

HIGH INCOME

VALUE MICROCAP FUND



MONTHLY PERFORMANCE AS AT 30/04/2020

latest unit price \$1.1035 Cum-distribution	return since inception (March 2012) 76.47%	return 1 month 15.80%
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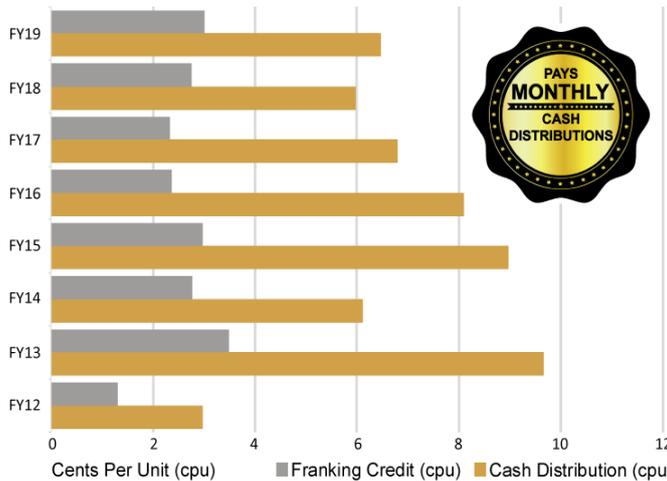


FUND OUTLINE

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

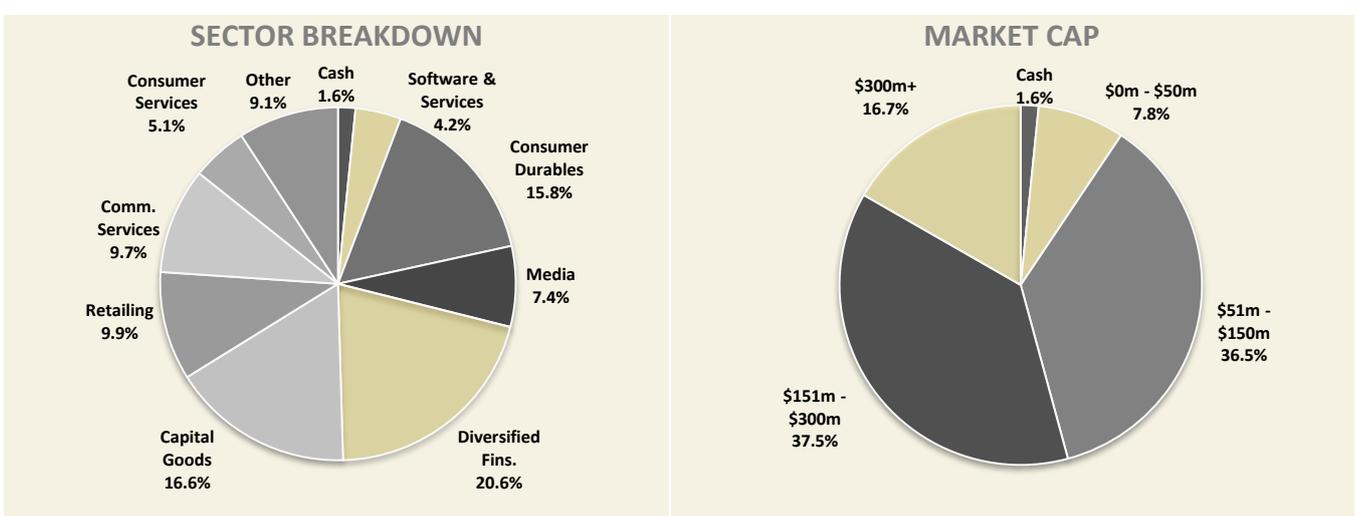


Current Forecast
Grossed Up
Dividend Yield

+5.19%**

**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	76.47%	7.20%	4.21%	1.46%	-3.88%	-11.59%	15.80%



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MARKET UPDATE AND COMMENTARY

The historic market fall incurred in March was partially reversed during April as global equity markets, including Australia, rebounded strongly. The panic we saw in March has been replaced by economic realism as investors try to grasp the economic damage from Covid-19. There will be significant pain as unemployment will rise sharply and economic growth will go into the red. However, the month provided pillars of positive news as governments rolled out unprecedented fiscal stimuli. In Australia, the Federal government has instigated various economic stimulus packages which in aggregate represent over 10% of Australia's GDP. These stimulus packages are significant and will act as an important buffer to lessen the economic impact of Covid-19. The focus during the months ahead will turn to the pace and depth of loosening the societal and economic restrictions imposed by governments across the world and how consumption and economic activity recover from the crisis.

Microequities High Income Value Microcap Fund returned 15.80% in April; this brings the total return net of fees to 76.47% for the Fund since inception in March 2012.

April was an unusually active month for the Fund. Following our "survive and thrive" strategic response to Covid-19 we fully exited two investee companies and acquired smaller stakes in five new companies. The five new companies have business models that are profitable and will bolster the fund's dividend income stream. Importantly, given the undervalued acquiring prices we expect to generate capital growth over the medium to long term from all five businesses. To give investors a sense, one of the purchases was a diversified financial services business that is profitable, growing, has no financial debt and holds a significant cash holding. Its core operating division is effectively a duopoly. We opportunistically acquired the stake in the business after a dramatic 30% share price fall and now it represents 2% of the NAV of the Fund. We expect this business to generate around 6.5% grossed up dividend yield. The month was also active in terms of our meeting schedules as we undertook a series of virtual meetings with the management teams of various investee companies as well as companies outside the Fund. One of those meetings was with the largest single investee company in the fund which currently represents 16% of the fund's net asset value. We are pleased to report that the business is performing strongly post Covid-19 and is highly likely to meet its market guidance. Additionally, we confirmed that there will be no changes to its dividend payout policy.

Projected EPS Growth 1 Year Forward (on a weighted basis)	-6.06%
Projected EPS Growth 2 Years Forward (on a weighted basis)	+6.91%

Number of companies	35
Top 5 Holdings % of NAV	40.7%
Top 10 Holdings % of NAV	61.7%
Top 20 Holdings % of NAV	85.5%
Cash Position % of NAV	1.6%

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.