

MICROEQUITIES VALUE INCOME FUND

ARSN 629 674 175



MONTHLY PERFORMANCE AS AT 30/04/2020

latest unit price (exit price) \$0.8793	return since inception (Feb 2019) -8.05%	return 1 month 14.11%
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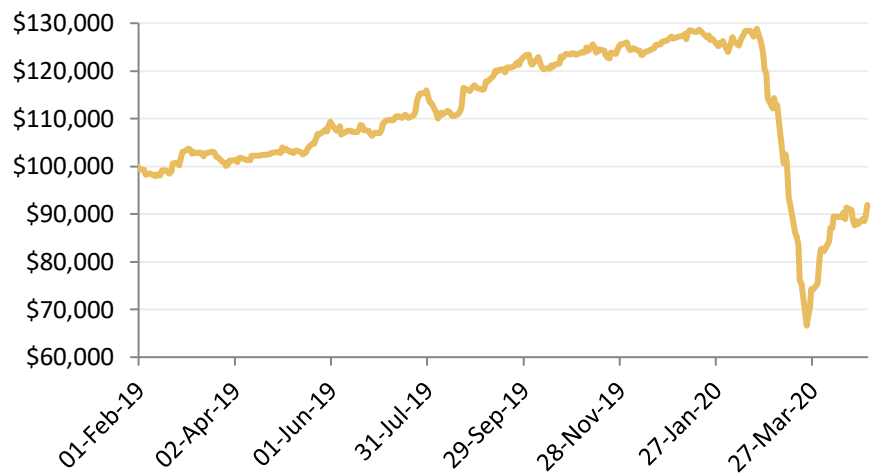


FUND OUTLINE

Fund Manager: Carlos Gil
(CIO)

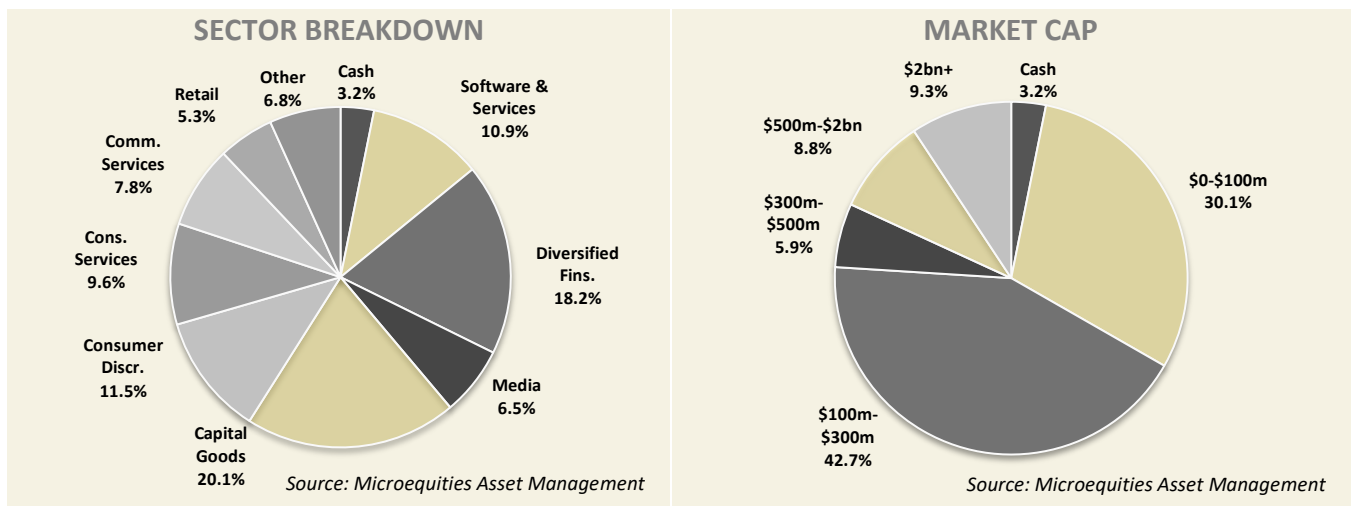
The Microequities Value Income Fund ("VIF") (ARSN 629 674 175) is a retail fund investing in high dividend paying, undervalued, ASX smaller

VALUE OF \$100,000 INVESTED AT INCEPTION > **\$91,954**



Past performance is not a reliable indicator of future performance. Total return shown for "VIF" has been calculated using exit prices after taking into account all ongoing fees and assuming reinvestment of distributions. No allowance has been made for entry fees or taxation

Returns are shown net of fees	Total since inception	1 Year	6 Month	1 Month
Microequities Value Income Fund (VIF)	-8.05%	-10.54%	-25.49%	14.11%



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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 The panic we saw in March has been replaced by economic realism as investors try to grasp the economic damage from Covid-19.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 Value Income Fund returned 14.11% in April; this brings the total return net of fees to -8.05% for the Fund since inception in February 2019.

The investment management team continued to spend most of the month scrutinising existing portfolio companies and how they are faring in the current Covid-19 environment and how they will do in light of a short and medium term economic downturn. During February, March and April we have been engaging with management on a more regular basis to understand how their businesses are responding with the current challenges and if they have the balance sheet capacity to survive with little revenue for a number of months. We divested out of two businesses that we felt had balance sheet issues or we could see a prolonged earnings decline in light of the economic downturn. We added a number of new positions to the Fund that we believe are trading at discount to intrinsic valuations and can generate a sustainable dividend yield. One such addition 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 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. We also added a basket of 3 other financial services businesses which are now trading at a discount to book value. The final business we added is an administration services business that is expected to resume paying dividends in August, trades at just 6x operating profits and had significant M&A appeal.

Number of companies	35
Top 5 Holdings % of NAV	33.8%
Top 10 Holdings % of NAV	52.3%
Top 20 Holdings % of NAV	78.3%
Cash Position % of NAV	3.2%

Disclaimer: This communication has been issued by Microequities Asset Management Pty Ltd ABN 96 134 984 768 AFS Licence No 287 526, as investment manager of the Microequities Value Income Fund ARSN 629 674 175. The Trust Company (RE Services) Limited (ACN 003 278 831) (AFSL 235150) is the responsible entity.

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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.