

# MICROEQUITIES VALUE INCOME FUND

ARSN 629 674 175



## MONTHLY PERFORMANCE AS AT 28/02/2019

latest unit price <b>\$1.0356</b>	return since inception (Feb 2019) <b>3.56%</b>	return 1 month <b>3.56%</b>
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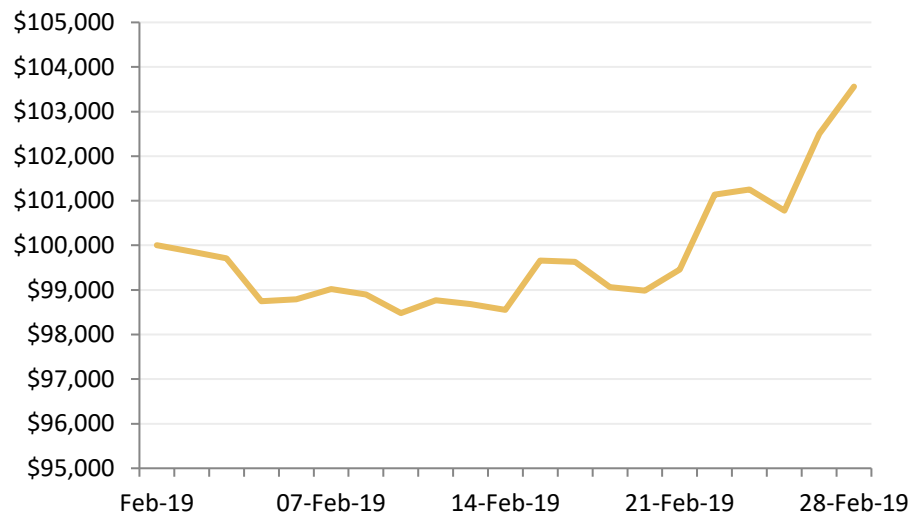


### FUND OUTLINE

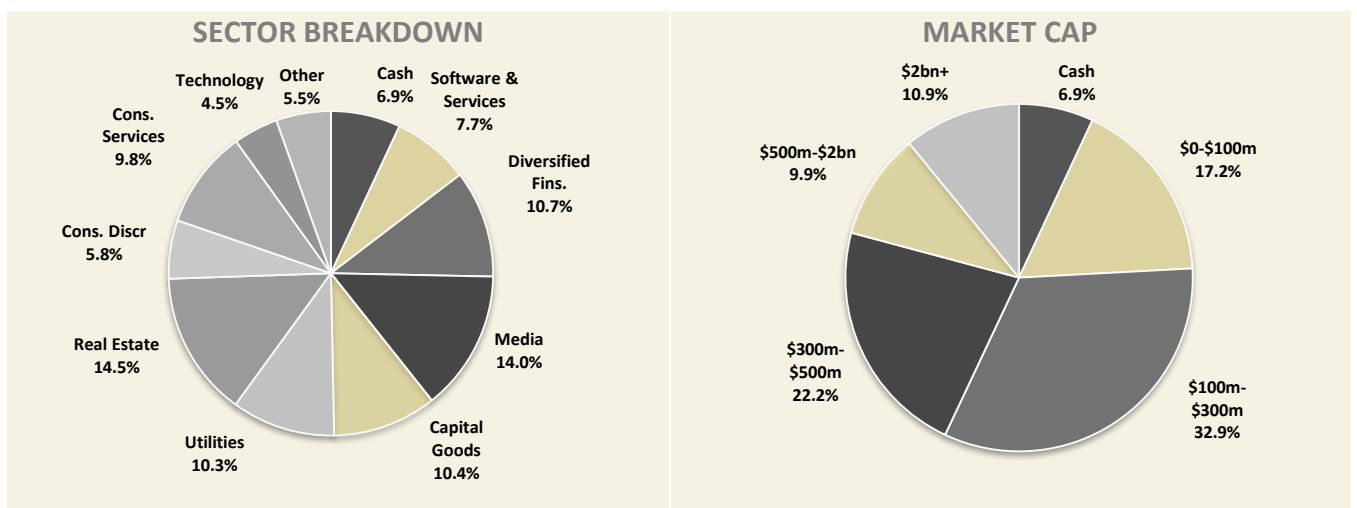
Fund Manager: Carlos Gil (CIO)

The Microequities Value Income Fund (ARSN 629 674 175) is a retail fund investing in high dividend paying, undervalued, ASX smaller companies.

VALUE OF \$100,000 INVESTED AT INCEPTION > **\$103,560**



	Total since inception	1 Year	6 Month	1 Month
VIF	3.56%	-%	-%	3.56%



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## MARKET UPDATE AND COMMENTARY

As we look at the world economic growth prospects for 2019, the overall assessment is that the pace of economic growth will moderate into 2019. Western Europe is likely to have the slowest growth outlook, with several of its economies likely to enter negative growth and others at trend pace. China's economic growth will continue to grow at relatively high levels, but nominal growth rates are expected to moderate. We still expect the US to deliver +2.4% growth which is above its long-term growth trend but likely below the 3.0% it achieved in 2018. This leaves world central banks in a conundrum. Most central banks have rates around historical lows and in accommodative bands. Under a scenario where growth is moderating, they are unlikely to pursue rate cuts, but for those economies that enter negative growth they have little, if any, monetary policy levers to pull. The likely, but far less orthodox, policy response mechanism is quantitative easing. Quantitative easing was successfully used to avert a deep financial crisis during the GFC, but it has yet to be tested as a tool to spur economic growth under much milder cyclical downturns.

**Microequities Value Income Fund returned 3.56% in February; this brings the total return net of fees to 3.56% for the Fund since inception in February 2019.**

February marked the inaugural month for the Microequities Value Income Fund. We were pleased to be able to deploy most of the Fund's cash into our selected companies at prices we consider will deliver good future capital returns and good dividend income to unitholders. The first half FY19 reporting season was a solid one for the Fund with 25 companies reporting. 72% of the companies on a weighted basis either met or exceeded our expectations. Those companies that missed our expectations are generally in an investment phase which has a negative impact on short term profitability. We remain comfortable with the earnings outlook of the portfolio.

	<b>% Weighting of companies that reported during February 2019</b>
<b>Above Expectations</b>	21.5%
<b>Met Expectations</b>	50.0%
<b>Below Expectations</b>	28.5%

<b>Number of companies</b>	<b>25</b>
<b>Top 5 Holdings % of NAV</b>	<b>36.5%</b>
<b>Top 10 Holdings % of NAV</b>	<b>58.9%</b>
<b>Top 20 Holdings % of NAV</b>	<b>89.1%</b>
<b>Cash Position % of NAV</b>	<b>6.9%</b>

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You should obtain the PDS for the Fund and consider the risks and disclosures for your circumstances before deciding whether to acquire, or continue to hold, an interest in the Fund. Initial Applications for units in the Fund can only be made pursuant to the application form attached to the PDS. Past performance is not a reliable indicator of future performance.