

HIGH INCOME

VALUE MICROCAP FUND



MONTHLY PERFORMANCE AS AT 31/03/2020

latest unit price \$0.9569 Cum-distribution	return since inception (March 2012) 52.39%	return 1 month -30.41%
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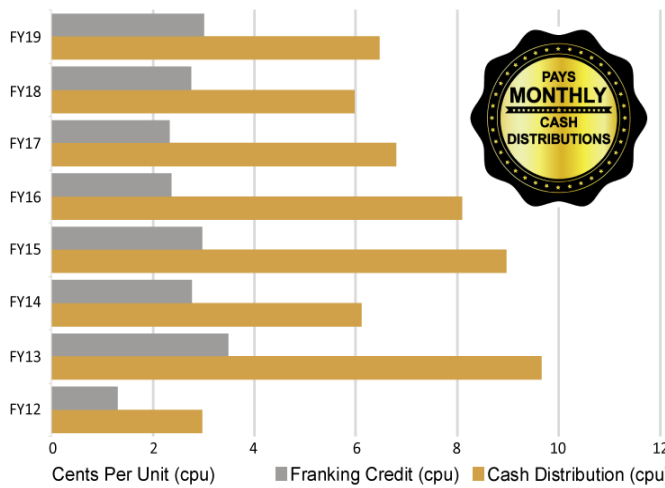


FUND OUTLINE

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

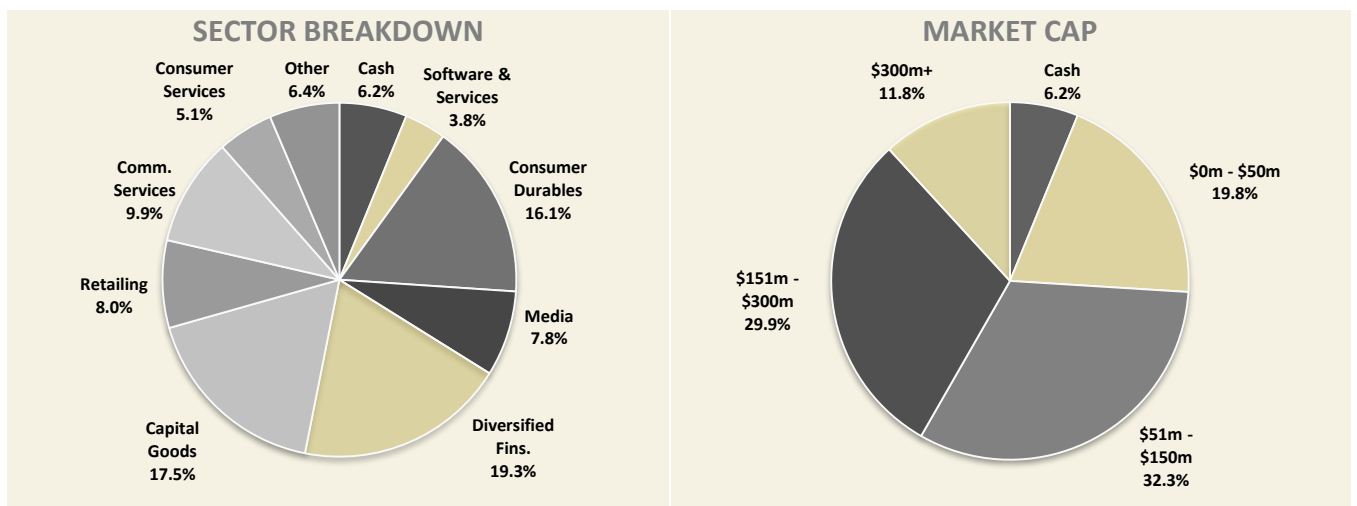


Current Forecast
Grossed Up
Dividend Yield

+5.96%**

**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	52.39%	5.35%	2.26%	-1.36%	-8.66%	-22.77%	-30.41%



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MARKET UPDATE AND COMMENTARY

March 2020 will go down as a month that saw one of the worst stock market crashes in history. The Covid-19 outbreak and the reactive social distancing measures, bans on international travel and other restrictions on economic activity saw financial markets scrambling to reassess earnings and economic implications. The consequent immediate effect on the world economy is an almost certain recession across most of the developed world, inclusive of Australia. The severity and duration of the ensuing recession will depend on two key factors; how long the draconian containment regime lasts across the developed world and the size and effectiveness of the massive fiscal stimuli being instigated by governments around the world. Investors might deem that an imminent recession has a consequent negative return relationship with equity markets, but that is not necessarily the case. In half of the recessions during the last 100 years, stock markets actually rose, with the 3 years after the end of a recession recording the strongest stock market returns. For Microequities the pricing dislocation during the March crash has opened many new investment opportunities previously not accessible to us due to valuation concerns. Our experience tells us these windows of opportunity do not stay open for long.

Microequities High Income Value Microcap Fund returned -30.41% in March; this brings the total return net of fees to 52.39% for the Fund since inception in March 2012.

Whilst the economic fallout of the Covid-19 will adversely affect almost every business in Australia, the investee companies of the High Income Microcap Value Fund are expected to navigate through the short term malaise relatively better than the overall Australian economy. We have prudently reduced our earnings and dividend expectations to account for a harsh economic climate over the near term. We are also recalibrating the portfolio over the next few weeks to augment the dividend yield earnings capability of the Fund. During the month we added one new business to the portfolio which operates in a defensive sector with high earnings visibility and relatively small impact from the ensuing Covid-19 economic fallout. Further businesses will be added over coming weeks that will bolster the dividend earnings stream of the fund.

Projected EPS Growth 1 Year Forward (on a weighted basis)	-3.70%
Projected EPS Growth 2 Years Forward (on a weighted basis)	+5.93%

Number of companies	32
Top 5 Holdings % of NAV	41.7%
Top 10 Holdings % of NAV	61.9%
Top 20 Holdings % of NAV	85.0%
Cash Position % of NAV	6.2%

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.