

MICROEQUITIES VALUE INCOME FUND

ARSN 629 674 175



MONTHLY PERFORMANCE AS AT 28/02/2021

latest unit price (exit price) \$1.2472	return since inception (Feb 2019) 31.93%	return 1 month 0.66%
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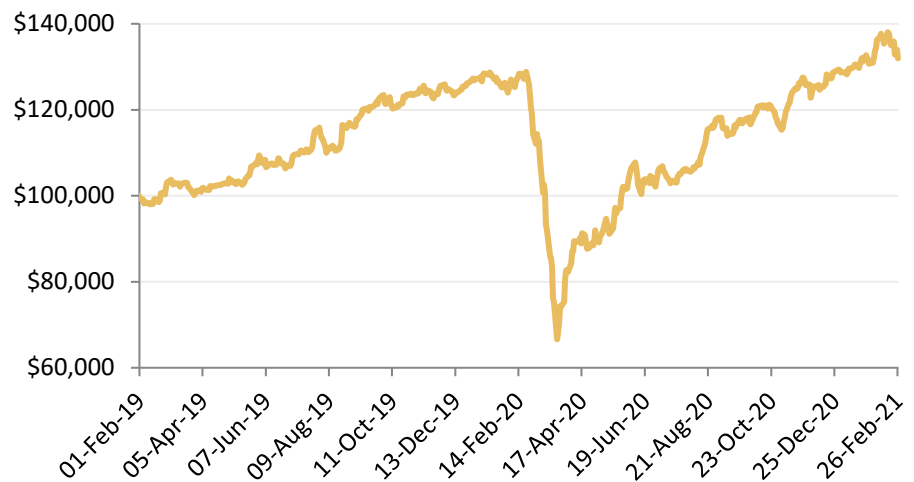


FUND OUTLINE

Fund Manager: Carlos Gil
(CIO)

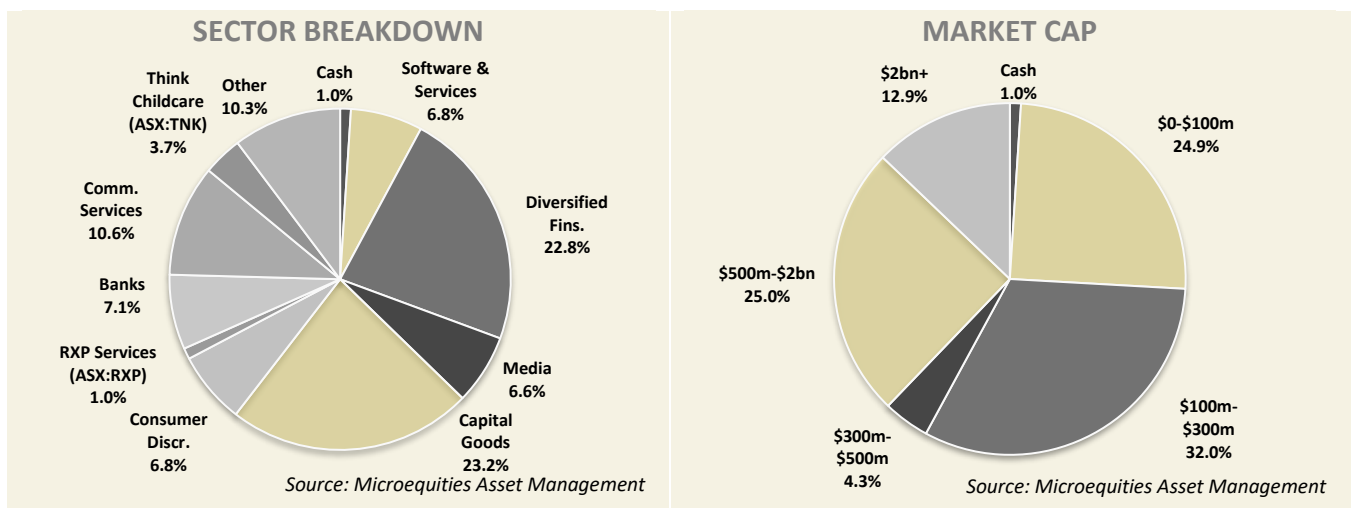
The Microequities Value Income Fund ("VIF") (ARSN 629 674 175) is a retail fund investing in high dividend paying, undervalued, ASX smaller companies.

VALUE OF \$100,000 INVESTED AT INCEPTION > **\$131,930**



Past performance is not a reliable indicator of future performance. Total return shown for "VIF" has been calculated using exit prices after taking into account all ongoing fees and assuming reinvestment of distributions. No allowance has been made for entry fees or taxation

Returns are shown net of fees	Compound p.a. since inception	Total since inception	2 Year	1 Year	6 Month	1 Month
Microequities Value Income Fund (VIF)	14.23%	31.93%	14.86%	15.44%	11.64%	0.66%



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MARKET UPDATE AND COMMENTARY

The vaccine rollout across the developed world will be this year's biggest stimulus for the world economy reeling from the Covid-19. Outside of Israel, the UK and the US are leading the world vaccination race with the UK already vaccinating 30% of its population, whilst the US has surpassed 20%. Both countries are beginning to phase down differing levels of regional lockdowns and many restrictions are expected to continue to lift over the ensuing months. In addition to the expected demand driven boost that will come from lockdown easing the US economy will be provided with a further stimulant jab. The \$1.9tn coronavirus relief package has been passed by the House of Representatives. The package includes \$1,400 in direct payment to individuals' earning \$75,000 USD or less and \$350b to state and local governments. The entire package will provide further support to the economy. The combination of these forces plus quantitative easing, a highly stimulant monetary setting, is beginning to shift the view on medium term interest rates as capital markets adjust expectations that inflationary pressures will ultimately permeate through the economy. This provides a negative outlook for bond prices which could endure a difficult period of adjustment.

Microequities Value Income Fund returned 0.66% in February; this brings the total return net of fees to 31.93% for the Fund since inception in February 2019.

Our retail investment in **Beacon Lighting (ASX:BLX)** delivered a strong financial result benefiting from home improvements during the pandemic. The business has developed a strategy to slowly buy some of the real estate upon which their stores are located, helping over time to reduce operating costs. Our investment in **Shaver Shop (ASX:SSG)** has not wasted the pandemic either with over 30% of sales now online and acquiring the last remaining portfolio of six franchise stores. **Think Childcare (ASX:TNK)** delivered a knockout result and now have the capability to double its EBITDA over the next three years. Both indicative takeover offers now appear to require substantial improvement to gain broad shareholder support. Our investment in two aviation sector businesses have both navigated the pandemic well. One services the mining industry and has used the opportunity to acquire a portfolio of aircraft at distressed pricing. The other has seen through Covid with the maintenance services nature of its business model. Overall, it was a pleasing reporting season for the constituents of the Fund. We remind our investors that we own a sector diversified portfolio of businesses providing sustainable dividend income and earnings growth.

Number of companies	39
Top 5 Holdings % of NAV	25.3%
Top 10 Holdings % of NAV	42.5%
Top 20 Holdings % of NAV	70.2%
Cash Position % of NAV	1.0%

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.

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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.