

MICROEQUITIES VALUE INCOME FUND

ARSN 629 674 175



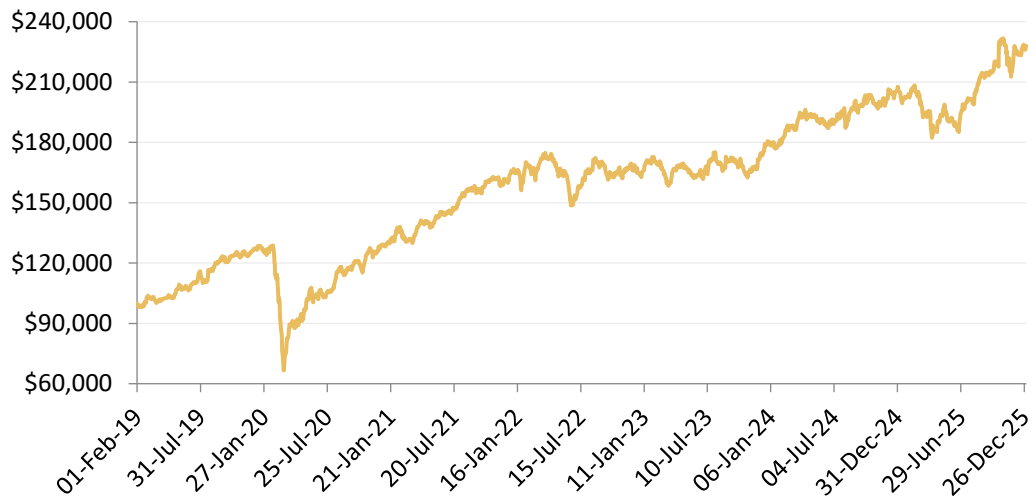
MONTHLY PERFORMANCE AS AT 31/12/2025

latest unit price (exit price) \$1.6902	return since inception (Feb 2019) 127.97%	return 1 month 0.04%
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FUND OUTLINE

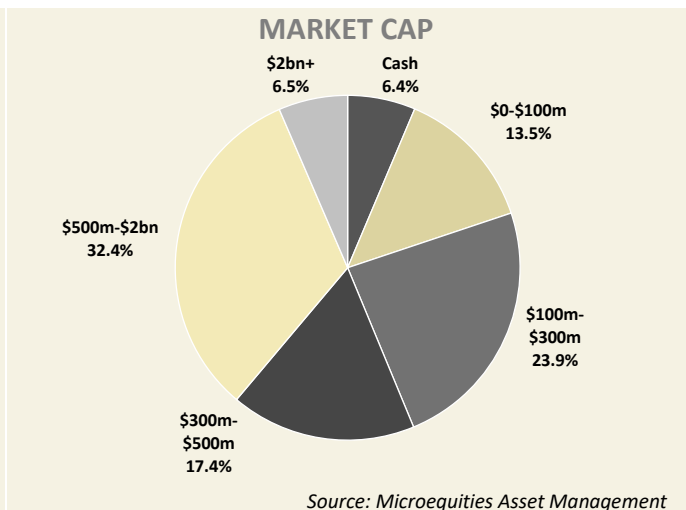
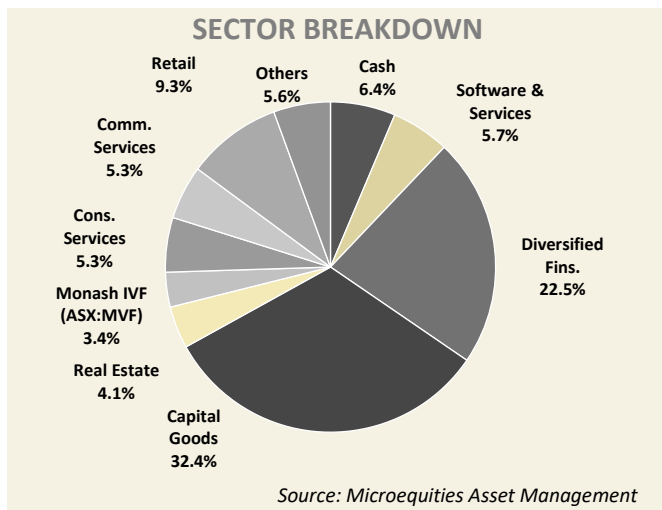
The Microequities Value Income Fund ("VIF") (ARSN 629 674 175) is a retail fund investing in high dividend paying, undervalued, ASX smaller companies. This fund is appropriate for investors with "High" risk and return profiles. A suitable investor for this fund is prepared to accept high risk in the pursuit of capital growth with a medium to long investment timeframe. Investors should refer to the [TMD](#) for further information.

VALUE OF \$100,000 INVESTED AT INCEPTION > \$227,966



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	5 Year Annual Compound	3 Year Annual Compound	2 Year Compound Annual	1 Year	1 Month
Microequities Value Income Fund (VIF)	12.65%	127.97%	12.12%	11.49%	12.52%	9.70%	0.04%



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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 Value Income Fund returned 0.04% net of fees in December; this brings the total return net of fees to 127.97% for the Fund since inception in February 2019.

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. Monash IVF accounts for 3.4% weighting at month end.

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 0.8% of the Fund, whilst Embark Early Education represents 2.6%.

Our second largest weighted investee company in the Value Income Fund which currently represents 7.2% 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.

Our investment in a real estate company further upgraded its FY26 earnings guidance from 15% growth to at least 20% growth. This company is operating with favourable pricing, enquiry and sales conditions. Another real estate company continues to acquire a number of development sites, building up its development pipeline. Both companies have long established dividend payment track records and trade at very modest valuation multiples.

Number of companies	44
Top 5 Holdings % of NAV	35.9%
Top 10 Holdings % of NAV	49.4%
Top 20 Holdings % of NAV	70.6%
Cash Position % of NAV	6.4%

Disclaimer: This communication has been prepared and 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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<http://microequities.com.au/valueincomefund>

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.

The PDS and target market determination can be obtained by calling 02 9009 2900 or visiting our website <https://microequities.com.au/our-funds/value-income-fund/>