

HIGH INCOME

VALUE MICROCAP FUND



MONTHLY PERFORMANCE AS AT 31/08/2018

latest unit price \$1.4578	return since inception (March 2012) 115.78%	return 1 month 0.75%
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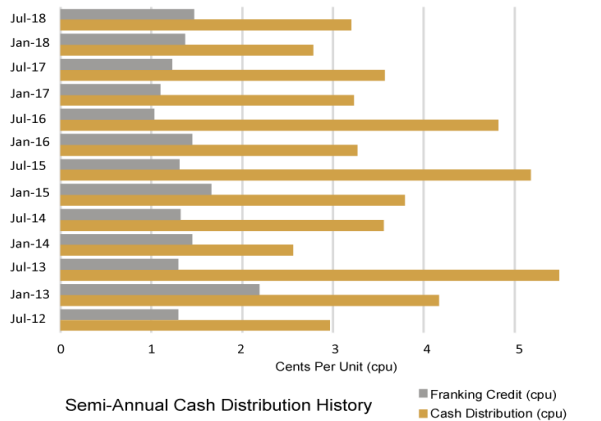


FUND OUTLINE

Fund Manager: Carlos Gil (CIO)

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

66.56c Total Cash and Franking Credits RETURNED SINCE INCEPTION

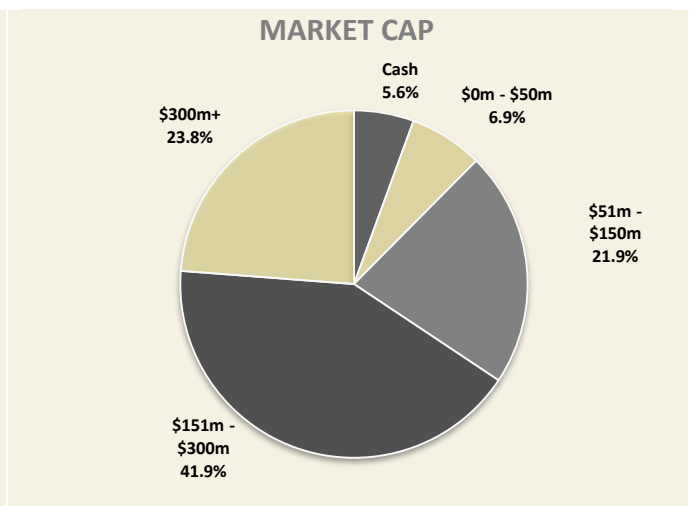
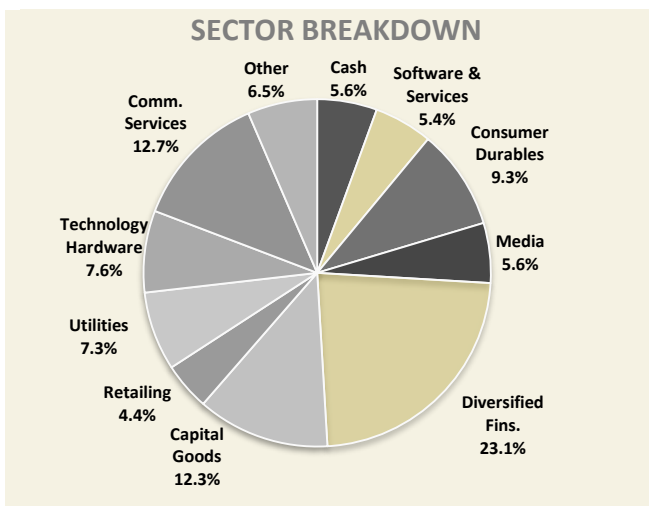


Current Forecast
Grossed Up
Dividend Yield

+7.28%**

**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	Compound p.a. since inception	Total since inception
HIMF	0.75%	0.85%	10.46%	9.49%	12.56%	115.78%



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FUNDAMENTAL FY18 PERFORMANCE REPORT

Microequities High Income Value Microcap Fund returned 0.75% in August; this brings the total return net of fees to 115.78% for the Fund since inception in March 2012.

The month of August saw 26 of the Fund's 30 investee companies report their FY18 earnings. The weighted average EPS growth of those 26 companies came in at +6.2%. This EPS growth number compares favourably to the +5.6% achieved in FY17. Investors should remember that the Fund achieves a significant part of its capital growth performance from revaluation of market values, not solely from the intrinsic value of the earnings growth achieved (broadly represented by the EPS growth). We expect double digit EPS growth for the Fund over the next two years.

	FY18 EPS Growth Weighted Average
26 companies of the total 30 companies reported FY18 financial results in August. (The 26 companies represent 89.7% of the non-cash assets of the High Income Fund)	+6.2%

During the month of August, the Fund sold its stake in a long-held media business whose expected growth pathway over the medium term had markedly diverged from the premise of the original investment thesis. The Fund also exited out of a consumer discretionary business in which the investment management team considered its fundamental risk/reward outlook is likely to worsen over coming periods. Several of the Fund's current business partnerships are currently underweighted, and the investment team will look to apply the sale proceeds to augment its stakes in those underweighted positions.

Projected EPS Growth 1 Year Forward (on a weighted basis)	+10.2%
Projected EPS Growth 2 Years Forward (on a weighted basis)	+10.0%

Number of companies	30
Top 5 Holdings % of NAV	32.1%
Top 10 Holdings % of NAV	53.7%
Top 20 Holdings % of NAV	80.7%
Cash Position % of NAV	5.6%

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.