

HIGH INCOME

VALUE MICROCAP FUND



MONTHLY PERFORMANCE AS AT 31/07/2021

latest unit price \$1.7536 (Cum-distribution)	return since inception (March 2012) 190.94%	return 1 month 1.92%
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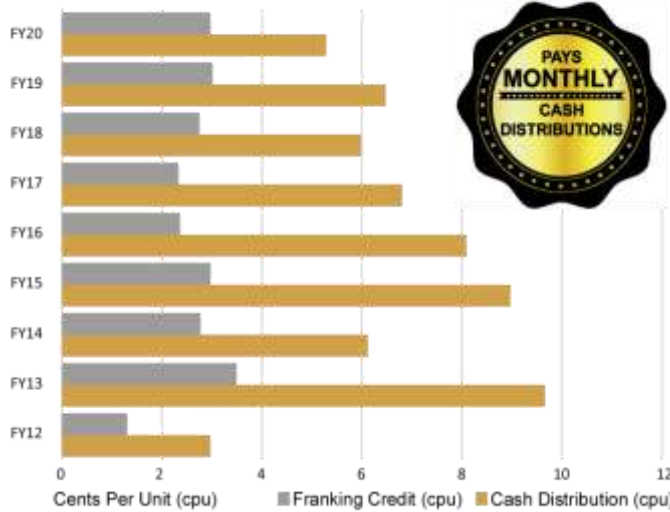


FUND OUTLINE

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

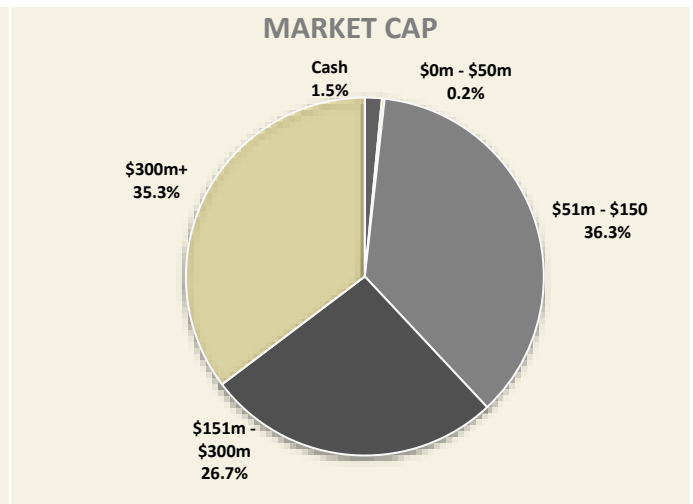
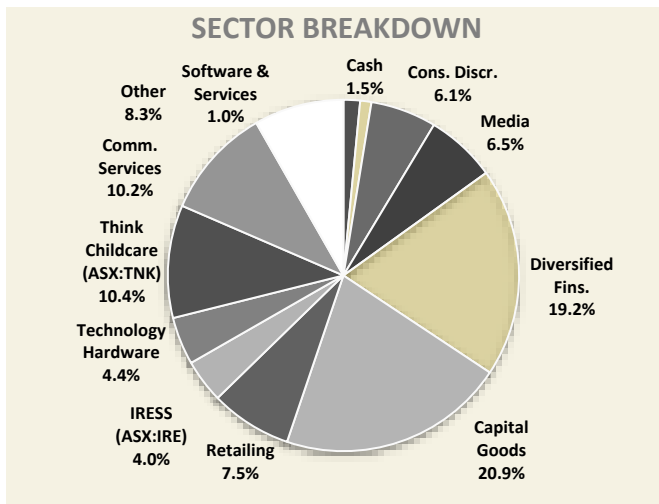


Current Forecast
Grossed Up
Dividend Yield

+6.12%**

**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	190.94%	12.01%	12.14%	9.57%	9.61%	10.75%	41.16%	1.92%



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MARKET UPDATE AND COMMENTARY

Australia's citizens are feeling the ill effects of a troubled vaccine rollout with both Victoria and NSW experiencing Covid outbreaks and both states suffering prolonged lockdowns. The lockdowns will dampen the economic recovery that was taking place. Australia's 1QFY22 GDP growth rate will likely be negative however the medium term outlook remains largely unchanged, and we expect the resurging economic trend to resume once the lockdowns are lifted and pent-up demand is once again unleashed. Internationally, the prevailing economic rebound continues despite outbreaks of the Delta variant. The developed economies in the Northern hemisphere of the US, UK, Canada, Germany, Spain, France, and Italy are in much more advanced phases of their vaccine rollout and thus the impact of the Delta strain is unlikely to cause the same type of dislocation as previous waves of the pandemic. The higher level thematic outside of the day-to-day noise of Covid case numbers is that a country that undertakes a large-scale vaccination rollout on its population can go back to a semblance of business as usual. The world economic recovery remains on track.

Microequities High Income Value Microcap Fund returned 1.92% in July; this brings the total return net of fees to 190.94% for the Fund since inception in March 2012.

Whilst no new companies were added to the Fund this month, there was plenty of activity. **IRESS Limited (ASX:IRE)** which currently makes up 4.0% of the total assets of the Fund, confirmed, after several months of widely reported speculative reports, that it had **received non-binding and indicative proposals from Swedish based EQT Funds Management, the latest of which was at a price of between \$15.30 and \$15.50 per share.** The board of IRESS declined the offer but will provide EQT with limited due diligence material. We remain firm supporters of IRESS and will continue to maintain our investment in the business.

Further positive news with various profit upgrades across several businesses were also announced. Lastly, we are pleased to report that based on the positive earnings and dividend outlook of investee companies for FY22, **we will be increasing the monthly cash distribution from 0.3 cents per unit to 0.4 cents per unit beginning July.**

Projected EPS Growth	
1 Year Forward (on a weighted basis)	+15.2%
Projected EPS Growth	
2 Years Forward (on a weighted basis)	+15.9%

Number of companies	37
Top 5 Holdings % of NAV	32.4%
Top 10 Holdings % of NAV	53.0%
Top 20 Holdings % of NAV	77.9%
Cash Position % of NAV	1.5%

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.