

HIGH INCOME

VALUE MICROCAP FUND



MONTHLY PERFORMANCE AS AT 31/08/2020

latest unit price \$1.4311 Cum-distribution	return since inception (March 2012) 132.26%	return 1 month 12.68%
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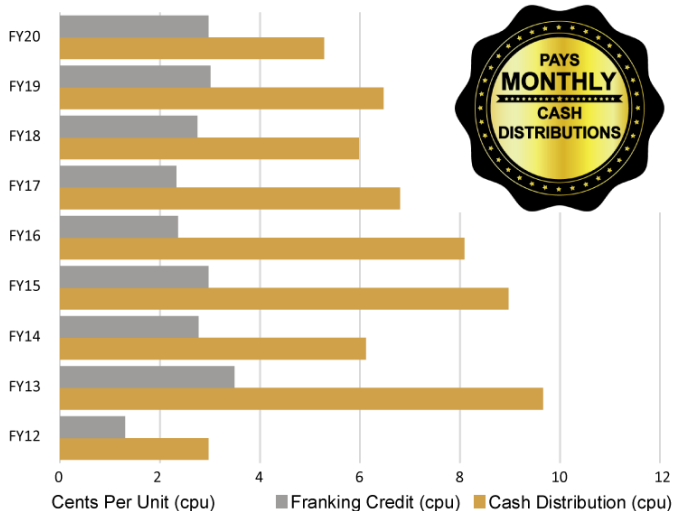


FUND OUTLINE

Fund Manager: Carlos Gil (CIO)

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

84.29c Total Cash and Franking Credits RETURNED SINCE INCEPTION

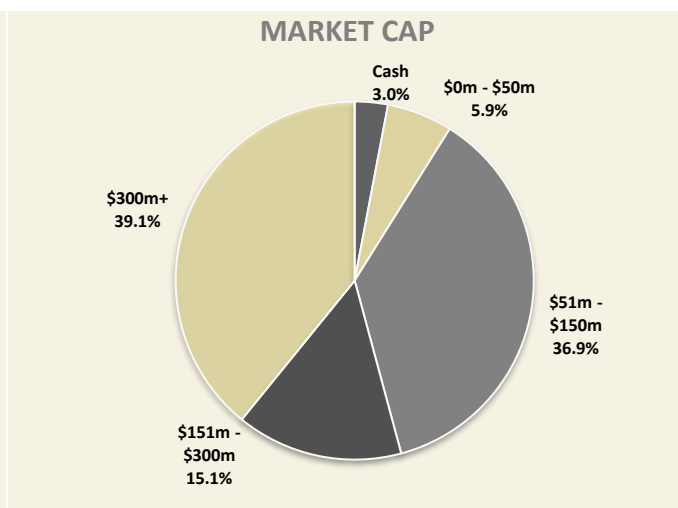
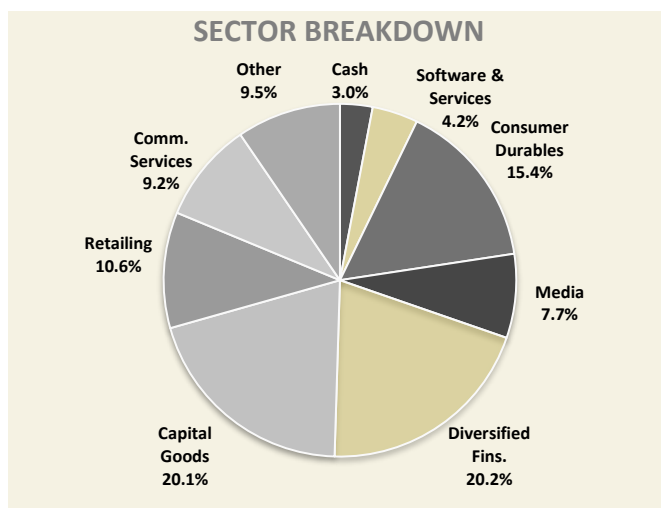


Current Forecast Grossed Up Dividend Yield

+5.57%**

**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	132.26%	10.42%	7.82%	7.72%	2.77%	4.19%	12.68%



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MARKET UPDATE AND COMMENTARY

The Chinese economy is recovering quickly from the effects of the Covid-19 pandemic. In data published last week, domestic air travel bookings are at 98% of the level of 2019, marking the first domestic aviation market anywhere in the world that is back to normal pre-Covid levels. The aviation data is coherent with the recovery seen across the overall Chinese economy which expanded by +3.2% in the second quarter of 2020. Interestingly some major luxury brands across fashion to car manufacturing have reported double digit revenue growth in China over the second quarter. The Chinese economy was of course the first economy to feel the brunt of the effects of the Covid-19 so its recovery will be an indicator of the potential speed of recovery in other economies that manage to contain Covid-19.

Microequities High Income Value Microcap Fund returned 12.68% in August; this brings the total return net of fees to 132.26% for the Fund since inception in March 2012.

Despite the second half of FY20 which was materially impacted by the distortive disruptions caused by the Covid-19 outbreak, the High Income Fund still managed to deliver EPS growth within its historical range in a highly unusual year. **Importantly, the FY21 EPS outlook for the portfolio is again consistent with the historical range achieved by the Fund which will underpin the security of the dividend income stream that funds the cash distributions to our fellow unitholders.**

	FY20 EPS Growth Weighted Average
26 companies of the total 31 companies reported FY20 financial results in August. (The 26 companies represent 86.5% of the non-cash assets of the High Income Value Microcap Fund)	+8.4%

Overall, the High Income Value Microcap Fund achieved a strong result in what has been for many companies a challenging operational period. The results of the Fund are a testament to the disciplined implementation of our investment doctrine and the virtues of value investing and the asset class.

Projected EPS Growth 1 Year Forward (on a weighted basis)	+11.1%
Projected EPS Growth 2 Years Forward (on a weighted basis)	+12.9%

Number of companies	32
Top 5 Holdings % of NAV	42.8%
Top 10 Holdings % of NAV	62.4%
Top 20 Holdings % of NAV	86.7%
Cash Position % of NAV	3.0%

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.