


# GLOBAL VALUE

## MICROCAP FUND



### MONTHLY PERFORMANCE AS AT 30/06/2024







latest unit price <b>\$1.4613</b> <small>(Cum-distribution)</small>	return since inception <b>99.21%</b>	return 1 month <b>-3.10%</b>	 monthly currency impact <b>HEADWIND MODERATE (1-3%)</b>
---	---	---------------------------------	---

#### FUND OUTLINE

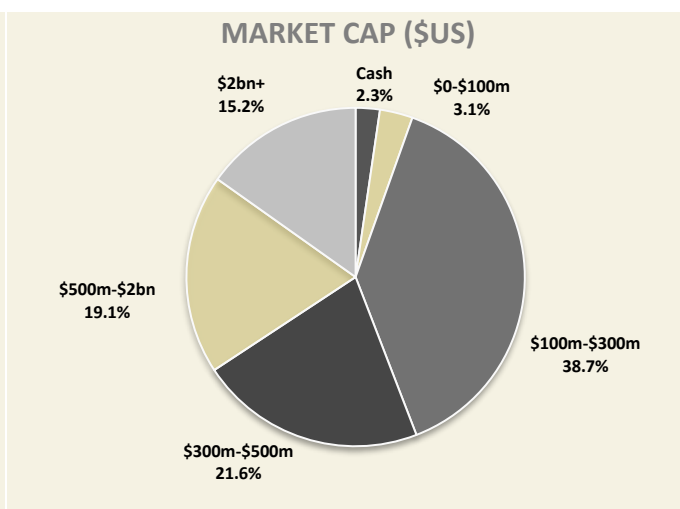
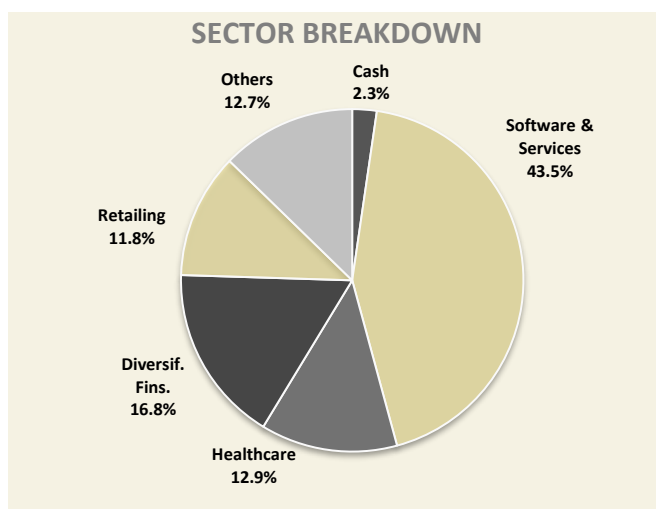
Fund Manager:  
Carlos Gil (CIO)

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	23.6%
	United States	20.4%
	Cont. Europe	39.1%
	Australia	5.6%
	Canada	1.8%
	New Zealand	7.2%
	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>99.21%</b>	<b>8.36%</b>	<b>8.57%</b>	<b>8.83%</b>	<b>-0.35%</b>	<b>6.09%</b>	<b>-3.10%</b>



# GLOBAL VALUE

## MICROCAP FUND



### MARKET UPDATE AND COMMENTARY

The US May CPI number, which was published just before the Federal Reserve meeting, fell to 3.3%. Core CPI of 3.4% was below the 3.5% expected by economists. The cooling inflationary data was not enough to persuade markets that there would still be 3 rate cuts in 2024. The Federal Reserve chairman noted that 15 of the 19 members backed either one or two cuts in 2024 and that either option was plausible. So, the Fed is doing what we thought it should do. Robust consumer demand and a strong labour market has afforded it the luxury to wait to make sure it has the data before cutting rather than anticipating future data. It is not a change in its decision-making framework, but merely a product of temporal fortuitous macroeconomic circumstance. In Australia, the unemployment rate fell back to 4% in the month of May after 39,700 net jobs (fulltime) were created. The data point continued to depict a picture of a tight labour market in the context of a higher interest rate environment. Late last week the Australian May CPI was published with the print rising to 4%, higher than the expected 3.8%. We note the single poor data point is unlikely to move the RBA into a rate rise, it will however elongate the holding pattern.

**Microequities Global Value Microcap Fund returned -3.10% in June; this brings the total return net of fees to 99.21% for the Fund since inception in December 2015.**

UK car dealership group **Vertu Motors Plc (LON:VTU)** provided an AGM trading update during the month. The company noted car retail and Motability volume growth of +6.8% thanks to increased market share, whilst new vehicle margin dipped to a more normalised 7.4% (down from 8.1%). In the services division, revenue continued to grow strongly with +10.1% like-for-like growth. The investment management team continued to be committed to this long-owned business in the portfolio.

Motorsports safety systems manufacturer **Racing Force Group S.p.A (BIT:RFG)** announced a 7.5m Euro capital increase to institutional shareholders during the month at a price 4.43 Euro per share. The purpose of the capital increase comes as the company entered into a binding commitment with Bahrain International Circuit to expand its production capacity in Bahrain in a line of products that it considers strategic. Concurrent with the capital raise announcement, Racing Force also declared that a fully owned subsidiary of the sovereign wealth fund of the Kingdom of Bahrain had entered into a binding agreement to invest 2m Euro into the placement.

The investment management team is also in the process of recalibrating some of the weightings to increase capital deployed into some of the best investee companies in the Global Value Microcap Fund.

<b>Projected EPS Growth</b> 1 Year Forward (on a weighted basis)	<b>+17.7%</b>
<b>Projected EPS Growth</b> 2 Years Forward (on a weighted basis)	<b>+21.4%</b>

<b>Number of companies</b>	<b>35</b>
<b>Top 5 Holdings</b> % of NAV	<b>37.4%</b>
<b>Top 10 Holdings</b> % of NAV	<b>58.9%</b>
<b>Top 20 Holdings</b> % of NAV	<b>82.5%</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.