

# MICROEQUITIES VALUE INCOME FUND

ARSN 629 674 175



## MONTHLY PERFORMANCE AS AT 31/07/2021

latest unit price (exit price) <b>\$1.3116</b>	return since inception (Feb 2019) <b>48.76%</b>	return 1 month <b>2.43%</b>
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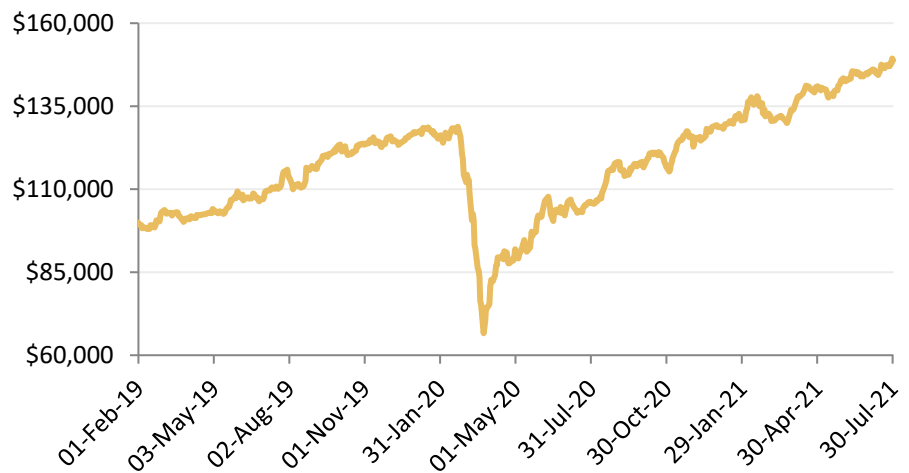


### FUND OUTLINE

Fund Manager: Carlos Gil  
(CIO)

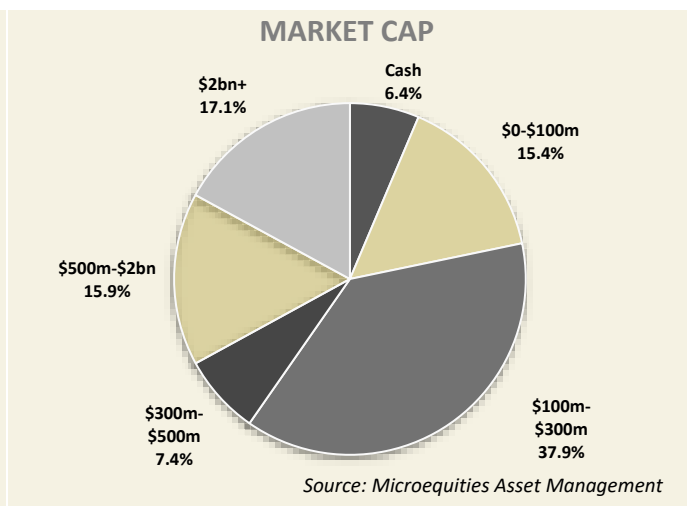
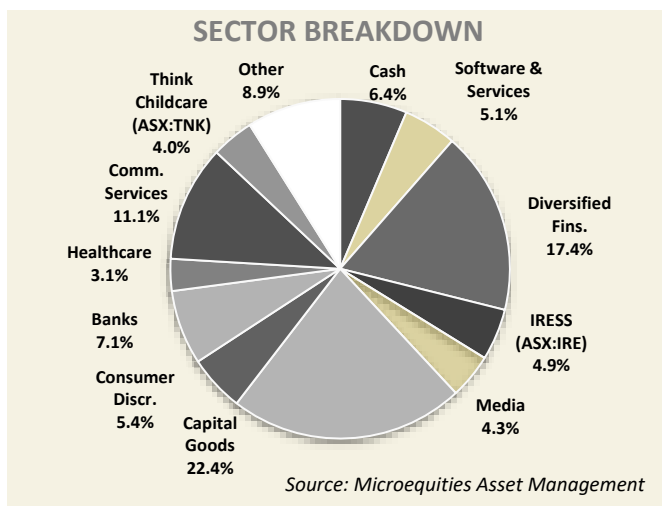
The Microequities Value Income Fund ("VIF") (ARSN 629 674 175) is a retail fund investing in high dividend paying, undervalued, ASX smaller companies.

VALUE OF \$100,000 INVESTED AT INCEPTION > **\$148,756**



*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
<b>Microequities Value Income Fund (VIF)</b>	<b>17.22%</b>	<b>48.76%</b>	<b>21.26%</b>	<b>40.51%</b>	<b>13.50%</b>	<b>2.43%</b>



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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 Value Income Fund returned 2.43% in July; this brings the total return net of fees to 48.76% for the Fund since inception in February 2019.**

There were no changes in the number of businesses owned in the Fund during the month, however there were a significant amount of news flow.

- **IRESS Limited (ASX:IRE)** confirmed it has received a number of non-binding proposals from Swedish private equity firm EQT. The latest offer of \$15.30-\$15.50 per share has been rejected by the board but EQT will be provided with limited due diligence material.
- IT distributor **Dicker Data (ASX:DDR)** late in the month acquired NZ based Exceed Group, cementing Dicker Data's position as 2<sup>nd</sup> largest IT distributor in NZ. The purchase price was well priced at about 4.5x EBITDA. Dicker also provided a trading update showing 1HCY21 PBT growth of 7.1%, a commendable result on the back of a tough prior comparable period.
- Strong earnings outlook for FY22 and FY21 unaudited results coming in at the top end of previous guidance were provided by three companies. One is in mining and infrastructure services, one trade distributor and the third in the aircraft maintenance sector. A fourth company pre-announced full year dividend showing a 55% increase based on expectations of announcing an equally strong set of results in August.

<b>Number of companies</b>	<b>40</b>
<b>Top 5 Holdings % of NAV</b>	<b>23.8%</b>
<b>Top 10 Holdings % of NAV</b>	<b>41.3%</b>
<b>Top 20 Holdings % of NAV</b>	<b>67.6%</b>
<b>Cash Position % of NAV</b>	<b>6.4%</b>

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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.