

# HIGH INCOME

## VALUE MICROCAP FUND

**MICROEQUITIES**  
ASSET MANAGEMENT

### MONTHLY PERFORMANCE AS AT 29/02/2016

latest unit price <b>\$1.2506</b>	return since inception <b>+63.16%</b>	return 1 month <b>-0.41%</b>	Morningstar Rating* <b>★★★</b>
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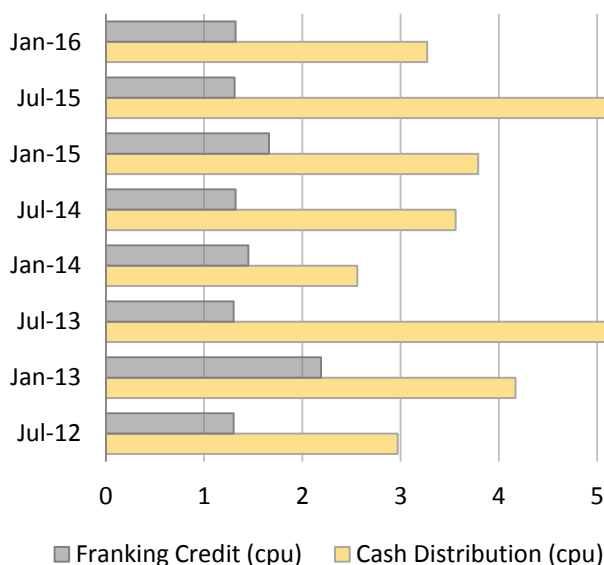


#### FUND OUTLINE

Fund Manager:  
Carlos Gil (CIO)

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

#### SEMI-ANNUAL DISTRIBUTION HISTORY

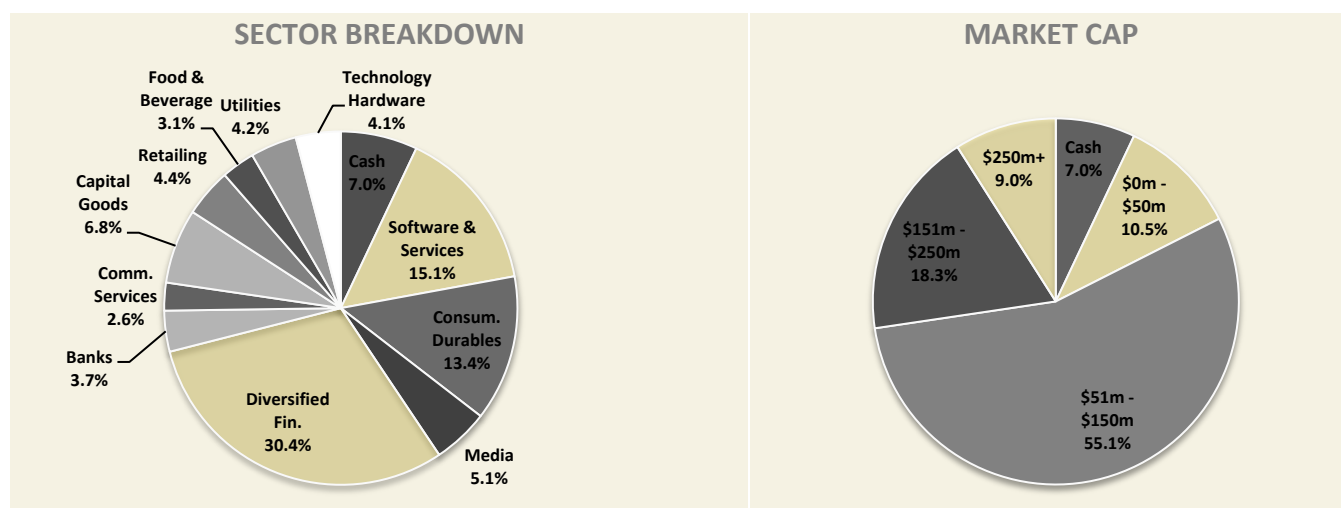


Current Forecast  
Grossed Up  
Dividend Yield

**+9.26%\*\***

\*\*Forecast Grossed up Yield is based on internal forecasts and actual results may vary. Investors should note that Gross Dividend Yield is not a forecast distribution as distributions will depend on actual dividend income received and actual number of units on issue at the time a distribution is made

	1 Year	2 Year	3 Year	Total since inception	Compound p.a. since Inception
<b>HIMF</b>	1.59%	7.20%	8.29%	63.16%	13.02%
<b>AOAI</b>	-12.23%	-0.16%	3.23%	34.08%	7.61%
<b>Outperformance</b>	<b>13.82%</b>	<b>7.36%</b>	<b>5.06%</b>	<b>29.08%</b>	<b>5.41%</b>



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### MARKET UPDATE AND COMMENTARY

Whilst we expect Australia's economy to continue to grow at trend-like growth rates between 2.0-2.5% for 2016, the likelihood of an interest rate rise during this year has been lowered. We therefore expect to continue to enjoy an expansionary monetary policy with the consequent benign interest rate environment that can best be defined as "lower for longer". By any objective assessment Australia is managing its post-resources boom transition with admirable robustness, with many services industries enjoying strong demand growth.

**Microequities High Income Value Microcap Fund returned -0.41% versus the All Ordinaries Accumulation Index -1.47% in February; this brings the total return net of fees to 63.16% for the Fund since inception in March 2012 compared to 34.08% for the All Ordinaries Accumulation Index.**

A very pleasing reporting season from our business partnerships, with some of our companies delivering sizeable jumps in earnings. We are energised by the positive outlook of the Fund's constituents which provide us with the most meaningful indicator of future investment performance.

<b>1<sup>st</sup> Half Financial Performance of High Income Value Constituents</b>	
<b>Exceeded Our Expectations</b> % of NAV	<b>44.8%</b>
<b>Met Our Expectations</b> % of NAV	<b>26.0%</b>
<b>Below Our Expectations</b> % of NAV	<b>17.9%</b>
<b>Reports during other periods</b> % of NAV	<b>4.3%</b>
<b>Cash Position</b> % of NAV	<b>7.0%</b>

<b>Projected EPS Growth</b> FY16	<b>+21.9%</b>
<b>Projected EPS Growth</b> FY17	<b>+10.1%</b>

<b>Number of companies</b> <b>27</b>	
<b>Top 5 Holdings</b> % of NAV	<b>40.0%</b>
<b>Top 20 Holdings</b> % of NAV	<b>60.6%</b>
<b>Cash Position</b> % of NAV	<b>7.0%</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 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.

(\*) The Morningstar Rating is an assessment of a fund's past performance – based on both return and risk – which shows how similar investments compare with their competitors. A high rating alone is insufficient basis for an investment decision. © 2015 Morningstar, Inc. All rights reserved. Neither Morningstar, its affiliates, nor the content providers guarantee the data or content contained herein to be accurate, complete or timely nor will they have any liability for its use or distribution. Any general advice or 'class service' have been prepared by Morningstar Australasia Pty Ltd (ABN: 95 090 665 544, AFSL: 240892) and/or Morningstar Research Ltd, subsidiaries of Morningstar, Inc, without reference to your objectives, financial situation or needs. Refer to our Financial Service Guide (FSG) for more information at [www.morningstar.com.au/s/fsg.pdf](http://www.morningstar.com.au/s/fsg.pdf). You should consider the advice in light of these matters and if applicable, the relevant Product Disclosure Statement (Australian products) or Investment Statement (New Zealand products) before making any decision to invest.