


# GLOBAL VALUE

## MICROCAP FUND



### MONTHLY PERFORMANCE AS AT 31/10/2024

|                                      |                                          |                                 |                                                                                                                                               |
|--------------------------------------|------------------------------------------|---------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|
| latest unit price<br><b>\$1.4143</b> | return since inception<br><b>102.45%</b> | return 1 month<br><b>-0.47%</b> |  monthly currency impact<br><b>TAILWIND 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.

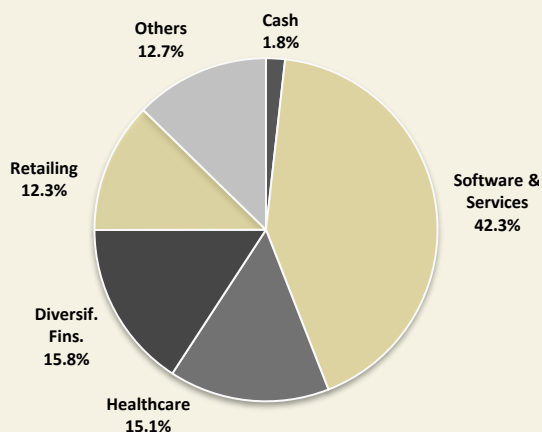
#### COUNTRY BREAK UP

% of NAV

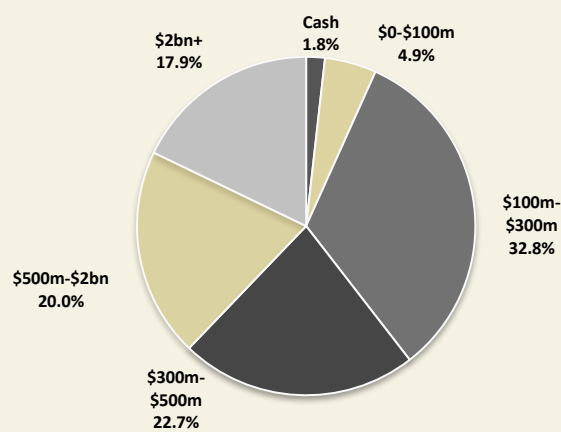
|                                                                                     |                |               |
|-------------------------------------------------------------------------------------|----------------|---------------|
|    | United Kingdom | 23.3%         |
|    | United States  | 25.5%         |
|    | Cont. Europe   | 40.6%         |
|    | Australia      | 3.8%          |
|  | Canada         | 1.3%          |
|  | New Zealand    | 3.7%          |
|                                                                                     | Cash           | 1.8%          |
|                                                                                     | <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>102.45%</b>        | <b>8.23%</b>                  | <b>7.96%</b>           | <b>8.91%</b>           | <b>1.36%</b>           | <b>10.87%</b> | <b>-0.47%</b> |

#### SECTOR BREAKDOWN



#### MARKET CAP (\$US)



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### MARKET UPDATE AND COMMENTARY

The Chinese economy expanded at an annual pace of +4.6% during Q3FY24, broadly in line with expectations and slightly lower than the +4.7% rate recorded in the previous quarter. Consumption in China remains weak with retail spending growing at an annual pace of +2.8%. The most positive element in the GDP report was investment spending which grew at +6.2%. Our view is China continues to face structural imbalances in its economy, which for the most part remain unremedied. China is stepping up its economic stimulus measures with the Vice-Minister of Finance announcing last week China will intensify countercyclical measures including measures to reduce local government debt risks, stabilise the property market and increasing income of key economic groups. The measures are expected to see Q4FY24 GDP growth accelerate. Domestically, Australia's remarkable jobs market has continued to strengthen with net employment growth for September surging by 64,100 new jobs. This was the sixth consecutive print above forecasts and marks an extraordinarily strong employment market which unintendedly will elongate the wait for interest rate cuts.

**Microequities Global Value Microcap Fund returned -0.47% in October; this brings the total return net of fees to 102.45% for the Fund since inception in December 2015.**

Our German fintech investment, a top 4 holding in the Global Value Microcap Fund, provided a financial update on its Q3 CY24 operational and financial performance. The company's revenue increased by just over 10% and net income by 21%. For the full year CY24, guidance was slightly upgraded for revenue to grow above the previous 15% growth guidance and net income at the upper end of the previous guidance of up to 50% growth. The company also announced a share buyback programme of approximately 3.6% of all issued capital. The business will continue to be a core holding in the portfolio and the investment management team sees continued earnings growth in the business over the medium term.

UK car dealer **Vertu Motors Plc (LON:VTU)** published its half yearly results during the month. Revenue grew by 2.9% compared to the previous corresponding period, with used vehicle volumes increasing by 7.3%, however new vehicle sales fell by 5.9% as the overall UK market fell by 11.2%. Vertu Motors delivered an EPS of 4.8 pence for the period. The company's balance sheet remains modestly geared with a gearing ratio of 23.1%. Vertu Motors remains an important investment in our portfolio, the company's share price remains below its NTA and we think the business has a capable and competent management team. The company has instigated a share buyback programme which we support. We remain committed to our investment in Vertu Motors.

|                                                                         |               |
|-------------------------------------------------------------------------|---------------|
| <b>Projected EPS Growth</b><br>1 Year Forward<br>(on a weighted basis)  | <b>+16.3%</b> |
| <b>Projected EPS Growth</b><br>2 Years Forward<br>(on a weighted basis) | <b>+24.9%</b> |

|                                    |              |
|------------------------------------|--------------|
| <b>Number of companies</b>         | <b>35</b>    |
| <b>Top 5 Holdings</b><br>% of NAV  | <b>38.7%</b> |
| <b>Top 10 Holdings</b><br>% of NAV | <b>57.9%</b> |
| <b>Top 20 Holdings</b><br>% of NAV | <b>81.7%</b> |
| <b>Cash Position</b><br>% of NAV   | <b>1.8%</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.