

HIGH INCOME

VALUE MICROCAP FUND



MONTHLY PERFORMANCE AS AT 31/12/2025

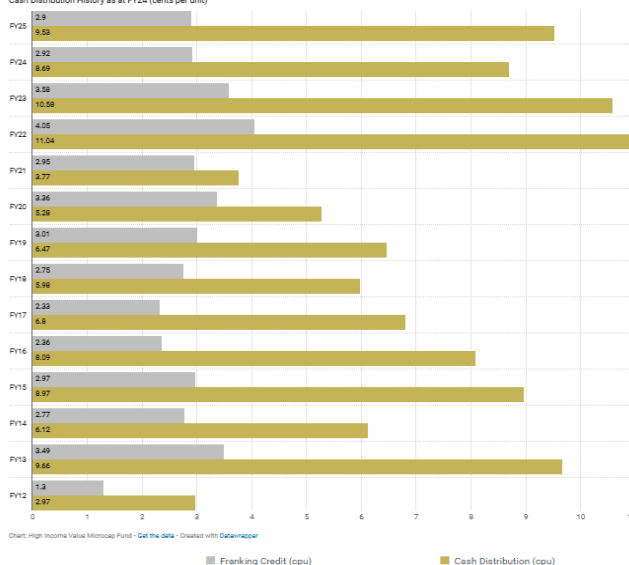
latest unit price \$1.8659 (Cum-distribution)	return since inception (March 2012) 295.62%	return 1 month 0.24%
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FUND OUTLINE

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

\$1.4469 Total Cash and Franking Credits RETURNED SINCE INCEPTION

Cash Distribution History as at FY24 (cents per unit)

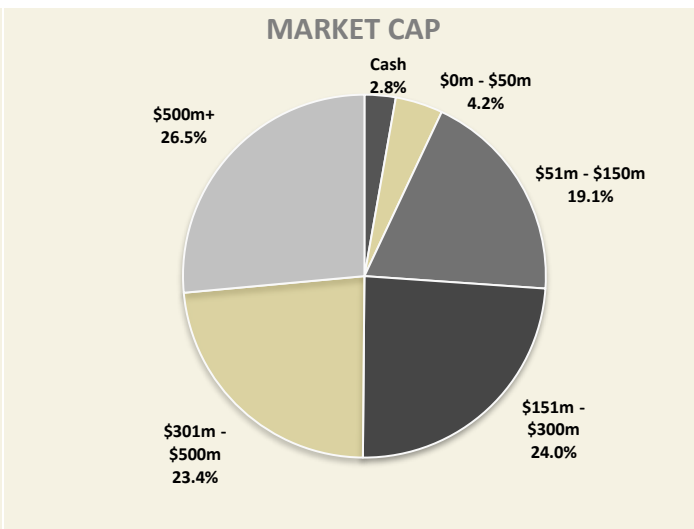
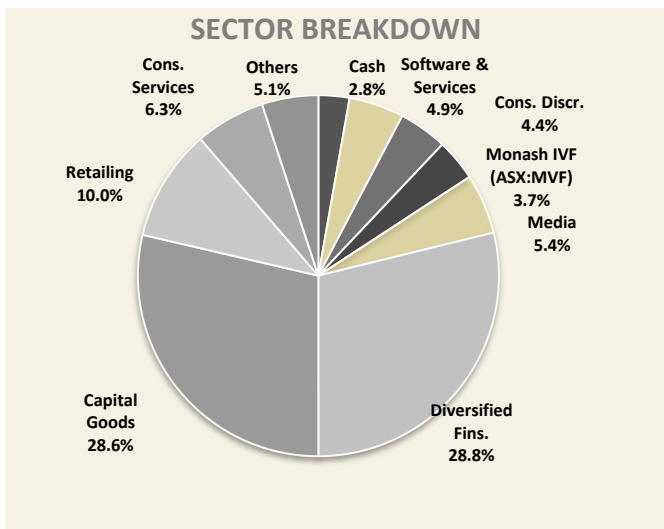


**Current Forecast
Grossed Up
Dividend Yield**

+5.62%**

**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
HIMF	295.62%	10.45%	8.55%	9.11%	9.15%	8.89%	8.64%	0.24%



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MARKET UPDATE AND COMMENTARY

The US third-quarter GDP figure, which had been delayed by two months due to the federal government shutdown, was finally released. The US economy expanded at an annualised rate of 4.3%, the fastest pace of growth in two years. Growth was driven primarily by consumer spending and exports. Business investment, which had grown by 7.8% in the previous quarter, slowed to 2.8% in the third quarter. This GDP print comes at a time when the US labour market is showing signs of slowing. The November jobs report showed the US economy added 64,000 jobs, with job creation clearly decelerating, while the unemployment rate ticked up to 4.6%. Taken together, these indicators support a continued dovish stance by the US Federal Reserve.

The next RBA meeting in Australia is scheduled for 3 February. Prior to that meeting, the RBA Board will digest another CPI print, covering inflation for the month of November. The current monetary policy setting sits on a knife edge. A resurgence in inflation over the past three months has effectively extinguished expectations of near-term rate cuts. A further upside surprise in CPI would almost certainly force the RBA's hand to raise rates.

Microequities High Income Value Microcap Fund returned 0.24% in December; this brings the total return net of fees to 295.62% for the Fund since inception in March 2012.

Embark Early Education Ltd (ASX:EVO) launched an off-market takeover for **Mayfield Childcare (ASX:MFD)** at \$0.50 cash or 1 EVO share for every 1.24 Mayfield Childcare share. Mayfield Childcare currently represents 0.9% of the Fund, whilst Embark Early Education represents 3.7%.

Monash IVF Group (ASX:MVF) last month announced that it had rejected a non-binding indicative offer (NBIO) from Genesis Capital and WHSP Holdings Pty Ltd ("Soul Patts") to acquire 100% of the company at 80 cents per share. The consortium had indicated that it held an interest of approximately 19.6% of Monash IVF's shares. This month the NBIO was withdrawn after the Monash IVF board declined to grant due-diligence access. We viewed the proposal as highly opportunistic and unattractive. Currently, Monash IVF represents 3.7% of the Fund.

Our largest weighted investee company in the High Income Value Microcap Fund which currently represents 12.2% of the NTA, announced a significant acquisition. The industrial services business will be acquiring a complementary business with strong cross selling opportunities and product portfolio that will enhance its offering. The acquisition is expected to deliver double digit EPS earnings accretion in FY26. We have upgraded our internal earnings forecasts for this business.

Projected EPS Growth	
1 Year Forward (on a weighted basis)	+11.3%
Projected EPS Growth	
2 Years Forward (on a weighted basis)	+11.2%

Number of companies	38
Top 5 Holdings % of NAV	42.1%
Top 10 Holdings % of NAV	59.9%
Top 20 Holdings % of NAV	82.5%
Cash Position % of NAV	2.8%

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.