


GLOBAL VALUE

MICROCAP FUND



MONTHLY PERFORMANCE AS AT 30/09/2023

latest unit price \$1.3659	return since inception 86.20%	return 1 month -4.16%	 monthly currency impact HEADWIND MODERATE (1-3%)
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FUND OUTLINE







Fund Manager:

Carlos Gil (CIO)

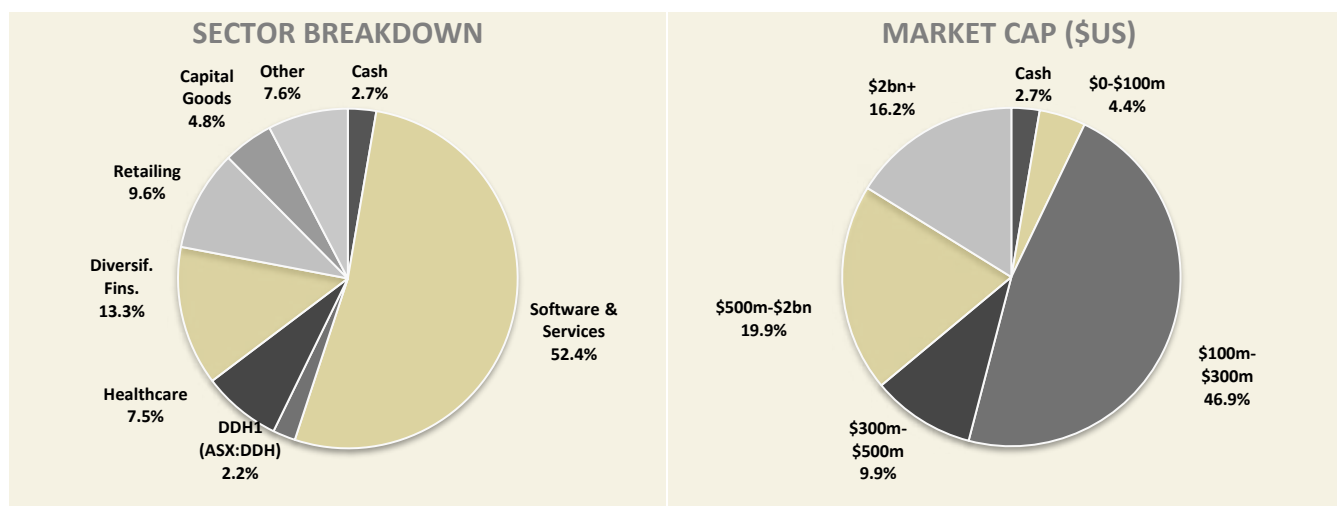
The Global Value Microcap Fund is a wholesale fund investing in a selection of undervalued, profitable and growing companies listed in predominantly advanced economies around the world.

COUNTRY BREAK UP

% of NAV

	United Kingdom	19.8%
	United States	22.7%
	Cont. Europe	36.6%
	Australia	6.7%
	Canada	2.0%
	New Zealand	9.5%
	Cash	2.7%
	Total	100.0%

	Total since inception	Compound p.a. since inception	7 Year	5 Year	3 Year	1 Year	1 Month
GVMF	86.20%	8.26%	9.29%	6.69%	10.55%	29.51%	-4.16%



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MARKET UPDATE AND COMMENTARY

September 2023 will go down as the month when the global central banks interest inflection point begun. Whilst it is unlikely that the US Federal Reserve will move to cut rates during 2023, the US is at or very near peak rates. So, too is the European Union, which this month saw the ECB raise rates to an all-time high for the institution (it raised rates 25 basis points to 4%) but implied rates have peaked "Based on its current assessment, the Governing Council considers that the key ECB interest rates have reached levels that, maintained for a sufficiently long duration, will make a substantial contribution to the timely return of inflation to the target". Over in the UK, the Bank of England surprisingly kept rates unchanged in a close vote, citing weakness in the UK property market and slowing inflation data. The latter is the key data point for central bankers around the world. Core inflation in the US (which strips out volatile energy and food prices) is trending downwards and could fall below 4% in the coming months, whilst in the EU it has been falling since March this year when it reached 8.7%, with the current rate at 6.9% and expected to fall further. Over in Australia, early in the year, we called that there was at most 75 basis points increase before we reached peak rates this cycle. So far, the RBA has increased 50 basis points.

Microequities Global Value Microcap Fund returned -4.16% in September; this brings the total return net of fees to 86.20% for the Fund since inception in December 2015.

September saw significant news flow for the Global Value Microcap Fund as various investee companies reported quarterly or semester financial results. Italian motorsport safety equipment manufacturer and brand owner **Racing Force S.P.A (BIT:RFG)** reported 1HCY23 financial results. The company achieved sales of 37.2m Eur (+11% YoY), however higher expenses, particularly in the motorsport division and investments in diversifying the product suite, saw expenses rise markedly resulting in margin decline and operating income to fall to 6.4m Eur (versus 8.1m pc). Sales for the 2HCY23 have started positively and the company is looking to improve its operating margin performance. Whilst the operating margin decline was disappointing, we see the business as a high quality asset and expect the benefits of scale to improve margins over FY24. In the UK, forex and payment processor **Equals Group plc (AIM EQLS)** published its 1HCY23 financial results. The business continues to deliver on a strong post Covid recovery with revenues increasing to 45.0m GBP (+43% YoY), whilst gross margin improved from 47.4% to 52.4% allowing the business to deliver underlying EBITDA of 9.8m GBP, an increase of 100% versus the pc.

Projected EPS Growth 1 Year Forward (on a weighted basis)	+22.6%
Projected EPS Growth 2 Years Forward (on a weighted basis)	+19.1%

Number of companies	38
Top 5 Holdings % of NAV	39.4%
Top 10 Holdings % of NAV	60.1%
Top 20 Holdings % of NAV	81.1%
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.