

HIGH INCOME

VALUE MICROCAP FUND



MONTHLY PERFORMANCE AS AT 30/04/2017

latest unit price \$1.4331	return since inception (March 2012) 98.71%	return 1 month -0.63%	FE Crown Rating*
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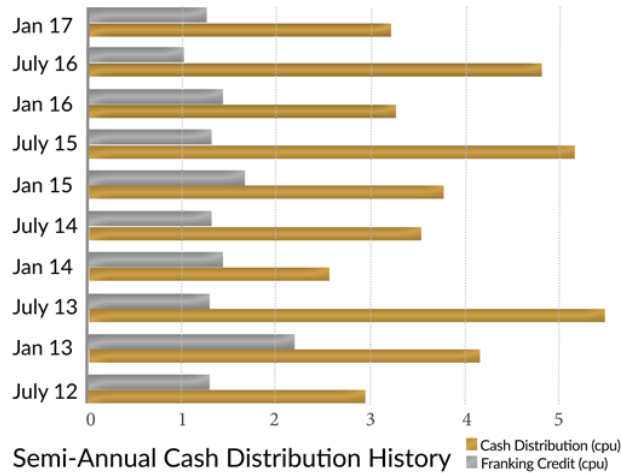
FUND OUTLINE

Fund Manager:

Carlos Gil (CIO)

The High Income Value Microcap Fund is a wholesale fund investing in high dividend paying, undervalued, ASX microcap companies.

53.34 c Total Cash and Franking Credits RETURNED SINCE INCEPTION

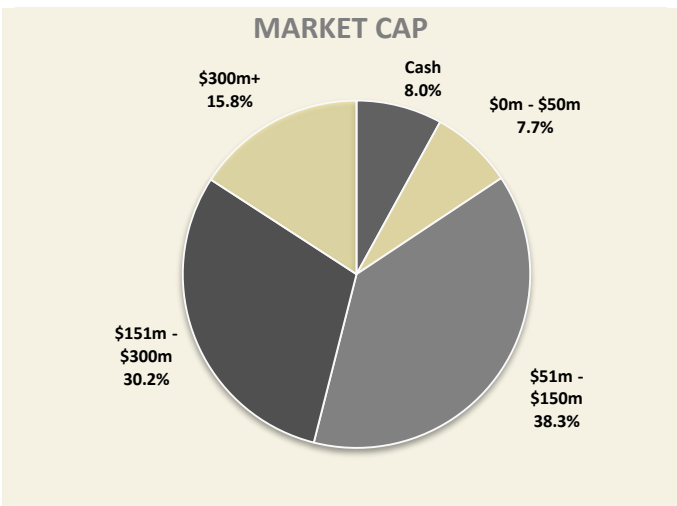
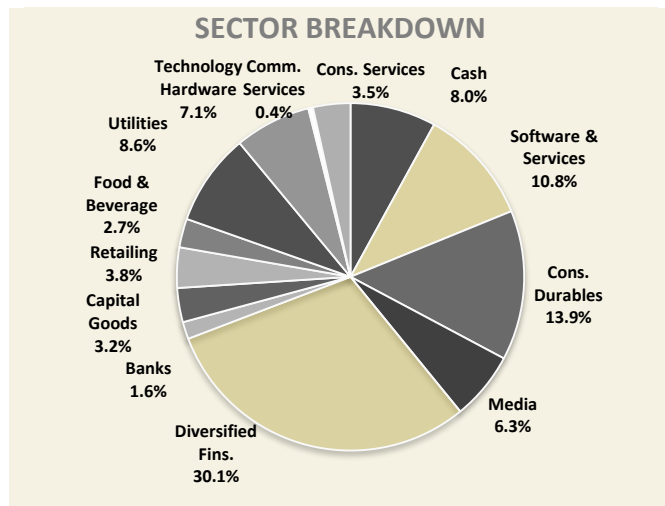


**Current Forecast
Grossed Up
Dividend Yield**

+7.46%**

**Represents the annual dividend yield of the companies in the portfolio grossed up for franking credits. It is based on internal forecasts and actual results may vary. It is not a forecast distribution as distributions will depend on actual dividend income received, expenses of the fund and actual number of units on issue at the time a distribution is made.

	1 Month	1 Year	3 Year	5 Year	Total since inception	Compound p.a. since Inception
HIMF	-0.63%	18.11%	11.71%	13.75%	98.71%	14.21%
All Ords Accum	0.78%	16.65%	7.38%	10.58%	69.11%	10.70%
Outperformance	-1.41%	1.46%	4.33%	3.17%	29.60%	3.51%



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MARKET UPDATE AND COMMENTARY

It would be imprudent to draw many conclusions from last month's 1st quarter US GDP numbers. The headline annual growth figure of 0.7% growth might suggest a slowing US economy but GDP numbers are a lagging indicator and are volatile on a quarter to quarter basis. There are certainly no other meaningful indicators that the US economy is weakening. In fact, significant forward looking indicators point to a further strengthening of the economy. The sustainability of a consumer led economy is wage growth; and wage growth is growing in the US. The employment cost index rose 0.8% in the quarter and wages and salaries have risen 2.5% over the year. With a labour market that continues to tighten, the US consumer will have a strong impetus to consume. Across China, the hybrid economy continues its robust growth. Loosening credit conditions and fiscal stimuli via infrastructure spending mean it's likely to growth at 6%+ in 2017. The credit imbalances and soundness of the financial sector however continue to pose medium term risks for the economy.

Microequities High Income Value Microcap Fund returned -0.63% versus the All Ordinaries Accumulation Index 0.78% in April; this brings the total return net of fees to 98.71% for the Fund since inception in March 2012 compared to 69.11% for the All Ordinaries Accumulation Index.

One of our business partnerships in the retail industry upgraded full year earnings forecasts for FY17 after strong trading conditions during March. While we have been deploying some capital, our cash assets have continued to rise because of strong investment inflows. The Fund currently owns four business partnerships in the media sector, in aggregate making up 6.3% of the Fund's total assets. Three out of the four businesses are all underweighted in relation to their respective risk/reward relationship and all of them meet the Fund's mandated objectives of income and capital growth. Over the next two months we will continue to increase our investments in these three business partnerships and lowering our cash position.

Projected EPS Growth FY17 (on a weighted basis)	+8.0%
Projected EPS Growth FY18 (on a weighted basis)	+15.6%

Number of companies	30
Top 5 Holdings % of NAV	34.7%
Top 10 Holdings % of NAV	54.4%
Top 20 Holdings % of NAV	80.2%
Cash Position % of NAV	8.0%

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 Ltd 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.

(*) FE Crown Fund Ratings enable investors to distinguish between funds that are strongly outperforming their benchmark and those that are not. The top 10% of funds will be awarded five FE Crowns, the next 15% receiving four Crowns and each of the remaining three quartiles will be given three, two and one Crown(s) respectively. Rebalanced twice a year in January and August, the rating takes into account three key measurements to derive a fund's performance: alpha, volatility and consistently strong performance. FE Crown Fund Ratings are frequently used by professional advisers to screen for the best performing funds in a sector and at a factsheet level are used as part of an adviser's paper trail to show thorough and rigorous research has been undertaken.