


GLOBAL VALUE

MICROCAP FUND



MONTHLY PERFORMANCE AS AT 31/08/2023

latest unit price \$1.4252	return since inception 94.28%	return 1 month 0.46%	 monthly currency impact TAILWIND MODERATE (1-3%)
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FUND OUTLINE







Fund Manager:

Carlos Gil (CIO)

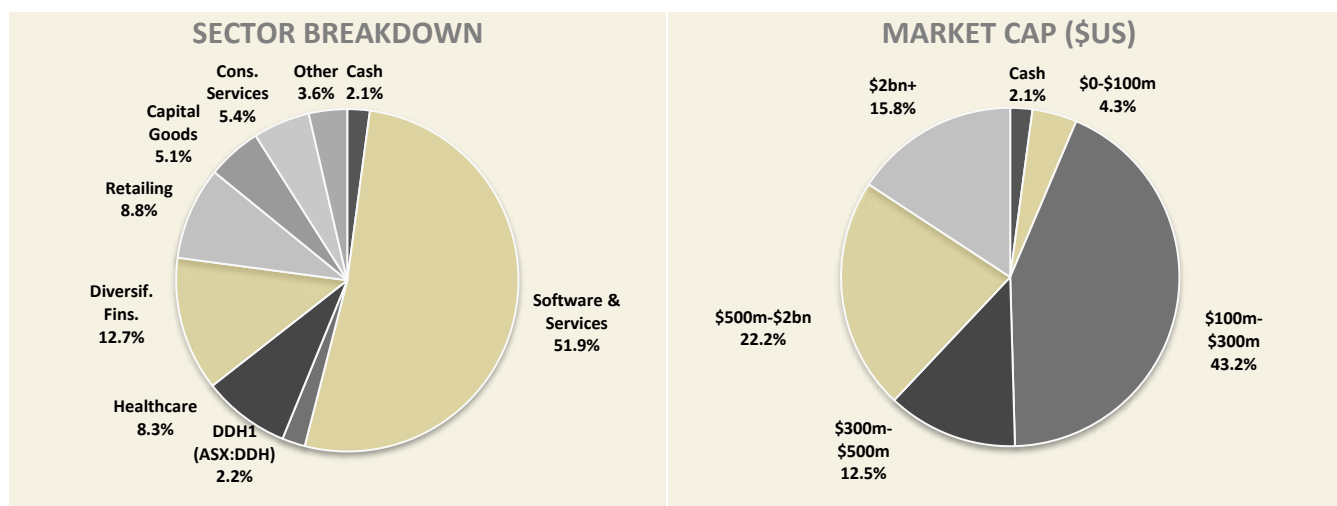
The Global Value Microcap Fund is a wholesale fund investing in a selection of undervalued, profitable and growing companies listed in predominantly advanced economies around the world.

COUNTRY BREAK UP

% of NAV

	United Kingdom	19.1%
	United States	23.3%
	Cont. Europe	37.5%
	Australia	6.9%
	Canada	1.9%
	New Zealand	9.2%
	Cash	2.1%
	Total	100.0%

	Total since inception	Compound p.a. since inception	7 Year	5 Year	3 Year	1 Year	1 Month
GVMF	94.28%	8.95%	9.85%	7.18%	12.13%	31.91%	0.46%



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MARKET UPDATE AND COMMENTARY

The Chinese monetary and fiscal response to an evident slowdown in the economy has so far been underwhelming. During the month, China modestly cut its one-year prime lending rate from 3.55% to 3.45%. It however kept the important 5-year equivalent rate steady at 4.2%. So far, the government has shown a reluctance to instigate a strong policy response. Youth unemployment in urban areas has been rising sharply since the beginning of 2020 and the Chinese government has announced it will stop publishing youth unemployment data. Positively, the Chinese government is still facing an expanding economy, in fact most Western economies would happily swap its 4-5% GDP growth rate for theirs. However, the structural imbalances in the industrial base of the Chinese economy remain and pose a threat to its long-term economic prosperity which is accentuated by an ageing population. It is not just that its population is ageing, it is projected to begin to decline as early as 2023, creating greater challenges over the long term. Across the US, the resilience of the economy and a slowing, yet still high inflationary rate, means the US Federal Reserve is likely to remain on the sidelines over the short term as it takes a more data driven approach to its next move as opposed to being pre-emptive.

Microequities Global Value Microcap Fund returned 0.46% in August; this brings the total return net of fees to 94.28% for the Fund since inception in December 2015.

A busy month in terms of corporate results for the Global Value Microcap Fund, with **LiveChat Software S.A (WSE:LVC)** publishing its 1Q24 financial results. Revenue for the 1Q were 83.5m PLN +25% pcp whilst net profit increased to 45.2m PLN an increase of 25.4% compared to the previous year. The increase in revenues and profit came from both an increase in the number of customers and an increase in the average revenue per account. The company ended the quarter with 37,765 LiveChat customers and 2,804 ChatBot customers. In the UK, car dealership **Vertu Motors Plc (LON:VTU)** which has a network of 189 retail sales outlets provided an update on current trading conditions. The company said new vehicle sales are up on the previous corresponding period, whilst used vehicle volumes declined by 6.3% in the first 6 months of FY24. Tight supply has kept prices high meaning gross profit margins remain above historical levels. The company continues its share buyback programme.

We are pleased to report that our commitment to make cyber security a core part of the Global Value Microcap Fund portfolio is very much coming to the fore with this sector now making up 18% of the Fund's total assets.

Projected EPS Growth 1 Year Forward (on a weighted basis)	+22.0%
Projected EPS Growth 2 Years Forward (on a weighted basis)	+19.4%

Number of companies	37
Top 5 Holdings % of NAV	38.6%
Top 10 Holdings % of NAV	59.7%
Top 20 Holdings % of NAV	80.8%
Cash Position % of NAV	2.1%

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.