

HIGH INCOME

VALUE MICROCAP FUND



MONTHLY PERFORMANCE AS AT 30/11/2021

latest unit price \$1.8775 (Cum-distribution)	return since inception (March 2012) 214.26%	return 1 month 1.25%
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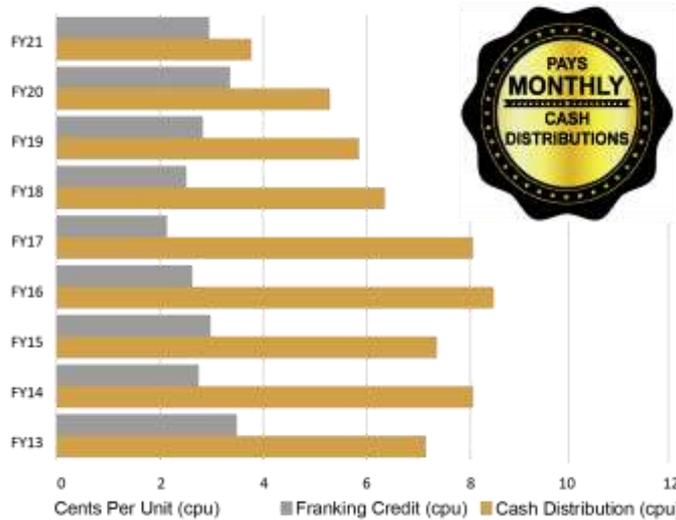


FUND OUTLINE

Fund Manager: Carlos Gil (CIO)

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

85.93c Total Cash and Franking Credits RETURNED SINCE INCEPTION

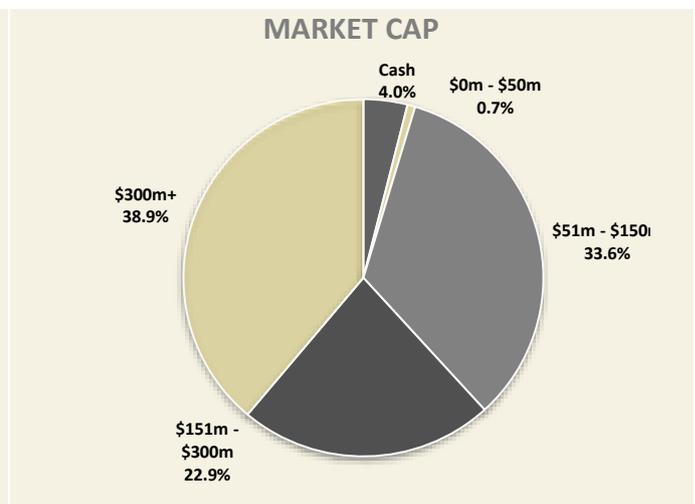
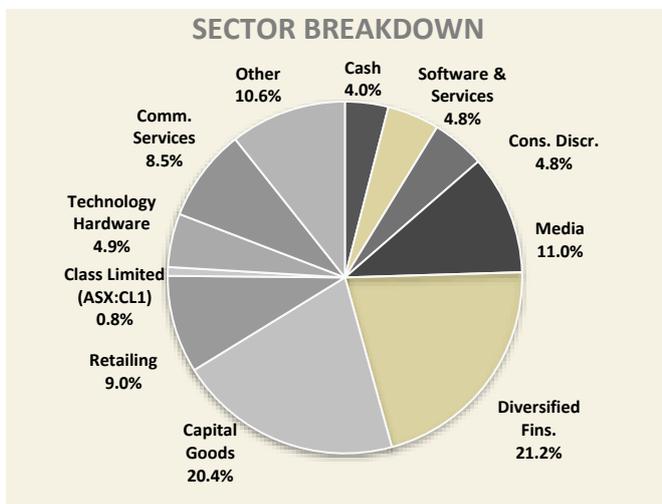


Current Forecast
Grossed Up
Dividend Yield

+5.58%**

**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	214.26%	12.46%	13.10%	11.22%	10.30%	17.57%	24.23%	1.25%



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MARKET UPDATE AND COMMENTARY

The US employment numbers provided another tangible data point that the world's largest economy needs very little stimulus to continue its growth phase. The US economy added an impressive 531,000 jobs last month pointing towards accelerating economic growth. Average hourly earnings is now tracking at a growth rate of +4.9%, suggesting wage inflationary pressure. That figure will likely be closely watched over the coming months. For much of the past decade, despite solid economic growth, the average US hourly earnings failed to grow beyond rates of +2.5%. The current growth rate is the highest ever recorded since the US Bureau of Labour Statistics started tracking the measure back in March 2007. The inflationary risks which we have previously cited in our updates, appear to be increasing and increase the chances that the Federal Reserve may raise rates in 2022. In Australia trading conditions and consumer spending are likely to end the calendar year on a strong note as pent up demand during the lockdowns is unleashed, particularly in the services sector of the economy.

Microequities High Income Value Microcap Fund returned 1.25% in November; this brings the total return net of fees to 214.26% for the Fund since inception in March 2012.

A particularly active month for the High Income Value Microcap Fund in which our investment management successfully divested out of small remnant stake in a financial services company, whilst concurrently adding two new investee companies raising the total number of companies in the portfolio to 37.

So, what have we acquired? Two businesses which are very much at the heart of DNA of the High Income Value Microcap Fund. Both businesses are microcap companies, with long track records of profitability, modest borrowings and have long term growth runways. Currently both companies are significantly undervalued due to their microcap status. One of the businesses is in the healthcare space, whilst the other is in a professional services vertical in which our investment management team is well versed with having successfully invested in its listed competitors. Additionally, both companies are expected to generate grossed up dividend yields of between 6 to 7 percent per annum, meeting the dual mandate of the Fund (income plus long term capital growth).

Projected EPS Growth	
1 Year Forward (on a weighted basis)	+11.5%
Projected EPS Growth	
2 Years Forward (on a weighted basis)	+10.6%

Number of companies	37
Top 5 Holdings % of NAV	28.1%
Top 10 Holdings % of NAV	48.6%
Top 20 Holdings % of NAV	75.9%
Cash Position % of NAV	4.0%

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.