


GLOBAL VALUE

MICROCAP FUND



MONTHLY PERFORMANCE AS AT 31/12/2024

latest unit price \$1.6010	return since inception 129.17%	return 1 month 8.73%	 monthly currency impact TAILWIND STRONG (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.

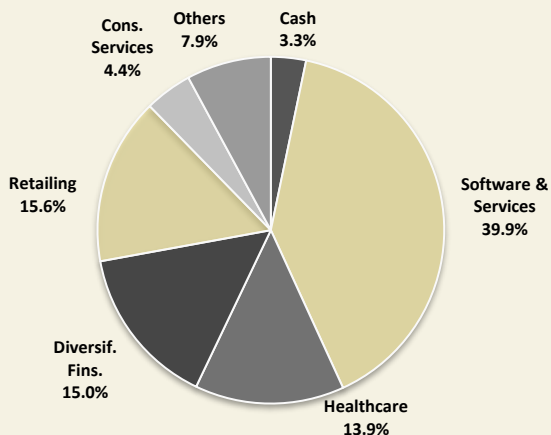
COUNTRY BREAK UP

% of NAV

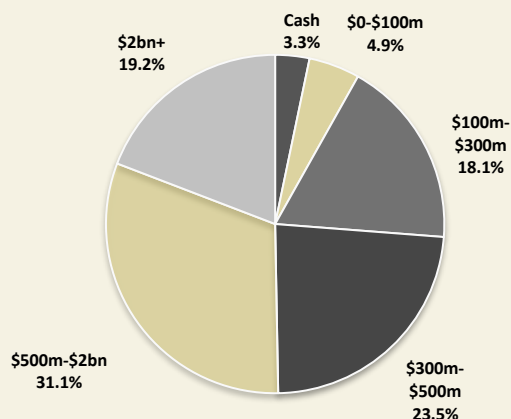
	United Kingdom	24.1%
	United States	29.4%
	Cont. Europe	37.1%
	Australia	2.1%
	Canada	1.2%
	New Zealand	2.8%
	Cash	3.3%
	Total	100.0%

	Total since inception	Compound p.a. since inception	9 Year Compound Annual	7 Year Compound Annual	5 Year Compound Annual	3 Year Compound Annual	1 Year	1 Month
GVMF	129.17%	9.56%	9.51%	9.17%	10.06%	6.46%	12.16%	8.73%

SECTOR BREAKDOWN



MARKET CAP (\$US)



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MARKET UPDATE AND COMMENTARY

China's slowing economic growth is expected to face greater pressure in 2025, as a new Trump administration is likely to impose trade tariffs on Chinese imports, potentially ranging from 20% to as high as 60%. The US accounts for approximately 15% of China's exports, and exports overall contribute roughly 20% to China's GDP. The risk of negative fallout from a trade war with the US is significant, and China will need to address its structural economic challenges sooner rather than later. China's economy continues to grapple with a bloated export sector, an oversized property and construction sector, and insufficient growth in domestic consumption, which currently represents only 55% of GDP. Additionally, youth unemployment remains unacceptably high. On the positive side, China retains a wide array of stimulus options that have yet to be deployed, providing the People's Bank of China and other institutions with considerable flexibility and optionality. Domestically, attention will turn to the Reserve Bank of Australia (RBA), which is scheduled to meet in February 2025. We see little likelihood of the RBA lowering rates at that meeting, given the trimmed mean inflation data from November and a labour market that remains exceptionally tight, particularly in view of participation rate which at 67.1% continues to be near all-time highs.

Microequities Global Value Microcap Fund returned 8.73% in December; this brings the total return net of fees to 129.17% for the Fund since inception in December 2015.

We are pleased to report that **On the Beach PLC (LON:OTB)**, a core investee company of the Fund, reported strong FY24 financial results this month. It reported a 14% increase in revenues and an 85% rise in reported PBT. The company also announced a £25 million share buyback program. **During the month, its share price soared by 48%.** On the Beach was already a top three holding in the Fund before this rally, as we had been steadily increasing our stake in this highly undervalued, profitable growth business. We are pleased to see the market finally begin to close the valuation gap.

As mentioned in last month's update, the investment management team has been selectively increasing its position in a certain cybersecurity software business held by the Fund. This company stands out as a true outlier in terms of valuation and remains significantly underinvested. It now represents 4.1% of the Fund's total assets, up from a 3.2% weighting last month. **Its cybersecurity software peers trade at revenue multiples more than double its current valuation.**

Projected EPS Growth 1 Year Forward (on a weighted basis)	+15.9%
Projected EPS Growth 2 Years Forward (on a weighted basis)	+13.9%

Number of companies	34
Top 5 Holdings % of NAV	41.4%
Top 10 Holdings % of NAV	59.9%
Top 20 Holdings % of NAV	83.5%
Cash Position % of NAV	3.3%

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.