

HIGH INCOME

VALUE MICROCAP FUND



MONTHLY PERFORMANCE AS AT 31/03/2021

latest unit price \$1.6221 Cum-distribution	return since inception (March 2012) 166.95%	return 1 month 0.98%
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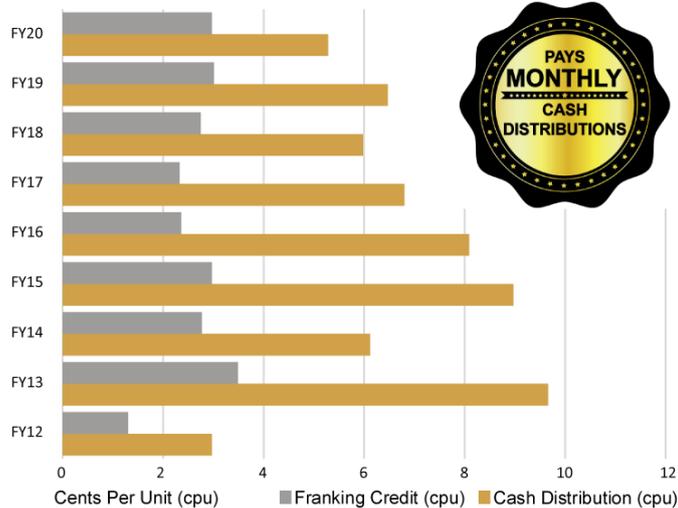


FUND OUTLINE

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

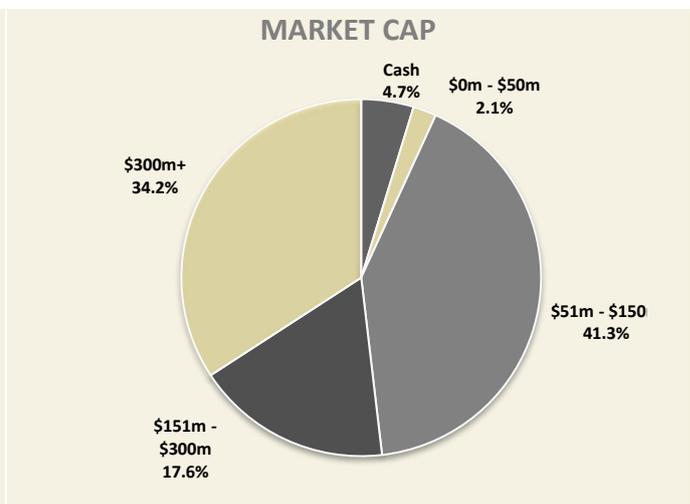
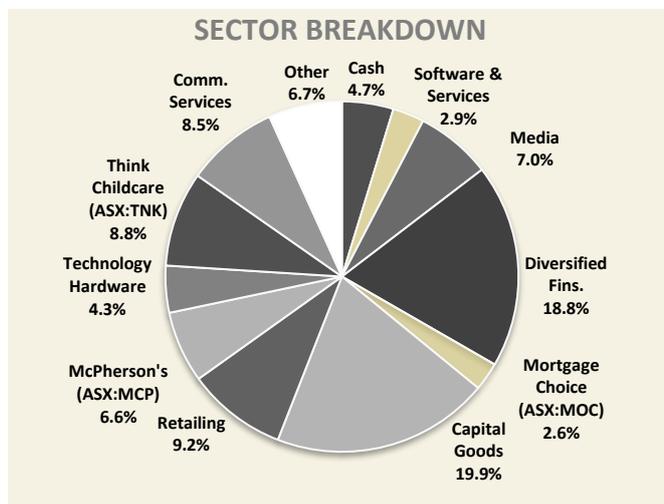


Current Forecast Grossed Up Dividend Yield

+6.40%**

**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	166.95%	11.42%	11.27%	9.30%	9.50%	8.29%	75.18%	0.98%



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MARKET UPDATE AND COMMENTARY

To our surprise, financial markets have spent most of the month coming to terms with the probable fact that bond prices have probably peaked and therefore yields are likely to rise over the medium to long term. The US 10-year treasury yield has risen by more than 50 basis points since the beginning of 2021 but remains at a benign 1.75%. The bond market is essentially pricing in two things a). Federal Reserve next interest move will be an increase b). greater likelihood that inflation, will at some stage tick higher. Both are eminently reasonable. It is highly likely that the US Federal Reserve's next interest rate move will be upwards and that its ultra-accommodative monetary stance will at some point over the medium term be unwound. However, that is unlikely to happen anytime soon, top Federal Reserve officials have consistently stated that the US central bank support for the economy will stay in place until they see an accelerating recovery across all levels of American society, which might be 2 or 3 years away. When the ensuing recovery does take place, the Fed has pledged to make very gradual movements on its rates. So, bond markets are in fact behaving logically and coherently. It would be alarming if they had not begun to price such likely eventualities.

Microequities High Income Value Microcap Fund returned 0.98% in March; this brings the total return net of fees to 166.95% for the Fund since inception in March 2012.

McPherson's Ltd (ASX:MCP) received an opportunistic unconditional on-market takeover bid for 100% of the company by Gallin Pty Ltd, an entity associated with Raphael Geminder's family office Ltd. The bid came in at a 9.8% premium to the last traded price. The investment management team deems the offer opportunistic and highly undervalues the company. The market has spoken by pushing the share price of McPherson's above the bid price, meaning the bid has no chance of success at its current price. McPherson's currently represents 6.6% of the total assets of the Fund.

Mortgage Choice Ltd (ASX:MOC) received a takeover bid by REA Group Ltd (ASX:REA) at a 66.0% premium to the last traded price. The Microequities investment management team views the offer as an excellent outcome for investors in the High Income Value Microcap Fund. Mortgage Choice currently represents 2.6% of the total assets of the Fund.

Projected EPS Growth	
1 Year Forward (on a weighted basis)	+15.3%
Projected EPS Growth	
2 Years Forward (on a weighted basis)	+14.0%

Number of companies	36
Top 5 Holdings % of NAV	33.9%
Top 10 Holdings % of NAV	54.5%
Top 20 Holdings % of NAV	79.0%
Cash Position % of NAV	4.7%

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.