

# HIGH INCOME

## VALUE MICROCAP FUND



### MONTHLY PERFORMANCE AS AT 30/04/2024

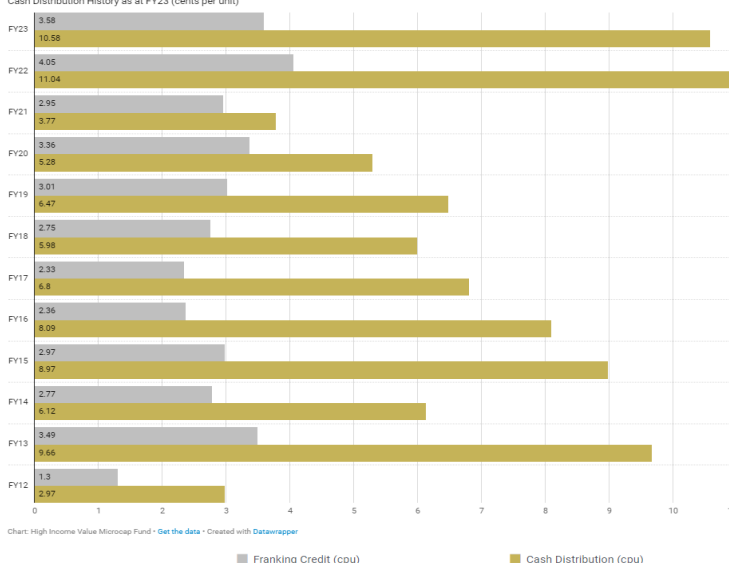
latest unit price <b>\$1.8309</b> (Cum-distribution)	return since inception (March 2012) <b>253.53%</b>	return 1 month <b>-0.66%</b>
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### FUND OUTLINE

The High Income Value Microcap Fund is a wholesale fund investing in high dividend paying, undervalued, ASX microcap companies.

#### \$1.2065 Total Cash and Franking Credits RETURNED SINCE INCEPTION

Cash Distribution History as at FY23 (cents per unit)

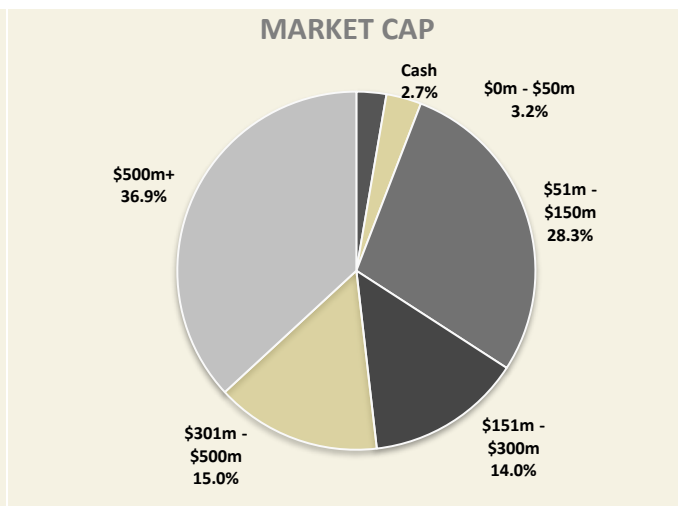
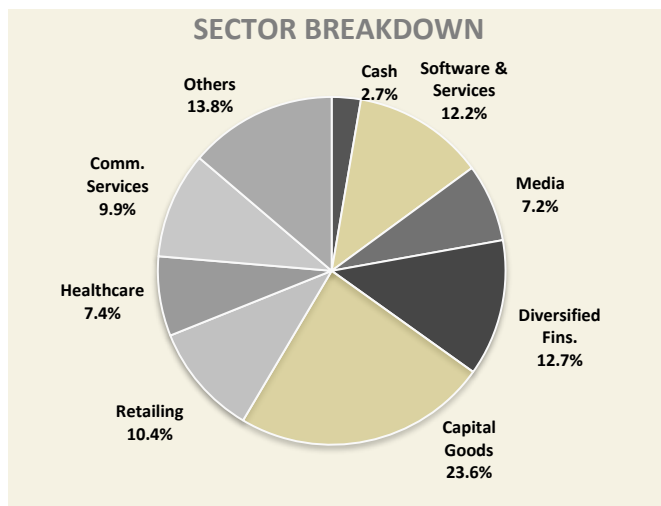


**Current Forecast  
Grossed Up  
Dividend Yield**

**+5.64%\*\***

\*\*Represents the annual dividend yield of the companies in the portfolio grossed up for franking credits. It is based on internal forecasts and actual results may vary. It is not a forecast distribution as distributions will depend on actual dividend income received, expenses of the fund and actual number of units on issue at the time a distribution is made.

	Total since inception	Compound p.a. since inception	12 Year Annual Compound	10 Year Annual Compound	5 Year Annual Compound	3 Year Annual Compound	1 Year	1 Month
<b>HIMF</b>	<b>253.53%</b>	<b>10.94%</b>	<b>10.70%</b>	<b>9.51%</b>	<b>12.11%</b>	<b>8.02%</b>	<b>10.19%</b>	<b>-0.66%</b>



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### MARKET UPDATE AND COMMENTARY

In last month's update we stated that the Fed, due to the strength of the US economy, has the luxury of time. It does not need to rush into cutting rates. The data points issued during this month, suggest that the Fed will not be cutting rates anytime over the next few months. The CPI for March rose 0.5%, taking the annual CPI to 3.5% whilst core CPI (which excludes food and energy prices) rose to 3.8%. Core CPI has increased at a pace of 4.2% in the first quarter of the year, undermining the downward trend required for any short-term rates cuts. In late April, the core PCE (personal consumption expenditures), the Fed's favourite inflation measure, for March was released showing an increase 0.3% with the annualised rate running at 2.8%. Whilst the trend on core PCE continues to be downward, strong consumption together with core CPI is unlikely to persuade the Fed to move on rates anytime soon. Financial markets will need absorb a "higher for longer" regime. Positively, economic momentum continues to support a strong labour market, and the bedrock of the US economy, personal consumption, shows no signs of letting up. In China, first quarter GDP rose at annual pace of +5.3% driven by capital investment and industrial production, a slightly faster rate than the previous quarter.

**Microequities High Income Value Microcap Fund returned -0.66% in April; this brings the total return net of fees to 253.53% for the Fund since inception in March 2012.**

Following last month's total exit of **G8 Education (ASX:GEM)**, the investment management team took the opportunity of deploying some of the cash realised from the sale into the most compelling investment opportunities. We have increased the stake in a mining services company which is currently on a grossed up dividend yield of +9%. Whilst we continue to review opportunities outside the Fund's existing holdings, we are pleased with the current composition of the Fund and contemplate few changes over the months ahead.

Investee company **Alliance Aviation Ltd (ASX:AQZ)** announced changes to its debt facilities that in effect will ensure Alliance is fully funded for its planned fleet expansion. The announcement in our view clears some of the funding uncertainty that was worrying investors particularly the potential risk of a capital raising. We remain fully committed to our long term investment in Alliance Aviation.

<b>Projected EPS Growth</b>	
1 Year Forward (on a weighted basis)	<b>+9.9%</b>
<b>Projected EPS Growth</b>	
2 Years Forward (on a weighted basis)	<b>+9.4%</b>

<b>Number of companies</b>	<b>39</b>
<b>Top 5 Holdings</b> % of NAV	<b>37.5%</b>
<b>Top 10 Holdings</b> % of NAV	<b>54.9%</b>
<b>Top 20 Holdings</b> % of NAV	<b>78.9%</b>
<b>Cash Position</b> % of NAV	<b>2.7%</b>

**Important information:** This information is not intended to be financial advice. Past performance is not indicative of future performance. Microequities Asset Management Pty Ltd is a corporate authorised representative, number 462438, as appointed by Microequities Asset Management Group Limited holder of AFSL number 287526. Application for units in the Fund is limited to investors that are wholesale or sophisticated investors within the meaning of Section 761G(7) and 761GA(7) of the Corporations Act 2001.