

HIGH INCOME

VALUE MICROCAP FUND



MONTHLY PERFORMANCE AS AT 30/11/2019

latest unit price \$1.5085 Cum-distribution	return since inception (March 2012) 137.34%	return 1 month 1.34%
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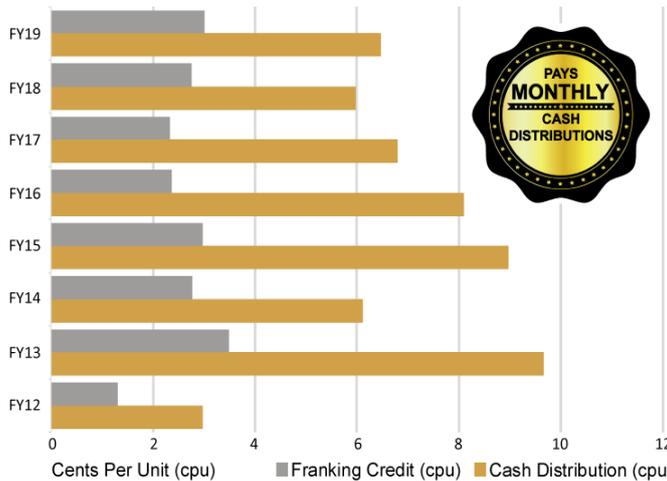


FUND OUTLINE

Fund Manager: Carlos Gil (CIO)

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

76.04c Total Cash and Franking Credits RETURNED SINCE INCEPTION

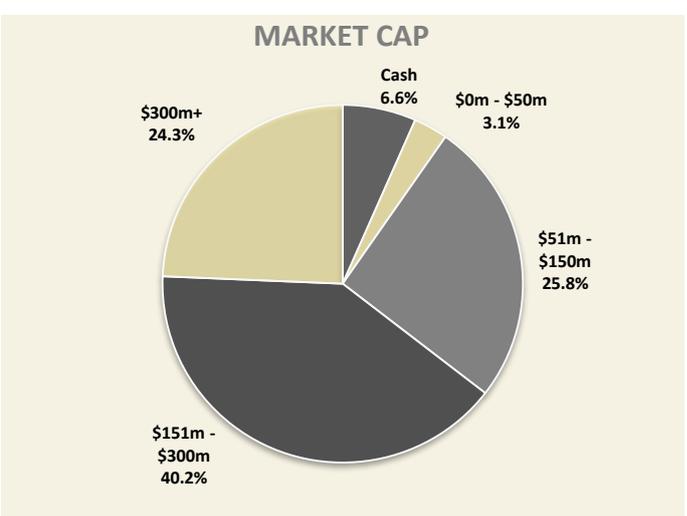
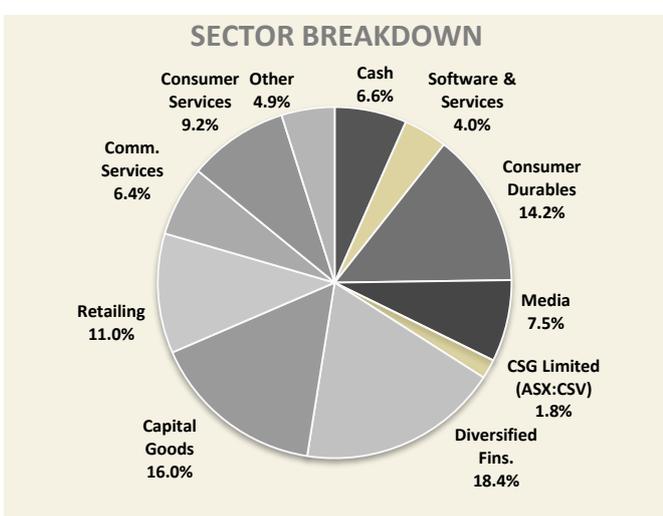


Current Forecast
Grossed Up
Dividend Yield

+6.32%**

**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	137.34%	11.80%	12.54%	9.71%	7.23%	22.74%	1.34%



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MARKET UPDATE AND COMMENTARY

December looks set to be an important month with two world events relevant to markets and with significant economic implications edging closer to a conclusion. In the UK, Britons will go to the polls as the Tories look to break through the Brexit stalemate. A Labour victory in the UK could lead to the most radical anti-free market reforms seen since the Second World War. Elsewhere, the Sino-US trade negotiations might edge closer to a first phase deal after the Chinese agreed to important US demands on intellectual property protection. Whilst a first phase would be welcomed by markets and likely improve economic sentiment within the major world economies, key issues such as Chinese industrial subsidies and others forms of protectionism will not be addressed. Thus, a first phase deal will not defuse the trade war, merely lessen tensions and lower points of conflict.

Domestically, Australian equities markets look set to continue to enjoy very low central bank rates, with the RBA rhetoric implying more headroom to cut rates further before it considers quantitative easing policy measures.

Microequities High Income Value Microcap Fund returned 1.34% in November; this brings the total return net of fees to 137.34% for the Fund since inception in March 2012.

We are pleased to report that the second largest investee company in the High Income Value Microcap Fund provided a positive operational update to its shareholders at its recent AGM after making operational adjustments to its business model following regulatory changes. This financial services company is now well position to accelerate its earnings growth in FY20 and FY21. Overall, it was a positive AGM season with most of our investee companies year to date operational performance within or above our expectations.

Two companies subjected to takeovers were removed from the Fund this month, **Pacific Energy Ltd (ASX:PEA)** and **ERM Power Ltd (ASX:EPW)**. Counterbalancing those exits, is a new entrant into the Fund; the business is immersed in the retail industry with an excellent balance sheet, strong future earnings growth (+50% EPS growth FY20), compelling undervalued marked to market pricing that is significantly disconnected to intrinsic valuation and trades on a high cash yield.

Projected EPS Growth 1 Year Forward (on a weighted basis)	+8.07%
Projected EPS Growth 2 Years Forward (on a weighted basis)	+12.49%

Number of companies	32
Top 5 Holdings % of NAV	40.7%
Top 10 Holdings % of NAV	59.7%
Top 20 Holdings % of NAV	83.3%
Cash Position % of NAV	6.6%

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.