scans (+19% YoY). 1Q23 net revenues from diagnostic services were 73m PLN (+56% YoY) and +6% QoQ. Total revenue was 89.9m PLN, -3% YoY due to the roll off of Covid testing which contributed 28m PLN in 1Q22, whilst EBITDA increased to 26.0m (PLN +6%) and EBIT rose to 18.9m PLN (+10% YoY). Overall, pleasing results. Voxel is a core long term investment in the Global Fund and 1Q23 results confirm the investment thesis remains well and truly on track.

Last month we announced the Fund's fourth investment into the cybersecurity industry. Specifically, the business is located in the UK, and we began our initial capital deployment last month. During the month of May, we continued to make additional investments as we build our stake.

Projected EPS Growth 1 Year Forward (on a weighted basis)	+16.2%
Projected EPS Growth 2 Years Forward (on a weighted basis)	+17.2%

Number of companies	37
Top 5 Holdings % of NAV	38.2%
Top 10 Holdings % of NAV	58.8%
Top 20 Holdings % of NAV	81.3%
Cash Position % of NAV	2.7%

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.