

MICROEQUITIES VALUE INCOME FUND

ARSN 629 674 175



MONTHLY PERFORMANCE AS AT 31/03/2019

latest unit price \$1.0167	return since inception (Feb 2019) 1.67%	return 1 month -1.83%
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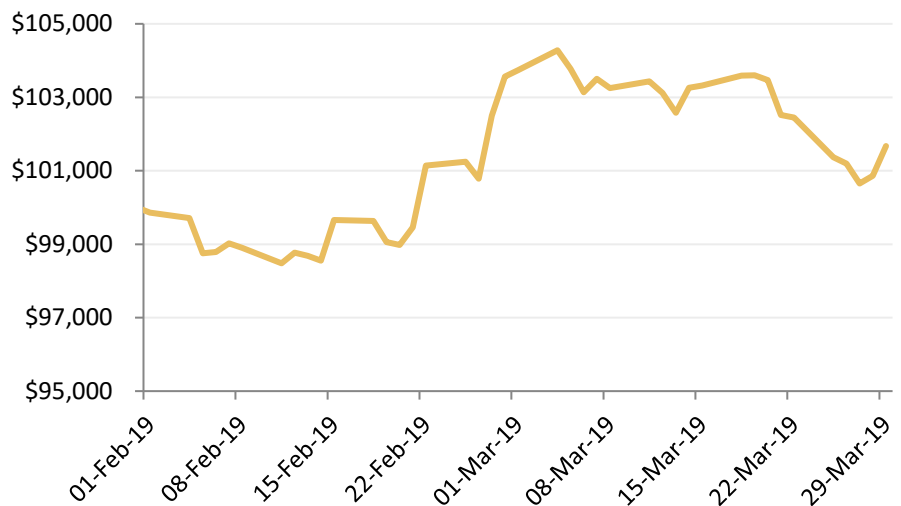


FUND OUTLINE

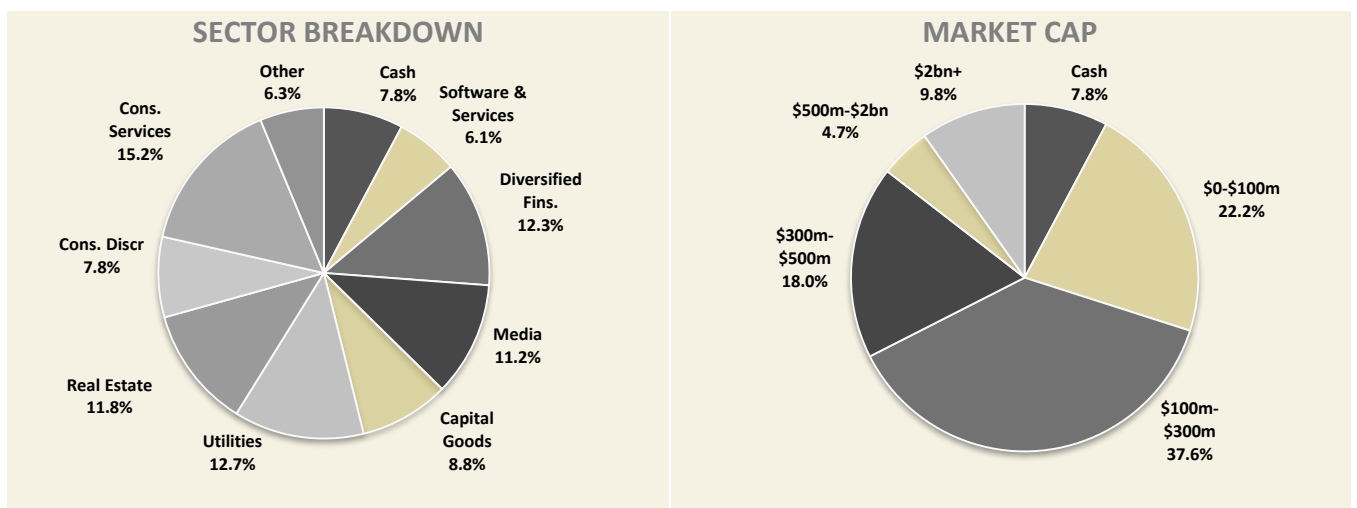
Fund Manager: Carlos Gil
(CIO)

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 > **\$101,670**



	Total since inception	1 Year	6 Month	1 Month
VIF	1.67%	-%	-%	-1.83%



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MARKET UPDATE AND COMMENTARY

The most significant financial market occurrence during the month was the inversion of US treasury yield curve. During the month, the 10-year US treasury was trading at a lower yield than the 3-month US treasury as investors bought up the longer duration bonds sending yields down. The inversion of the US bond yield has normally been an indicator of a forthcoming economic recessions. Whilst that might be a historical trend, this latest inversion has been triggered by a change in the US Federal Reserve monetary policy stance. US Federal Reserve Chairman Jerome Powell stated that the Federal Reserve would indefinitely stick with an extended pause on rate changes and there would be no rate hikes for the remainder of 2019. At the same time, Fed officials downgraded US GDP growth rate from +2.3% to +2.1% for 2019. The more dovish stance coincides with the world economy facing increased risk of a slowdown across several of its geographies.

Microequities Value Income Fund returned -1.83% in March; this brings the total return net of fees to 1.67% for the Fund since inception in February 2019.

The Fund added four new positions, in the financial services, utilities, consumer finance and commercial products sectors. These businesses are all well known to the investment team and we had been waiting for suitable prices to enter into these positions. Each of these businesses are paying a sustainable dividend yield combined with solid earnings growth outlook. We sold one holding in the healthcare sector. This business issued a weak trading update in February at which time the Fund purchased a position on the belief it was a temporary issue. The share price rebounded strongly in March by 18% and we exited the position.

The investment team continues to see value within the existing portfolio and will be selectively adding to these positions as the Fund continues to receive inflows. Five of our companies have active share buyback programmes which further demonstrates they believe they are severely undervalued by the market.

Number of companies	28
Top 5 Holdings % of NAV	31.3%
Top 10 Holdings % of NAV	53.6%
Top 20 Holdings % of NAV	80.8%
Cash Position % of NAV	11.2%

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.

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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.