


GLOBAL VALUE

MICROCAP FUND



MONTHLY PERFORMANCE AS AT 31/08/2024

latest unit price \$1.4583	return since inception 108.74%	return 1 month -1.06%	 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.

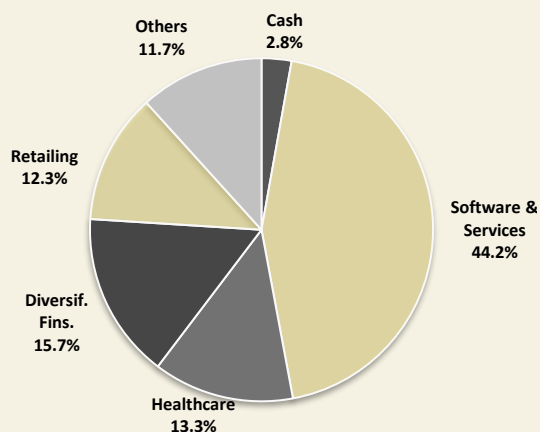
COUNTRY BREAK UP

% of NAV

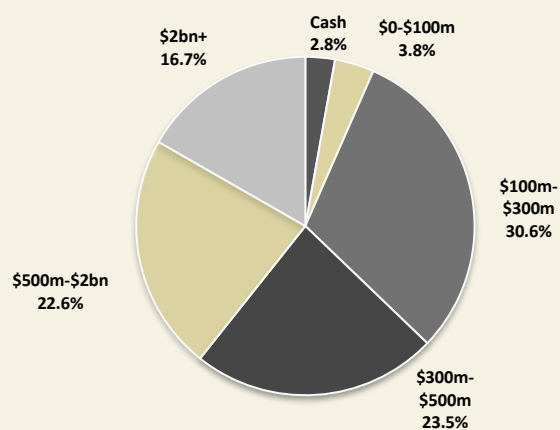
	United Kingdom	23.3%
	United States	23.3%
	Cont. Europe	38.1%
	Australia	4.5%
	Canada	1.4%
	New Zealand	6.6%
	Cash	2.8%
	Total	100.0%

	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	108.74%	8.77%	9.42%	10.45%	0.48%	7.44%	-1.06%

SECTOR BREAKDOWN



MARKET CAP (\$US)



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MARKET UPDATE AND COMMENTARY

The US Federal Reserve's preferred measure of inflation, the Personal Consumption Expenditure Price Index (PCE), remained unchanged at 2.5%, slightly below the market expectation of 2.6%. This stable figure paves the way for the Fed to consider a rate cut at the next meeting on the 17th of September. This data point follows comments made earlier this month by Federal Reserve Chairman Jerome Powell, who noted that “the time has come for policy to adjust,” reflecting growing confidence that the US economy is moving toward the Fed’s inflation target of 2%. This shift marks a significant moment in US monetary policy, after a period during which the central bank raised rates to their highest levels in over 20 years. In another indication of the US economy's remarkable soft landing, consumer spending for July increased by a solid 0.5%, a robust figure suggesting that the Fed is unlikely to cut rates by more than 25 basis points at its upcoming meeting. Meanwhile, domestically, Australia is unlikely to see a rate cut in 2024, as persistent wage increases continue to stoke inflation, which is more structural in nature and therefore harder to reduce.

Microequities Global Value Microcap Fund returned -1.06% in August; this brings the total return net of fees to 108.74% for the Fund since inception in December 2015.

One of two online travel businesses in the Global Value Microcap Fund published 1H24 financial results during the month. Irish based, Hostelworld Group (LON:HSW) delivered +9% bookings growth to achieve 1H24 adjusted EBITDA of €9.6m +88% YoY. The company has also reduced its net debt position to €2.6m from €12.3m thanks to the 1H24 strong cashflow generation. We are pleased with the progress in Hostelworld Group Plc over recent periods.

We are also pleased to report, one of our cybersecurity software companies in the US reported 2Q24 financial results during the month. The business achieved revenue growth of +11%, whilst GAAP operating income grew by 58.2%. The business generated strong free cash flows and has a very strong balance sheet. We are early in the investment journey in this business but are pleased with the upward trajectory of the earnings profile which is meeting our investment thesis. Most of the activity in the Fund was focused on continuing to build a large position in another recently acquired US based cybersecurity software business whilst at the same time trimming some of the positions to recalibrate the weightings.

Projected EPS Growth 1 Year Forward (on a weighted basis)	+14.1%
Projected EPS Growth 2 Years Forward (on a weighted basis)	+24.7%

Number of companies	36
Top 5 Holdings % of NAV	37.8%
Top 10 Holdings % of NAV	58.1%
Top 20 Holdings % of NAV	81.4%
Cash Position % of NAV	2.8%

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.