

# HIGH INCOME

## VALUE MICROCAP FUND



### MONTHLY PERFORMANCE AS AT 28/02/2026

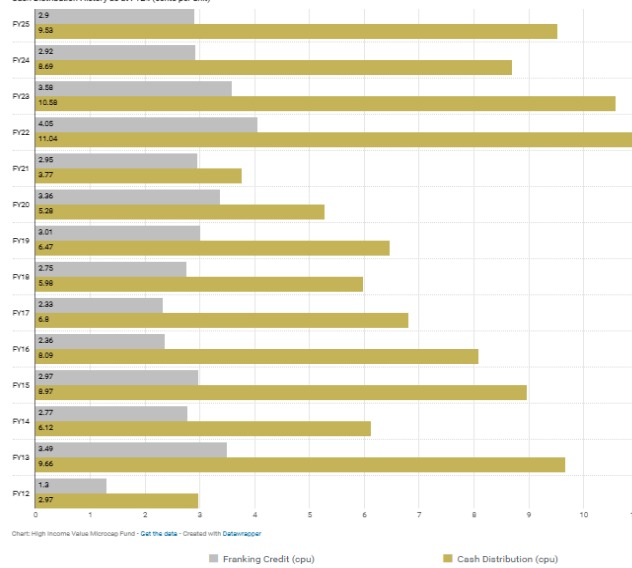
latest unit price <b>\$1.8569</b> (Cum-distribution)	return since inception (March 2012) <b>295.85%</b>	return 1 month <b>1.31%</b>
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#### FUND OUTLINE

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

#### \$1.4469 Total Cash and Franking Credits RETURNED SINCE INCEPTION

Cash Distribution History as at FY24 (cents per unit)

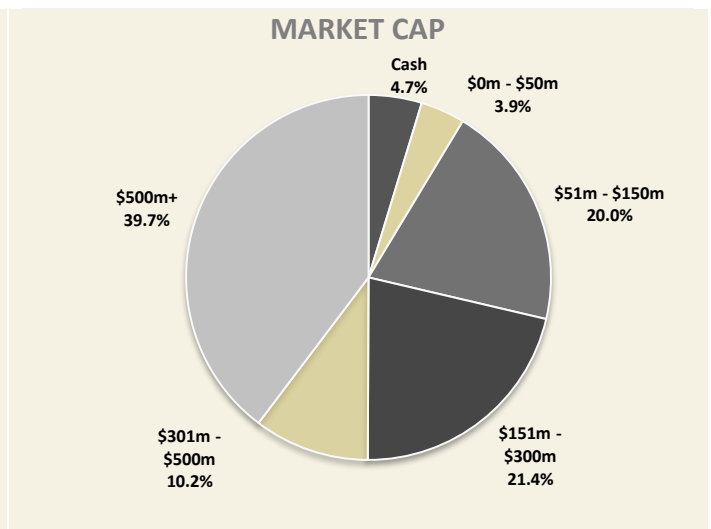
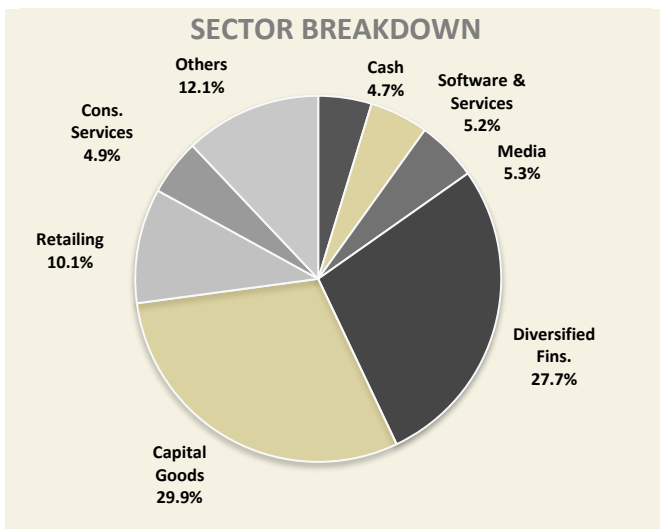


**Current Forecast  
Grossed Up  
Dividend Yield**

**+6.57%\*\***

\*\*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>295.85%</b>	<b>10.33%</b>	<b>8.92%</b>	<b>9.27%</b>	<b>8.41%</b>	<b>8.01%</b>	<b>9.49%</b>	<b>1.31%</b>



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### MARKET UPDATE AND COMMENTARY

A solid US labour market report has complicated the outlook for the next move by the US Federal Reserve. The January nonfarm payrolls report showed payrolls rising by 130,000, with the unemployment rate edging down to 4.3%. Wage growth increased by 0.4% for the month, running at 3.7% on an annual basis. Notably, most of the job creation came from the health services sector, which accounted for 82,000 of the new positions. The strength of the report has cooled expectations of an imminent rate cut. A March easing now appears unlikely, with June increasingly seen as the earliest plausible window for policy adjustment. In Europe, annualised inflation fell to 1.7% in January, with core inflation at 2.2%, close to the ECB's 2% target. The moderation in inflation was driven by declines in energy prices. The next inflation release, due in early March, is expected to show a modest uptick. This leaves the ECB in a relatively comfortable position for now inflation is moving in the right direction, but not sufficiently weak to compel a rate cut at the March 24 meeting. Economic activity in Eurozone economy continues to expand. The composite PMI rose to 51.9 from 51.3. Manufacturing activity is beginning to improve, partly supported by German fiscal stimulus. The region has thus far weathered US trade tariffs better than many had anticipated.

**Microequities High Income Value Microcap Fund returned 1.31% in February; this brings the total return net of fees to 295.85% for the Fund since inception in March 2012.**

**We are pleased to announce a material upgrade to the forecast dividend yield of the High Income Value Microcap Fund portfolio from 5.80% (grossed up) to 6.57%.** The uplift follows the February reporting season, during which several portfolio companies increased dividend payouts on stronger earnings.

The 1H26 reporting period delivered positive earnings momentum across the portfolio, led by the Fund's three largest weighted holdings, each of which reported double-digit NPAT growth and increased distributions. During the month, the investment management team elected to tender its stake in **Mayfield Childcare (ASX:MFD)** following the decision by bidder **Embark Early Education (ASX:EVO)** to make its takeover offer unconditional. We support the strategic rationale of the combination and believe the transaction presents meaningful synergies. The Fund closed the month with cash holdings of 4.7%, above historical levels. The investment management team intends to actively deploy part of this surplus capital during March.

<b>Projected EPS Growth</b> 1 Year Forward (on a weighted basis)	<b>+12.0%</b>
<b>Projected EPS Growth</b> 2 Years Forward (on a weighted basis)	<b>+9.0%</b>

<b>Number of companies</b>	<b>37</b>
<b>Top 5 Holdings</b> % of NAV	<b>40.8%</b>
<b>Top 10 Holdings</b> % of NAV	<b>57.5%</b>
<b>Top 20 Holdings</b> % of NAV	<b>80.5%</b>
<b>Cash Position</b> % of NAV	<b>4.7%</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.