

MICROEQUITIES VALUE INCOME FUND

ARSN 629 674 175



MONTHLY PERFORMANCE AS AT 29/02/2020

latest unit price (exit price) \$1.0928	return since inception (Feb 2019) 14.29%	return 1 month -9.50%
---	--	---------------------------------

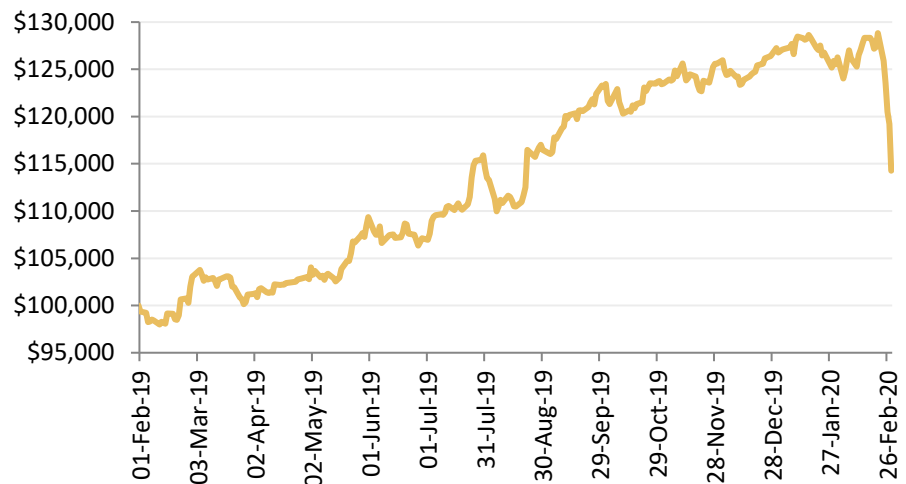


FUND OUTLINE

Fund Manager: Carlos Gil
(CIO)

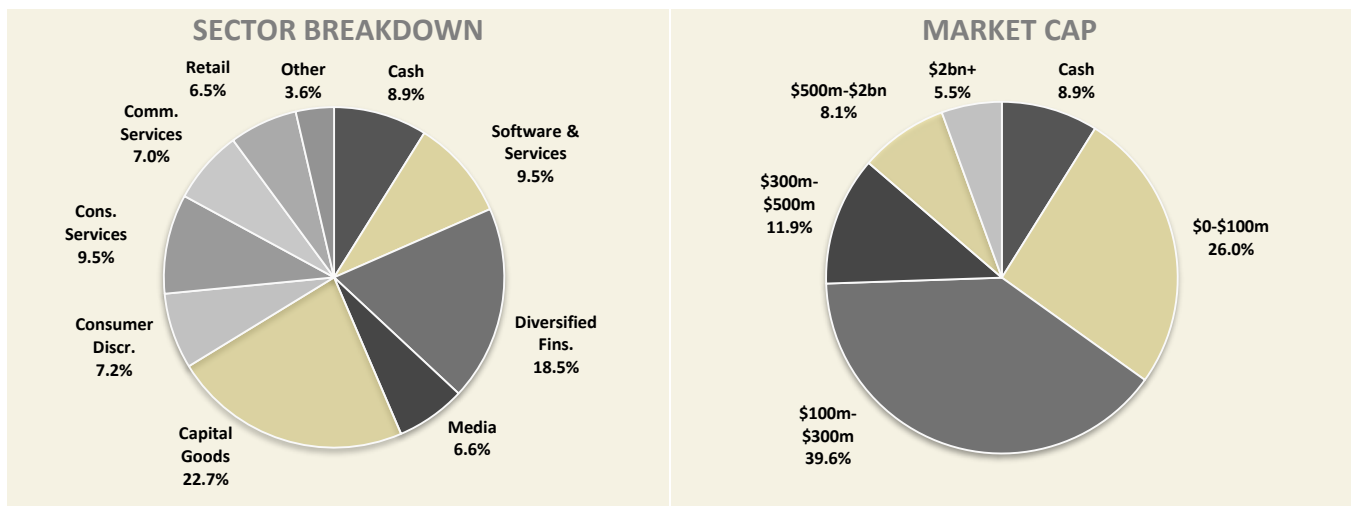
The Microequities Value Income Fund (ARSN 629 674 175) is a retail fund investing in high dividend paying, undervalued, ASX smaller companies.

VALUE OF \$100,000 INVESTED AT INCEPTION > **\$114,285**



Past performance is not a reliable indicator of future performance

	Total since inception	1 Year	6 Month	1 Month
VIF	14.29%	10.91%	-1.88%	-9.50%



MICROEQUITIES VALUE INCOME FUND

ARSN 629 674 175



MARKET UPDATE AND COMMENTARY

February in Australia marks the first half reporting season for most ASX companies. However, as the month progressed the focus of equity markets shifted to developments surrounding the spread of a novel coronavirus, Covid-19. Earnings reports of companies took a back seat as financial markets attempted to grasp the economic impact of Covid-19 and its potential disruptive effects to societies and economies. By the end of the month markets shifted significantly down as concerns increased about Covid-19's potential to disrupt economies. The situation continues to be fluid. The likelihood is Covid-19 will stay front of mind of markets for some time. We expect the number of cases outside of China to continue to rise over coming months. There is likely to be strong state responses to attempt to contain the spread. While these measures are contextually understandable, ultimately the virus does not pose a serious threat to civilisation, though the duration of its disruption is uncertain. As in all market shocks, market pricing reactions for some companies will be unruly and disproportionate. Successful equity investing requires a long-term focus of buying quality businesses with strong fundamentals that can compound earnings throughout the peaks and troughs of markets cycles. The troughs inevitably open windows of immense opportunity for the patient investors like ourselves.

Microequities Value Income Fund returned -9.50% in February; this brings the total return net of fees to 14.29% for the Fund since inception in February 2019.

During the month, the vast majority of the companies in the Fund reported their financial results for the past six months. We were very pleased with the level of underlying earnings growth of our investee companies and the sustainability of dividend income from the portfolio.

Most of the companies reported at or above our expectations including our largest weighted investee companies in the diversified financial, commercial services and consumer products sectors. Companies that reported below expectations can be grouped into two main categories, those that faced external headwinds from recent bushfires and other companies faced internal business factors such as contracts slipping into the next half. The investment team is cognisant of external factors currently facing our businesses and expect impacts on their near term earnings. Share prices will be volatile in the short term but we will look through this short term noise and assess companies on their ability to grow earnings and pay sustainable dividends in the mid and long term.

Number of companies	32
Top 5 Holdings % of NAV	29.2%
Top 10 Holdings % of NAV	44.9%
Top 20 Holdings % of NAV	72.5%
Cash Position % of NAV	8.9%

Disclaimer: This communication has been issued by Microequities Asset Management Pty Ltd ABN 96 134 984 768 AFS Licence No 287 526, as investment manager of the Microequities Value Income Fund ARSN 629 674 175. The Trust Company (RE Services) Limited (ACN 003 278 831) (AFSL 235150) is the responsible entity.

This communication contains general information only and does not take into account investment objectives, financial situation or needs of any particular individual or entity. It does not constitute financial, tax or legal advice, nor is it an offer, invitation or recommendation to subscribe or purchase a unit in the Fund or any other financial product. Before acting on any information contained in this communication, you should consider whether it's appropriate to you, in light of your objectives, financial situation or needs.

While every effort has been made to ensure the information in this communication is accurate; its accuracy, reliability or completeness is not guaranteed and none of The Trust Company (RE Services) Limited (ACN 003 278 831), Microequities Asset Management Pty Ltd or any of their related entities or their respective directors or officers are liable to you in respect of this communication. A Product Disclosure Statement (PDS) issued in January 2019 is available for the Fund on the following website: <http://microequities.com.au/valueincomefund>

You should obtain the PDS for the Fund and consider the risks and disclosures for your circumstances before deciding whether to acquire, or continue to hold, an interest in the Fund. Initial Applications for units in the Fund can only be made pursuant to the application form attached to the PDS. Past performance is not a reliable indicator of future performance.