


GLOBAL VALUE

MICROCAP FUND



MONTHLY PERFORMANCE AS AT 31/07/2024

latest unit price \$1.4739	return since inception 110.98%	return 1 month 5.91%	 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.

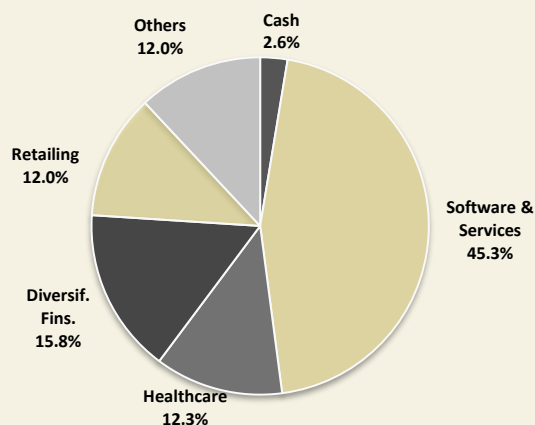
COUNTRY BREAK UP

% of NAV

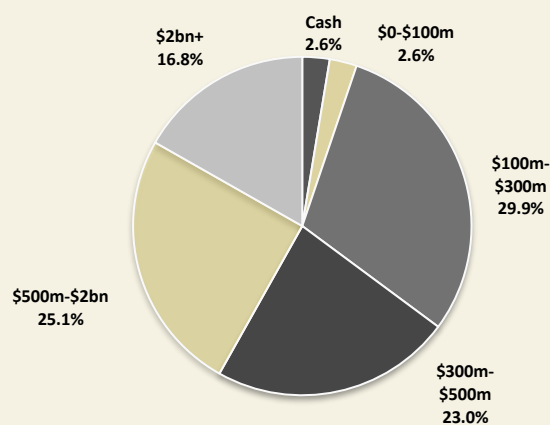
	United Kingdom	23.3%
	United States	23.0%
	Cont. Europe	38.4%
	Australia	4.7%
	Canada	1.5%
	New Zealand	6.5%
	Cash	2.6%
	Total	100.0%

	Total since inception	Compound p.a. since inception	7 Year Compound Annual	5 Year Compound Annual	3 Year Compound Annual	1 Year	1 Month
GVMF	110.98%	9.00%	9.62%	9.83%	2.12%	9.09%	5.91%

SECTOR BREAKDOWN



MARKET CAP (\$US)



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MARKET UPDATE AND COMMENTARY

The latest economic data from the US strongly point towards the world's largest economy undergoing a remarkable soft landing after the most aggressive central bank interest rate increases in two decades. The US economy grew at annual pace of +2.8% during the second quarter of 2024, a solid pace of growth without fuelling inflationary winds the US Federal Reserve is so focused on. In fact, in the same week the US GDP data was released, the Fed's favourite measure of inflation, personal consumption expenditures (PCE), printed a monthly gain of 0.2%, at a 2.6% pace for the year. US PCE peaked at 7.1% during 2022 and has been trending down ever since. The data puts a potential rate cut for the September meeting very much in play. Across to China, the macroeconomic data set looks very different, with the country battling deflation and an economy that has not fired post the Covid pandemic as expected. GDP growth for the second quarter in the world's second largest economy slowed to an annualised rate of +4.7%, down from +5.3%. The Chinese economy is reeling from a severe property market downturn and lacklustre personal consumption. The PBOC responded by cutting the 1-year medium term lending rate to Chinese financial institutions by 20 bps to 2.3% in a bid to stimulate activity.

Microequities Global Value Microcap Fund returned 5.91% in July; this brings the total return net of fees to 110.98% for the Fund since inception in December 2015.

It was an active month for our Global Value Microcap Fund, as we fully exited a financial services business in the UK which had a low weighting in the Fund, at an acceptable return. We have also added two new businesses, meaning the net number of investee companies rises to 37. The first business we added was a professional services business that is quite unique, with strong unit economics, high growth trajectory and importantly, a very strong cash generative model. Our objective is to build a stake in this business to a top 10 holding however, stock liquidity is low and as always, we are extremely price sensitive. The other business added during the month is in the US and is in the cybersecurity software space. It is a business we have been following for over 12 months and a recent share price fall has created an opportunistic window for us to begin to buy equity. The business has been expanding its product portfolio over the last decade, and today the company has product suite that includes cloud security, vulnerability management, SIEM, end point agents as well as other new developing technologies. The new investee company takes the total number of cybersecurity software companies in the Fund to eight, representing 22.2% of the Fund's assets.

Projected EPS Growth 1 Year Forward (on a weighted basis)	+16.1%
Projected EPS Growth 2 Years Forward (on a weighted basis)	+21.1%

Number of companies	37
Top 5 Holdings % of NAV	36.4%
Top 10 Holdings % of NAV	58.9%
Top 20 Holdings % of NAV	82.7%
Cash Position % of NAV	2.6%

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.