

MICROEQUITIES VALUE INCOME FUND

ARSN 629 674 175



MONTHLY PERFORMANCE AS AT 30/06/2020

latest unit price (exit price) \$0.9903 Cum-distribution	return since inception (Feb 2019) 3.57%	return 1 month 2.11%
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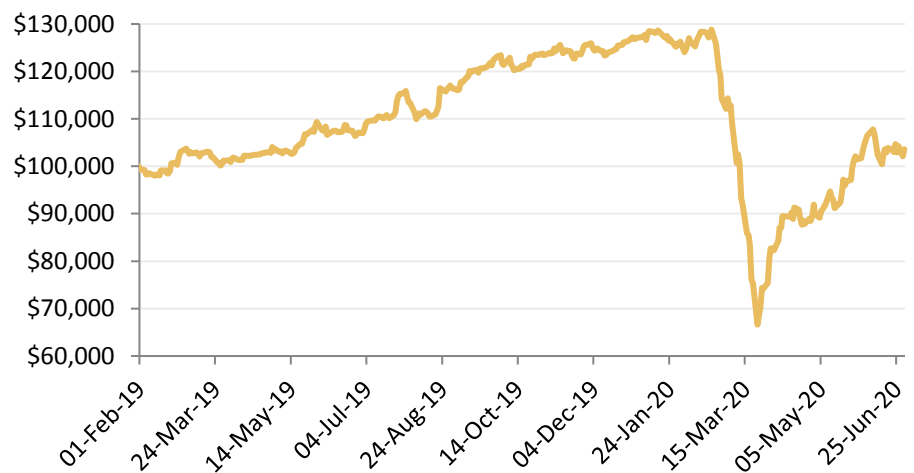


FUND OUTLINE

Fund Manager: Carlos Gil
(CIO)

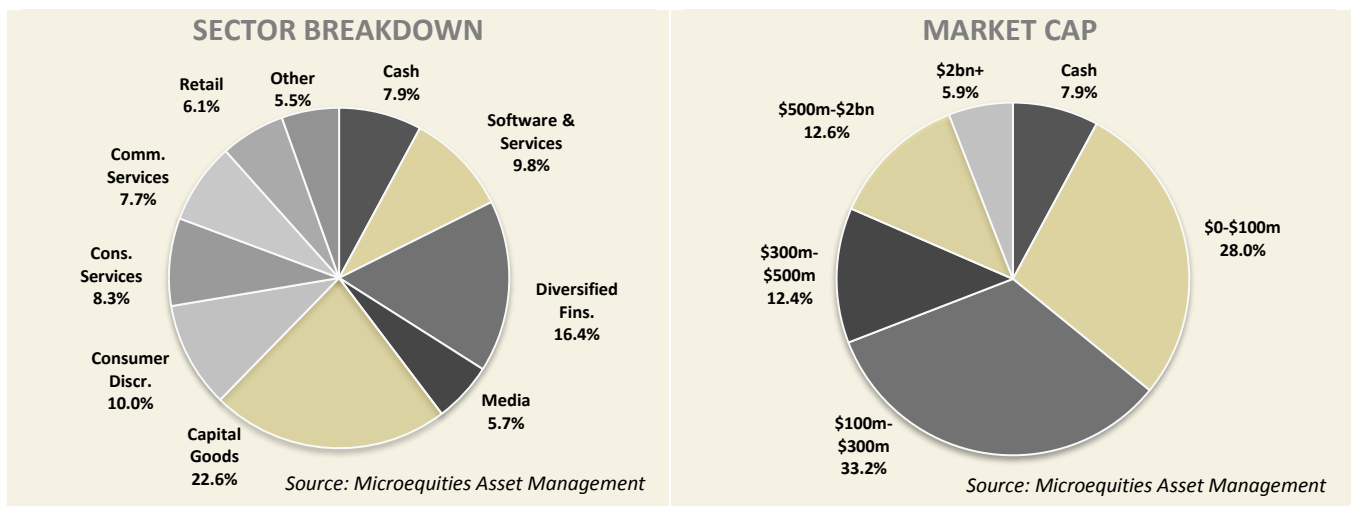
The Microequities Value Income Fund ("VIF") (ARSN 629 674 175) is a retail fund investing in high dividend paying, undervalued, ASX smaller

VALUE OF \$100,000 INVESTED AT INCEPTION > **\$103,567**



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)	3.57%	-3.31%	-18.31%	2.11%



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MARKET UPDATE AND COMMENTARY

Europe, Asia and North America face different Covid-19 dynamics and by consequence different short-term economic outlooks. Europe which bore the brunt of new cases early in the pandemic is progressively relaxing restrictions and consumer consumption data in its major economies all point to a substantial recovery in spending behaviour. Asia, whilst facing different regional undercurrents, is experiencing a recovery in major economies with China and South Korea leading the economic recovery. Effective management of the pandemic outbreaks allowed their economies to reopen earlier. Japan which is a more export reliant economy faces a harder road to recovery as domestic demand resurgence will not offset the sharp fall in exports. The US is now experiencing a sharp rise in new Covid cases, potentially endangering the unlocking of its economic activity.

The likely scenario is regional outbreaks of Covid will continue to be experienced across the world, but it is improbable that state responses will be as aggressive as the shutdowns enacted at the beginning of the pandemic. We have likely entered a “management phase” of the pandemic with less severe government intrusion upon the economic system.

Microequities Value Income Fund returned 2.11% in June; this brings the total return net of fees to 3.57% for the Fund since inception in February 2019.

During the month, there were some notable trading updates provided by businesses in the portfolio. Our investment in **Shaver Shop (ASX:SSG)** provided a second positive trading update in consecutive months. Online sales growth continued to be strong and total sales growth has accelerated from the last update and now stands at over 20% in 2HFY20. Management have also reinstated interim dividends and guided to profits being 30% higher than last year. Another one of our retailers in home improvements announced strong sales results of circa 7% for FY20 with online sales growing almost 50% and full year profits will be higher than last year. The business also has a strong balance sheet after selling its distribution centre earlier in the year, combined with the earnings will underpin its dividend payments. Our two investments in the aviation sector both provided earnings updates. One of them raised capital to grow its fleet and take advantage of new contracted flight opportunities. The other provided guidance that was 10% higher than previous guidance and showed it has largely been unaffected by Covid as it operates in the maintenance niche of aviation.

Number of companies	32
Top 5 Holdings % of NAV	33.6%
Top 10 Holdings % of NAV	51.9%
Top 20 Holdings % of NAV	76.7%
Cash Position % of NAV	7.9%

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.