

HIGH INCOME

VALUE MICROCAP FUND



MONTHLY PERFORMANCE AS AT 30/04/2018

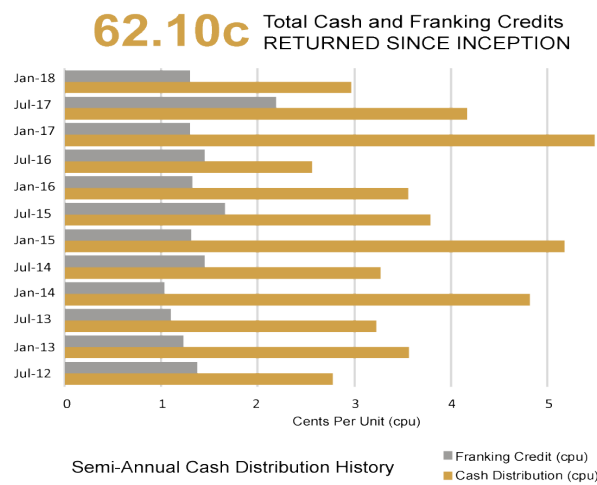
latest unit price \$1.4383	return since inception (March 2012) 108.25%	return 1 month -0.94%	Morningstar rating* ★★★
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FUND OUTLINE

Fund Manager: Carlos Gil (CIO)

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

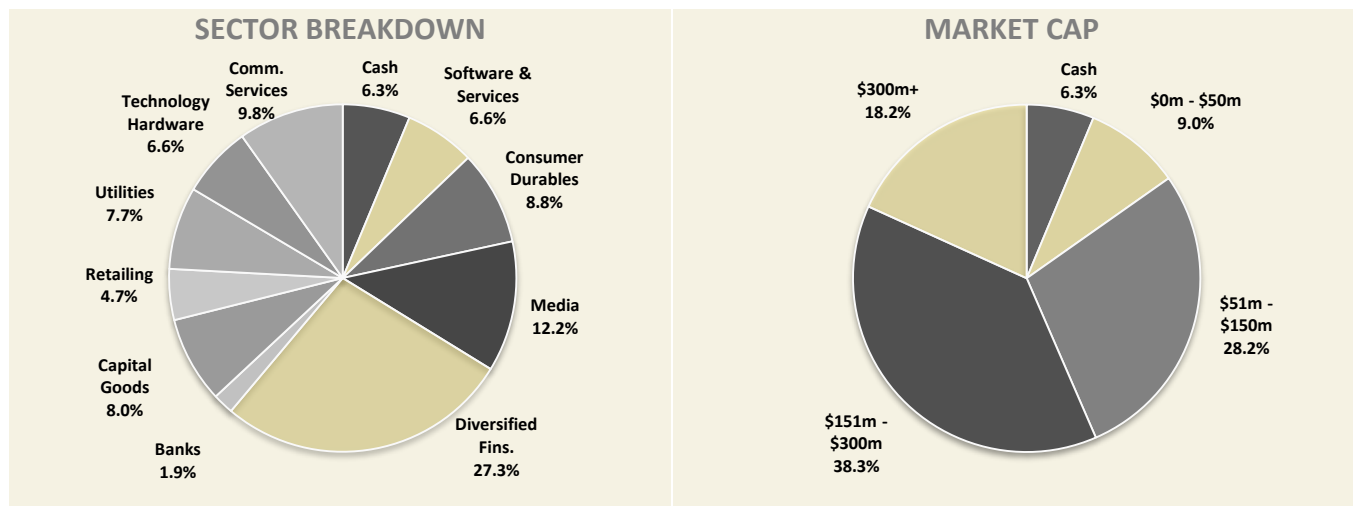


Current Forecast Grossed Up Dividend Yield

+7.27%**

**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	-0.94%	4.80%	8.26%	9.51%	12.63%	108.25%
All Ords Accum	3.49%	6.44%	6.15%	7.79%	10.00%	80.00%
Outperformance	-4.43%	-1.64%	2.11%	1.72%	2.63%	28.25%



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MARKET UPDATE AND COMMENTARY

The Chinese economy continues to maintain a steady growth trajectory with the manufacturing purchasing managers index (PMI) data coming at 51.4 whilst the services sector strengthened to 54.8 (a figure above 50 indicates economic expansion). The numbers are encouraging and point to strong resilience in domestic consumption at a time when local government investment has slowed. The Chinese economy will continue to shift towards a consumption-led one. At a macro level, the Chinese economy still requires significant reforms which entails not merely opening up certain protected sectors but also making the financial system more capital efficient and ensuring resources are allocated to more productive sectors and businesses.

Microequities High Income Value Microcap Fund returned -0.94% versus the All Ordinaries Accumulation Index 3.49% in April; this brings the total return net of fees to 108.25% for the Fund since inception in March 2012 compared to 80.00% for the All Ordinaries Accumulation Index.

As our fellow investors know the investment management team has been purposefully reducing the number of investee companies in the Fund to maintain our high conviction approach to investing. Whilst the Fund did not exit any business partnership during the month, it did begin a measured sell down in of one business partnerships. This business is in the diversified financial sector and whilst we have generated capital gains on the investment, the appreciating market value since we invested has not been met with increased dividends. In keeping with the dual mandate of the fund, which is to deliver capital growth as well regular high dividend income, the investment management team took the decision to sever the business partnership.

The forecast weighted grossed up dividend yield of the Fund's investee companies has risen to +7.27% and we will continue to alter the composition of investments to improve the forecast yield.

Projected EPS Growth 1 Year Forward (on a weighted basis)	+10.4%
Projected EPS Growth 2 Years Forward (on a weighted basis)	+12.5%

Number of companies	33
Top 5 Holdings % of NAV	34.3%
Top 10 Holdings % of NAV	55.4%
Top 20 Holdings % of NAV	79.1%
Cash Position % of NAV	6.3%

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 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. © 2018 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/fsq.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