

MICROEQUITIES VALUE INCOME FUND

ARSN 629 674 175



MONTHLY PERFORMANCE AS AT 30/11/2019

latest unit price (exit price) \$1.2192	return since inception (Feb 2019) 25.60%	return 1 month 1.77%
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FUND OUTLINE

Fund Manager: Carlos Gil
(CIO)

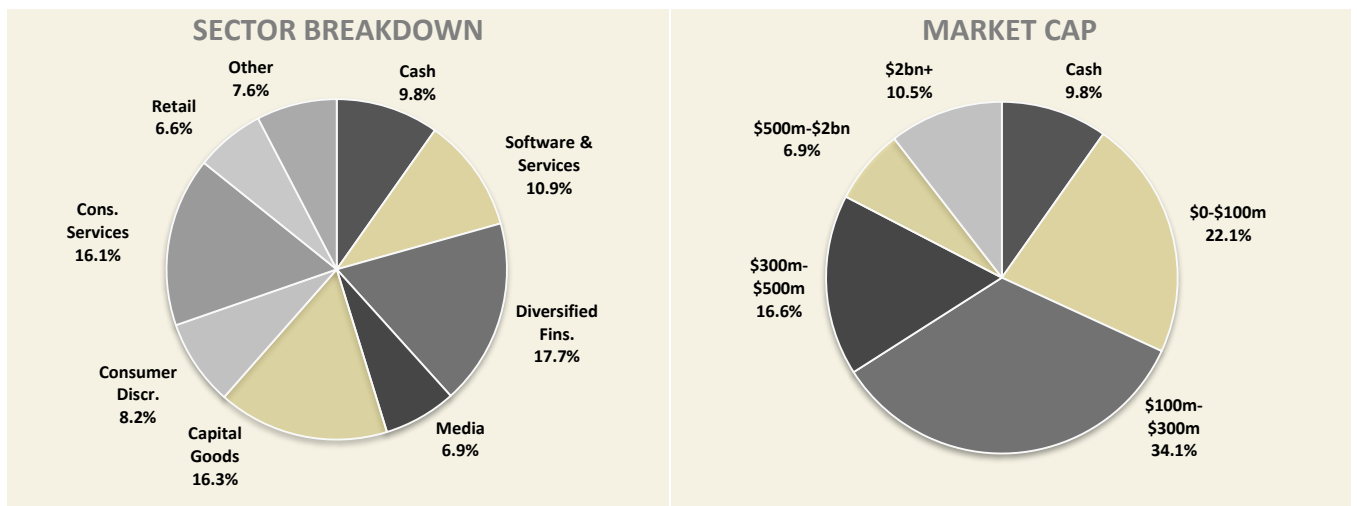
The Microequities Value Income Fund (ARSN 629 674 175) is a retail fund investing in high dividend paying, undervalued, ASX smaller companies.

VALUE OF \$100,000 INVESTED AT INCEPTION > **\$125,595**



Past performance is not a reliable indicator of future performance

	Total since inception	1 Year	6 Month	1 Month
VIF	25.60%	-%	14.85%	1.77%



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MARKET UPDATE AND COMMENTARY

December looks set to be an important month with two world events relevant to markets and with significant economic implications edging closer to a conclusion. In the UK, Britons will go to the polls as the Tories look to break through the Brexit stalemate. A Labour victory in the UK could lead to the most radical anti-free market reforms seen since the Second World War. Elsewhere, the Sino-US trade negotiations might edge closer to a first phase deal after the Chinese agreed to important US demands on intellectual property protection. Whilst a first phase would be welcomed by markets and likely improve economic sentiment within the major world economies, key issues such as Chinese industrial subsidies and others forms of protectionism will not be addressed. Thus, a first phase deal will not defuse the trade war, merely lessen tensions and lower points of conflict.

Domestically, Australian equities markets look set to continue to enjoy very low central bank rates, with the RBA rhetoric implying more headroom to cut rates further before it considers quantitative easing policy measures.

Microequities Value Income Fund returned 1.77% in November; this brings the total return net of fees to 25.60% for the Fund since inception in February 2019.

During the month, the investment management team attended several annual general meetings (AGMs) of our investee companies. The majority of companies affirmed earnings guidance for the year ahead. A couple of our holdings in the traditional media sector called out a continuation of tough trading conditions in recent months; however given we have bought these businesses at large discounts to intrinsic valuations with strong balance sheets, we think they can weather the short term challenges.

A number of notable AGMs included a retailer that reiterated earnings guidance for FY20 and made a low risk acquisition. We expect significant dividend per share growth from this company in FY20 and beyond as earnings benefit from cost reduction strategies and online sales growth. Our investment in a financial services business also reiterated earnings growth and dividend guidance despite having undergone one of the toughest operating environments since inception of the business. This business also announced a share buyback reflecting increased management confidence in the business outlook and current undervaluation of its shares.

Number of companies	30
Top 5 Holdings % of NAV	27.4%
Top 10 Holdings % of NAV	46.7%
Top 20 Holdings % of NAV	75.3%
Cash Position % of NAV	9.8%

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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.