


# GLOBAL VALUE

## MICROCAP FUND



### MONTHLY PERFORMANCE AS AT 29/02/2024

latest unit price <b>\$1.4759</b>	return since inception <b>101.20%</b>	return 1 month <b>-0.64%</b>	 monthly currency impact <b>TAILWIND MODERATE (1-3%)</b>
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#### FUND OUTLINE

Fund Manager:  
Carlos Gil (CIO)

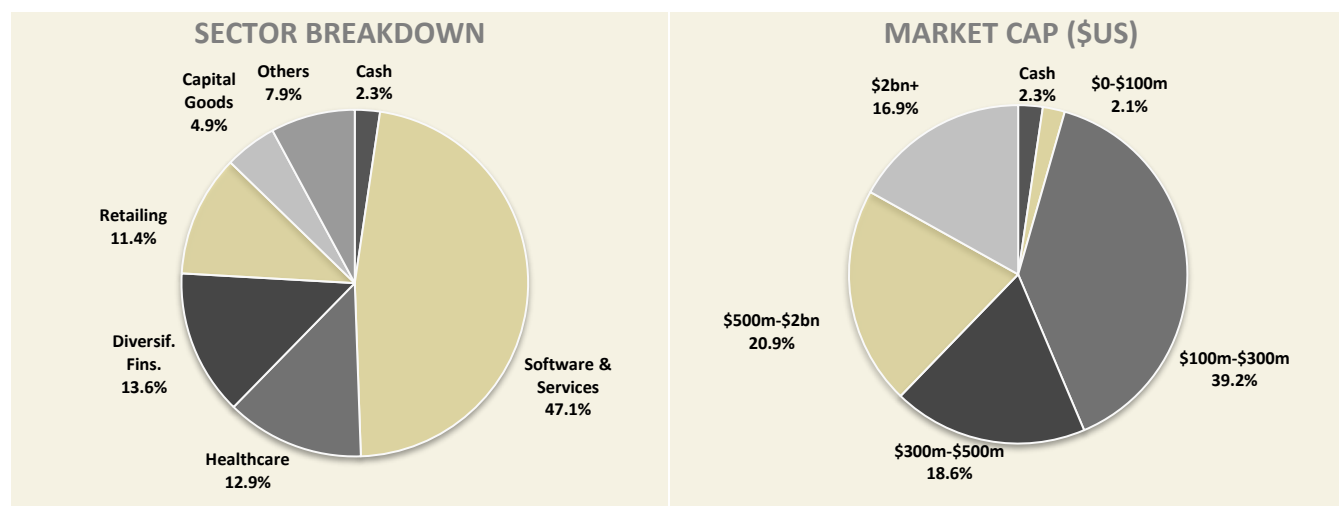
The Global Value Microcap Fund is a wholesale fund investing in a selection of undervalued, profitable and growing companies listed in predominantly advanced economies around the world.

#### COUNTRY BREAK UP

% of NAV

	United Kingdom	23.2%
	United States	22.2%
	Cont. Europe	37.8%
	Australia	4.7%
	Canada	1.4%
	New Zealand	8.4%
	Cash	2.3%
	<b>Total</b>	<b>100.0%</b>

	Total since inception	Compound p.a. since inception	7 Year Compound Annual	5 Year Compound Annual	3 Year Compound Annual	1 Year	1 Month
<b>GVMF</b>	<b>101.20%</b>	<b>8.84%</b>	<b>9.33%</b>	<b>9.48%</b>	<b>3.42%</b>	<b>15.42%</b>	<b>-0.64%</b>



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### MARKET UPDATE AND COMMENTARY

The strength of the US economy which has surprised most economists, gives the US Federal Reserve (the Fed) the added luxury of time. In the fourth quarter of 2023, the US economy expanded at a revised annual pace of 3.2%, with consumer spending running at a healthy 3.0% annualised rate. The much-watched personal consumption expenditure (PCE) rose at an annual pace of 2.1%. The key takeaway is the US economy has entered 2024 with momentum, and whilst inflation continues to trend downwards, it is still not yet decisively low enough for the Fed to cut rates. The health of economic growth and strong Labor market gives the Fed the luxury of time. In equity markets the remarkable increased demand for Nvidia Corporation's products has driven the technology led Nasdaq Index to within a whisker of its all time high. The AI revolution is driving demand for processing power and rapid build-up of data centres around the US. It is a societal trend that will also head towards Australia and some of our investment funds own businesses that are likely to benefit from this emerging structural change.

**Microequities Global Value Microcap Fund returned -0.64% in February; this brings the total return net of fees to 101.20% for the Fund since inception in December 2015.**

The month of February saw the investment team be quite active in terms of portfolio adjustments. We continued to actively accumulate holdings in various investee companies including the Italian healthcare provider announced in the November 2023 update. We are pleased to inform that we have been successful in accumulating a stake that now represents 2.8% of the Fund's assets, with our accumulation phase nearing its desired target. Additionally, we continued to build on our stakes in two cyber security businesses both of which are European. We are also pleased to announce that we begun to acquire a new entrant in the Global Value Microcap Fund. The German based business is a mass market luxury product manufacturer with a global brand that would be well known to our investors. Whilst the company is not technically a microcap company, we do have a non-microcap segment in the portfolio that we have historically used to acquire undervalued growing large companies.

Polish based customer service software provider **Text SA (WSE:TXT)** published 3Q24 financial results late in the month. The software vendor reported PLN89.4m revenue +3.9% YoY, net profit -7.1% and monthly recurring revenue US\$6.5m +2.2%. Whilst the results are acceptable, we acknowledge that Text SA growth has peaked, at least for the short to medium term. Correspondingly the investment team had been reducing its stake in the business over the past 12 months.

<b>Projected EPS Growth</b> 1 Year Forward (on a weighted basis)	<b>+23.4 %</b>
<b>Projected EPS Growth</b> 2 Years Forward (on a weighted basis)	<b>+23.7%</b>

<b>Number of companies</b>	<b>37</b>
<b>Top 5 Holdings</b> % of NAV	<b>37.3%</b>
<b>Top 10 Holdings</b> % of NAV	<b>60.2%</b>
<b>Top 20 Holdings</b> % of NAV	<b>81.2%</b>
<b>Cash Position</b> % of NAV	<b>2.3%</b>

**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.