


HIGH INCOME

VALUE MICROCAP FUND

MICROEQUITIES
ASSET MANAGEMENT

MONTHLY PERFORMANCE AS AT 30/06/2016

latest unit price \$1.2881	return since inception (March 2012) +68.05%	return 1 month -2.47%	FE Crown Rating* FE CROWN FUND RATING 
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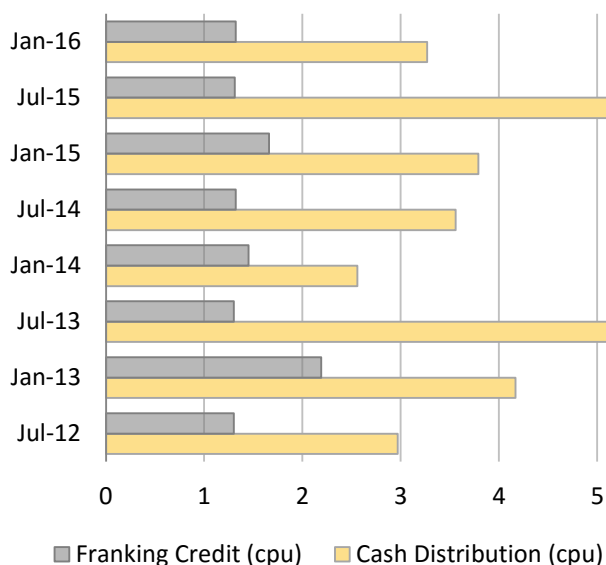
FUND OUTLINE

Fund Manager:

Carlos Gil (CIO)

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

SEMI-ANNUAL DISTRIBUTION HISTORY



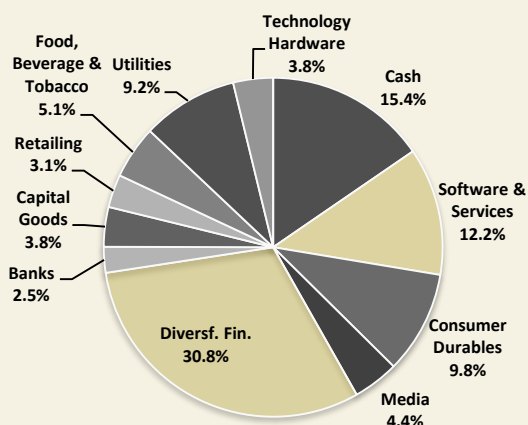
Current Forecast
Grossed Up
Dividend Yield

+8.10%**

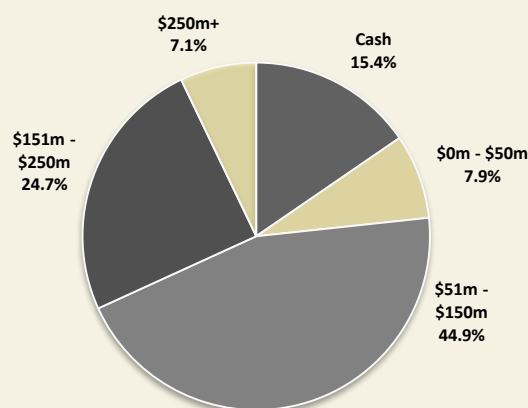
**Represents the annual dividend yield of the companies in the portfolio grossed up for franking credits. It is based on internal forecasts and actual results may vary. It is not a forecast distribution as distributions will depend on actual dividend income received, expenses of the fund and actual number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

	1 Month	1 Year	2 Year	3 Year	4 Year	Total since inception	Compound p.a. since Inception
HIMF	-2.47%	12.77%	8.42%	10.24%	14.42%	68.05%	12.73%
All Ords Accum	-2.28%	2.01%	3.82%	8.24%	11.22%	46.06%	9.14%
Outperformance	-0.19%	10.76%	4.60%	2.00%	3.20%	21.99%	3.59%

SECTOR BREAKDOWN



MARKET CAP



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MARKET UPDATE AND COMMENTARY

What an interesting month! The British people surprisingly decided that they should leave the economically beneficial confines of the European Union, well at least that's the intention. For now, it remains an intention, because the departing Cameron cabinet has yet to activate Article 50 of the Lisbon Treaty which formally opens the pathway for an exit negotiation. If and when activated, the exit divorce will be long and involve arduous negotiations with European counterparts that are unlikely to make the exit painless for Great Britain. Just what type of relationship Great Britain wants with Europe is yet to be determined but the Kingdom has inextricable economic links with the continent and powerful vested economic interests depend on that relationship being maintained. The engine room of the British economy is the City of London whose openness to foreign capital and people have made it a pivotal centre of the world's finance industry. What does this mean? The likelihood is we will end up with a significantly watered down version of a Brexit, but even that is no certainty given the leave campaign has completely lost political momentum and many exit supporters are questioning the wisdom of the very initiative they supported. Uncertainty looms, markets dislike uncertainty, negative markets create ample opportunity for long term value investors like us. An interesting month.

Microequities High Income Value Microcap Fund returned -2.47% versus the All Ordinaries Accumulation Index -2.28% in June; this brings the total return net of fees to 68.05% for the Fund since inception in March 2012 compared to 46.06% for the All Ordinaries Accumulation Index.

The High Income Value Fund continues to hold many undervalued businesses partnerships which we expect to deliver significant capital growth. In the meantime, we are pleased to announce that the Fund will shortly pay its 9th consecutive cash distribution, with a cash distribution of approximately 4.95 cents in addition to franking credits of approximately 1.03 cents per unit.

Projected EPS Growth FY16 (on a weighted basis)	+16.2%
Projected EPS Growth FY17 (on a weighted basis)	+8.9%

Number of companies	27
Top 5 Holdings % of NAV	35.0%
Top 10 Holdings % of NAV	54.7%
Top 20 Holdings % of NAV	79.0%
Cash Position % of NAV	15.4%

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.