

HIGH INCOME

VALUE MICROCAP FUND



MONTHLY PERFORMANCE AS AT 30/11/2017

latest unit price \$1.4879	return since inception (March 2012) 111.39%	return 1 month -2.55%	Morningstar rating* ★★★★
--------------------------------------	---	---------------------------------	------------------------------------

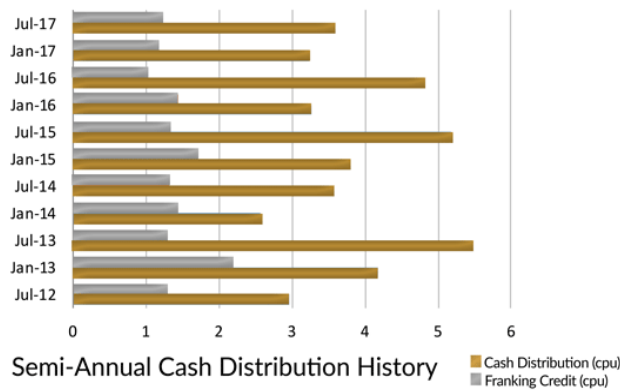


FUND OUTLINE

Fund Manager: Carlos Gil (CIO)

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

57.95 c Total Cash and Franking Credits RETURNED SINCE INCEPTION

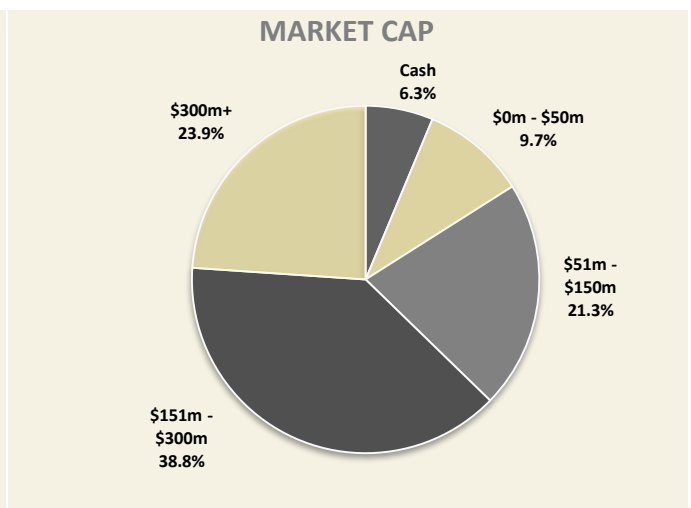
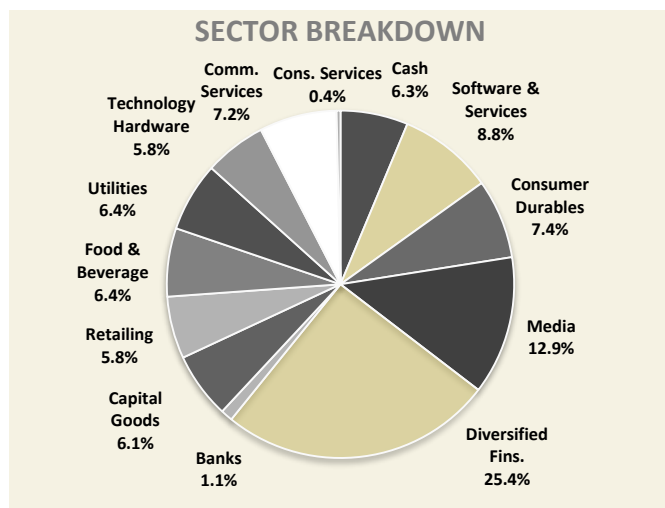


Current Forecast Grossed Up Dividend Yield

+7.70%**

**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	-2.55%	9.82%	12.28%	15.28%	13.90%	111.39%
All Ords Accum	1.91%	14.83%	9.19%	10.67%	10.44%	77.00%
Outperformance	-4.46%	-5.01%	3.09%	4.61%	3.46%	34.39%



HIGH INCOME

VALUE MICROCAP FUND



MARKET UPDATE AND COMMENTARY

We expect the US Federal Reserve (Fed) to raise rates this month in what has been a highly signalled intention. Whilst the US economy has been powering along, inflation remains subdued (currently at 2%) and we believe the Fed remains cautious and dovish (we consider this a flawed policy stance) unless it sees evidence of a pickup in inflation. Our view on the overly dovish policy is on record. Domestically, whilst the labour market continues to strengthen, wage growth remains sluggish, keeping inflation low. A competitive retail environment is, for the time being, offsetting inflationary pressures. We still expect that the continuing strength in employment growth coupled with a lower Australian Dollar (already starting to manifest itself) will lead to higher inflation. The overall inflation rate is still lower than we expected, and we therefore think that it is unlikely the RBA will raise rates during the first half of calendar 2018.

Microequities High Income Value Microcap Fund returned -2.55% versus the All Ordinaries Accumulation Index 1.91% in November; this brings the total return net of fees to 111.39% for the Fund since inception in March 2012 compared to 77.00% for the All Ordinaries Accumulation Index.

During the month we divested out of a business partnership in the retail industry. The Fund owned three business partnerships in the retail industry and the investment management team believes that capital invested in the aforementioned business could best be used by redeploying the proceeds in our other retail interests which have superior risk/reward relationships. The Fund also purchased a new business partnership involved in a technology platform that facilitates consumer consumption. The business offers one of those rare examples of strong growth pathway, a strong balance sheet, a high cash generative business model and an attractive dividend yield. Currently this business represents 2.1% of the Fund's assets and, subject to prices permitting, the investment management team intends to increase the investment.

Projected EPS Growth	
1 Year Forward (on a weighted basis)	+10.2%
Projected EPS Growth	
2 Years Forward (on a weighted basis)	+10.8%

Number of companies	34
Top 5 Holdings % of NAV	29.9%
Top 10 Holdings % of NAV	52.2%
Top 20 Holdings % of NAV	77.5%
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 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. © 2017 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. 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.