

# HIGH INCOME

## VALUE MICROCAP FUND



### MONTHLY PERFORMANCE AS AT 30/04/2021

latest unit price <b>\$1.7012</b> Cum-distribution	return since inception (March 2012) <b>180.49%</b>	return 1 month <b>5.07%</b>
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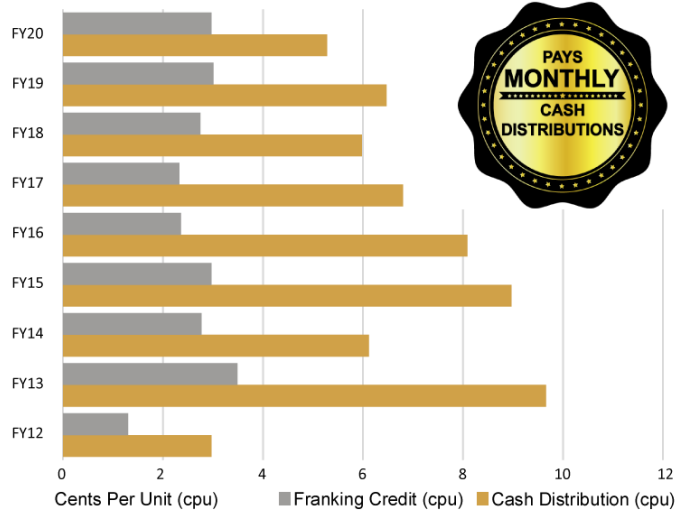


#### FUND OUTLINE

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

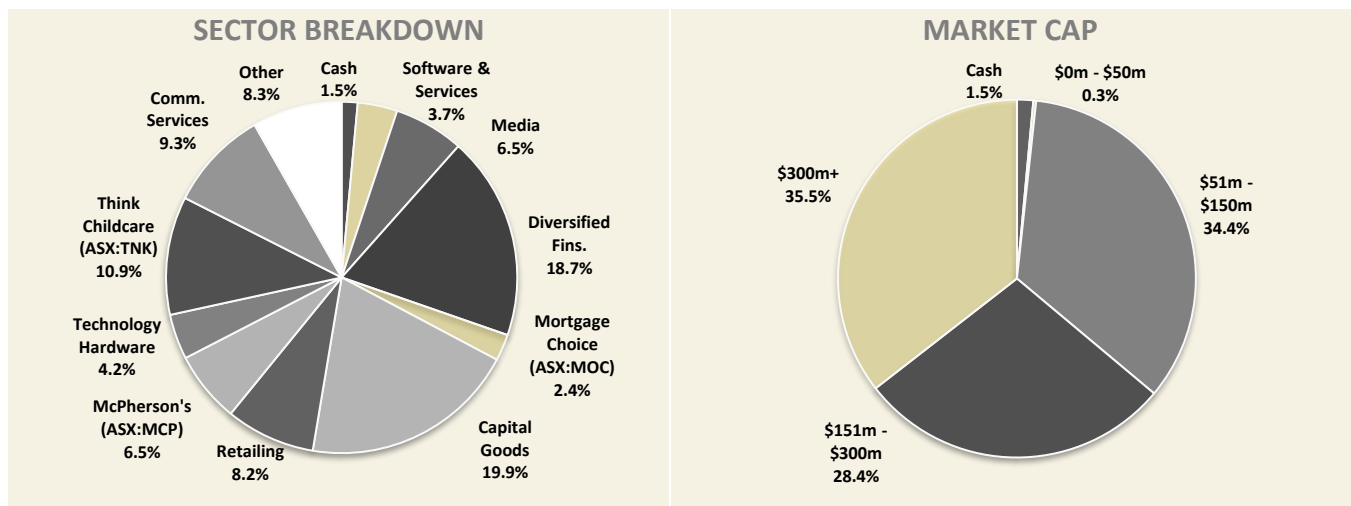


Current Forecast  
Grossed Up  
Dividend Yield

**+6.18%\*\***

\*\*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
<b>HIMF</b>	<b>180.49%</b>	<b>11.91%</b>	<b>11.61%</b>	<b>10.15%</b>	<b>10.76%</b>	<b>10.44%</b>	<b>58.94%</b>	<b>5.07%</b>



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### MARKET UPDATE AND COMMENTARY

As the economic recovery across the world gathers space, forward looking financial markets are increasingly focused on the outlook for inflation. The US March quarter CPI number was 2.6%, slightly above consensus. Stripping out energy and food prices, core inflation was 1.6%, also ahead of expectations. While the number is still significantly below the long-term core inflation range, the trend is clearly upward. The difficulty for financial markets is its currently very difficult to form a reasonable basis for what the inflationary climate will look like over the next 12 months, let alone 36 months. Covid-19 and then the subsequent government stimuli has distorted the underlying basis of economic activity, meaning extrapolating what is short term adulterated forces versus true underlying factors is a difficult exercise. Clouding the picture even further is supply chain disruption specially in Asia, increasing short term prices for many end consumer goods. Removing the distortive temporal effects and acknowledging demand is likely to increase means it is highly likely US core inflation will move above 2% over the medium term.

**Microequities High Income Value Microcap Fund returned 5.07% in April; this brings the total return net of fees to 180.49% for the Fund since inception in March 2012.**

**Think Childcare (ASX:TNK) had previously received a bid by private equity group Alceon at \$1.35 which was subsequently trumped by Busy Bees (owned by the Ontario Teachers' Pension Fund) at \$1.75, and that bid was matched by Alceon. Busy Bees came back to topple Alceon's offer and provided an indicative offer price of \$2.10. Earlier this month, Busy Bees came back with an indicative offer of \$3.20 per share, 143% higher than Think Childcare's share price prior to the first bid for the company.** Think Childcare represents 10.9% of the assets of the Microequities High Income Value Microcap Fund.

**In March, McPherson's Ltd (ASX:MCP) received an opportunistic on-market takeover bid for 100% of the company by Gallin Pty Ltd, an entity associated with Raphael Geminder's family office at \$1.34 per share. That low ball offer was subsequently trumped by a competing bid at \$1.60 per share from Arrotex. McPherson's currently represents 6.5% of the total assets of the High Income Value Microcap Fund.**

<b>Projected EPS Growth</b>	
1 Year Forward (on a weighted basis)	<b>+13.5%</b>
<b>Projected EPS Growth</b>	
2 Years Forward (on a weighted basis)	<b>+15.0%</b>

<b>Number of companies</b>	<b>37</b>
<b>Top 5 Holdings</b> % of NAV	<b>34.8%</b>
<b>Top 10 Holdings</b> % of NAV	<b>55.6%</b>
<b>Top 20 Holdings</b> % of NAV	<b>79.4%</b>
<b>Cash Position</b> % of NAV	<b>1.5%</b>

**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.