

HIGH INCOME

VALUE MICROCAP FUND



MONTHLY PERFORMANCE AS AT 28/02/2021

latest unit price \$1.6093 Cum-distribution	return since inception (March 2012) 164.35%	return 1 month 0.77%
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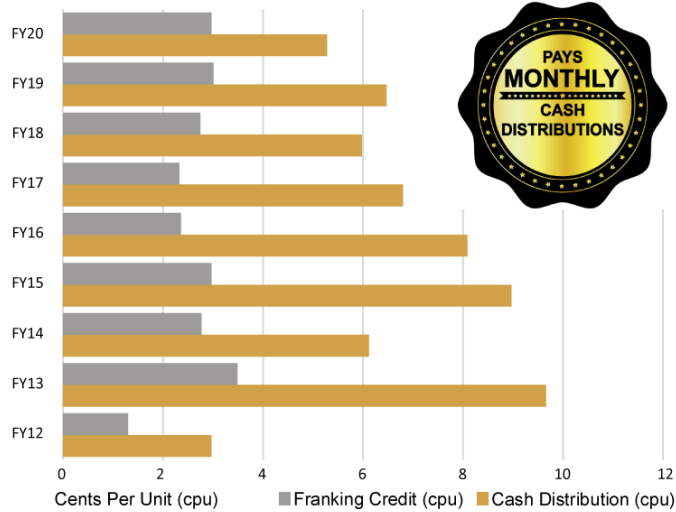


FUND OUTLINE

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

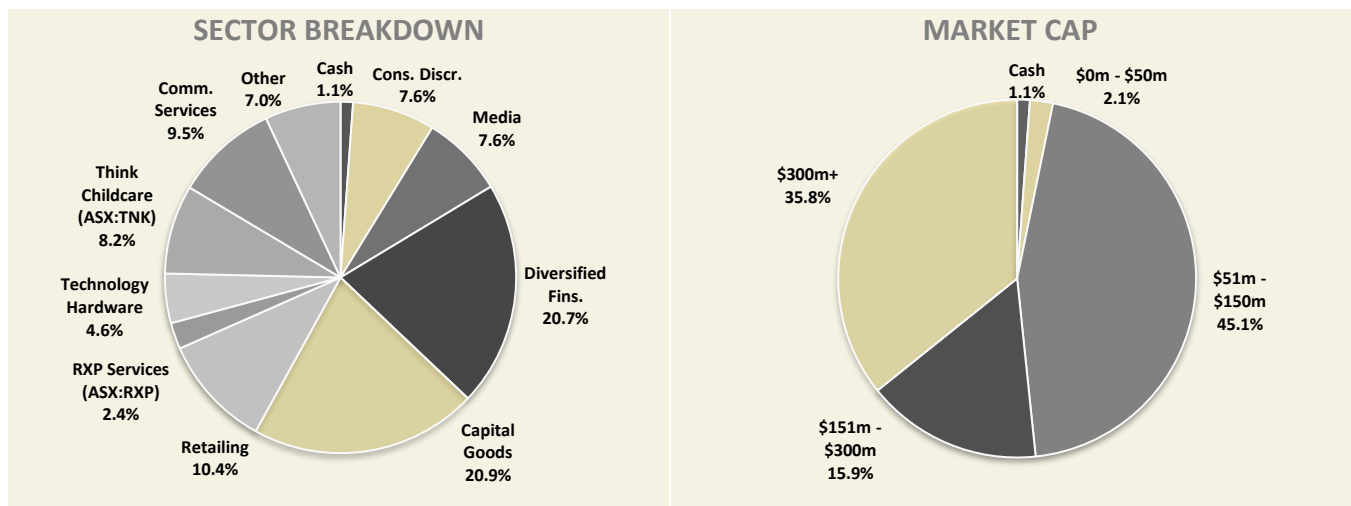


Current Forecast Grossed Up Dividend Yield

+6.53%**

**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	9 Year	7 Year	5 Year	3 Year	1 Year	1 Month
HIMF	164.35%	11.41%	11.41	9.29%	10.13%	7.35%	20.72%	0.77%



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MARKET UPDATE AND COMMENTARY

The vaccine rollout across the developed world will be this year's biggest stimulus for the world economy reeling from the Covid-19. Outside of Israel, the UK and the US are leading the world vaccination race with the UK already vaccinating 30% of its population, whilst the US has surpassed 20%. Both countries are beginning to phase down differing levels of regional lockdowns and many restrictions are expected to continue to lift over the ensuing months. In addition to the expected demand driven boost that will come from lockdown easing the US economy will be provided with a further stimulant jab. The \$1.9tn coronavirus relief package has been passed by the House of Representatives. The package includes \$1,400 in direct payment to individuals' earning \$75,000 USD or less and \$350b to state and local governments. The entire package will provide further support to the economy. The combination of these forces plus quantitative easing, a highly stimulant monetary setting, is beginning to shift the view on medium term interest rates as capital markets adjust expectations that inflationary pressures will ultimately permeate through the economy. This provides a negative outlook for bond prices which could endure a difficult period of adjustment.

Microequities High Income Value Microcap Fund returned 0.77% in February; this brings the total return net of fees to 164.35% for the Fund since inception in March 2012.

During the month, 32/36 companies in the Fund reported their six-monthly financial results. On a weighted basis, 91% of these companies met or exceeded our expectations, with only 9% producing earnings below our expectations.

	% Weighting of companies that reported during February 2021
Above Expectations	26%
Met Expectations	65%
Below Expectations	9%

An excellent reporting season by our Fund's constituents means we have increased our EPS forecasts for FY21 as well as a material increase in the projected dividend income of the Fund which has increased from 5.30% to 6.53%, a material increase. In total 18 companies in the Fund paid or increased dividends that were higher than our internal forecasts.

Projected EPS Growth	
1 Year Forward (on a weighted basis)	+14.7%
Projected EPS Growth	
2 Years Forward (on a weighted basis)	+13.8%

Number of companies	36
Top 5 Holdings % of NAV	33.8%
Top 10 Holdings % of NAV	55.3%
Top 20 Holdings % of NAV	80.8%
Cash Position % of NAV	1.1%

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.