

HIGH INCOME

VALUE MICROCAP FUND



MONTHLY PERFORMANCE AS AT 30/04/2019

latest unit price \$1.3202	return since inception (March 2012) 99.60%	return 1 month 1.16%
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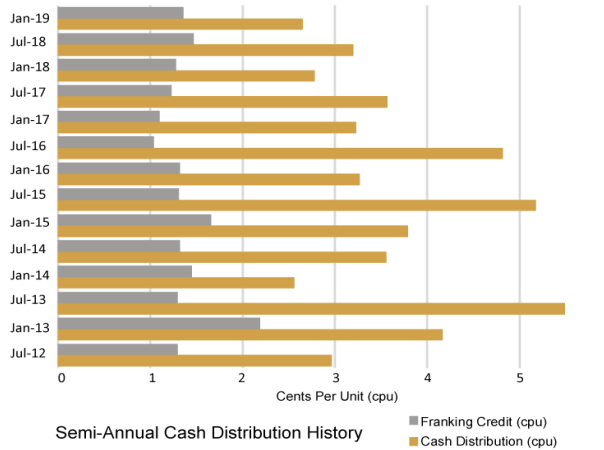


FUND OUTLINE

Fund Manager: Carlos Gil (CIO)

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

70.57c Total Cash and Franking Credits RETURNED SINCE INCEPTION

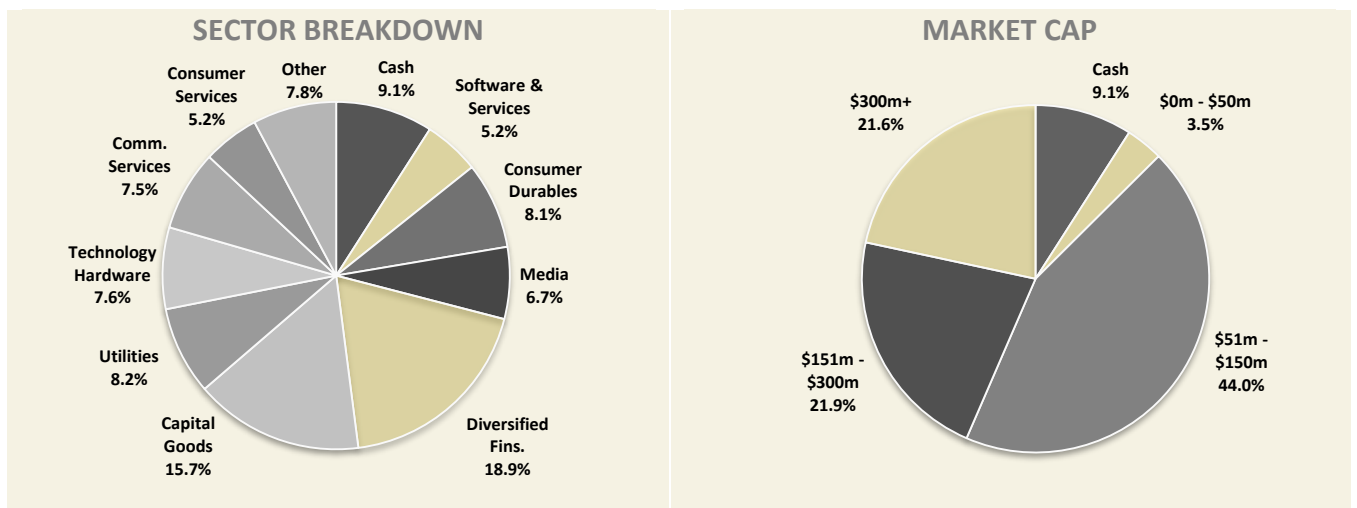


Current Forecast Grossed Up Dividend Yield

+7.36%**

**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.

	Total since inception	Compound p.a. since inception	7 Year	5 Year	3 Year	1 Year	1 Month
HIMF	99.60%	10.12%	9.71%	6.97%	5.87%	-4.15%	1.16%



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MARKET UPDATE AND COMMENTARY

The world's two largest economies have started 2019 with strong momentum. The US economy powered back to strong growth in the 1st quarter of 2019, with GDP rising at an adjusted annual rate of 3.2%. The 1st quarter number marks a significant improvement on the 4th quarter 2018 GDP number of 2.2%. Whilst the headline number looks strong, there is a caveat; the key consumer spending segment of the economy which makes up circa 70% of the US economy slowed to 1.2%, down from 2.5% in the previous quarter. Following the positive momentum in the US was China's GDP figures, which expanded at an annual pace of 6.4% during the first three months of 2019. The improvement in the Chinese economy follows concerted efforts by the government to stimulate the economy. Economic growth was powered by a sharp increase in investment and industrial production which surged 8.5% year on year. Other economic data suggests that the Chinese economy will improve the pace of expansion over the rest of 2019.

Microequities High Income Value Microcap Fund returned 1.16% in April; this brings the total return net of fees to 99.60% for the Fund since inception in March 2012.

The Fund added a new company to its portfolio during the month. The business is a professional services firm with operations across Australian and Asia with a highly diversified client base. Whilst the Australian operations are immersed in a mature market, its Asian businesses will provide a long-term growth runway for the business. The business is being acquired by the Fund at 11x its forecast FY19 earnings and 9.7% forecasted grossed up dividend yield. The addition of this new investee company brings the total number of companies in the Fund to 32, though this number is expected to revert to 31 as the Fund will shortly divest out a very lowly weighted company (0.5%).

Outside of the new investee company, the investment management team will be adjusting some of the weightings over the month of May as we add to some of the undervalued positions that are currently underweighted in the Fund.

Projected EPS Growth 1 Year Forward (on a weighted basis)	+9.00%
Projected EPS Growth 2 Years Forward (on a weighted basis)	+11.1%

Number of companies	32
Top 5 Holdings % of NAV	29.6%
Top 10 Holdings % of NAV	50.8%
Top 20 Holdings % of NAV	79.0%
Cash Position % of NAV	9.1%

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.