

# MICROEQUITIES VALUE INCOME FUND

ARSN 629 674 175



Microequities Asset Management

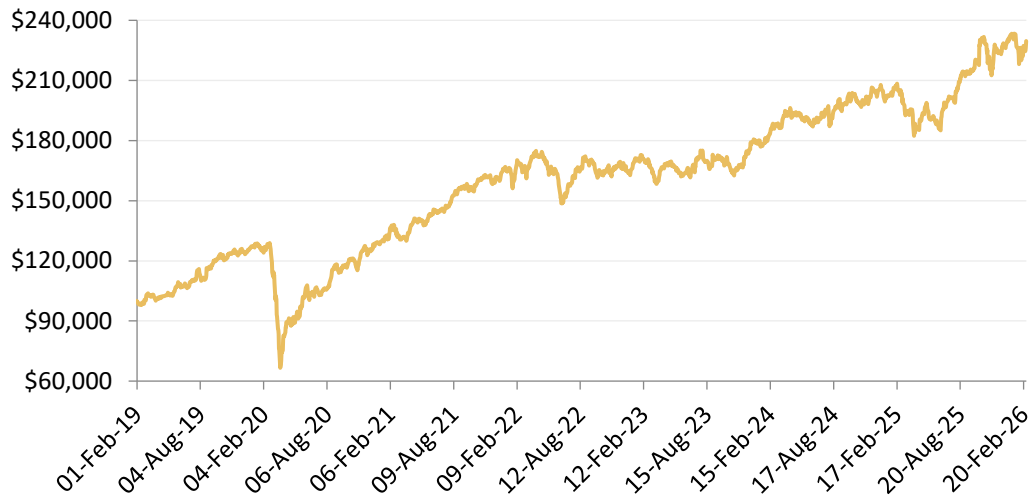
## MONTHLY PERFORMANCE AS AT 28/02/2026

latest unit price (exit price) <b>\$1.6805</b> Ex-distribution	return since inception (Feb 2019) <b>129.71%</b>	return 1 month <b>1.24%</b>
--	---	--------------------------------

### FUND OUTLINE

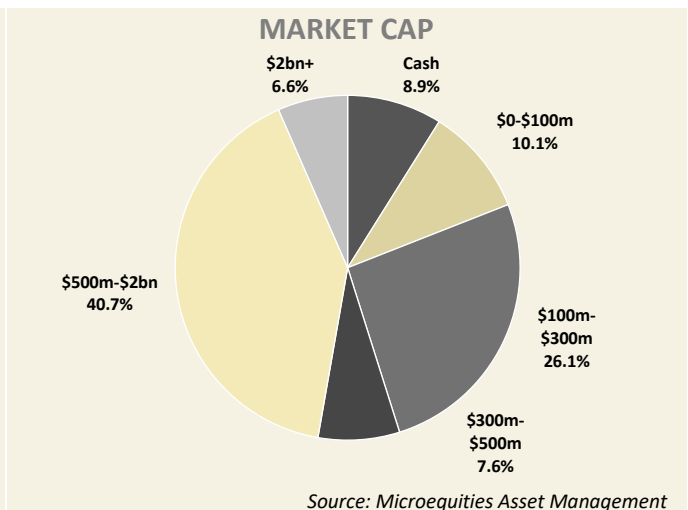
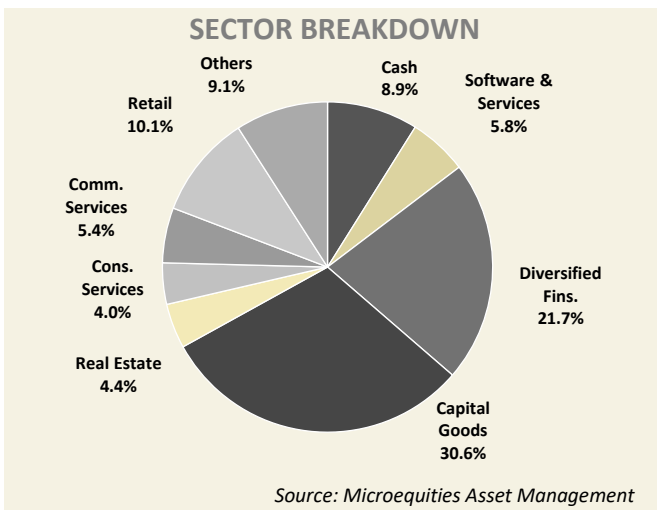
The Microequities Value Income Fund ("VIF") (ARSN 629 674 175) is a retail fund investing in high dividend paying, undervalued, ASX smaller companies. This fund is appropriate for investors with "High" risk and return profiles. A suitable investor for this fund is prepared to accept high risk in the 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 > \$229,710



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	7 Year Annual Compound	5 Year Annual Compound	3 Year Compound Annual	1 Year	1 Month
<b>Microequities Value Income Fund (VIF)</b>	<b>12.46%</b>	<b>129.71%</b>	<b>12.13%</b>	<b>11.73%</b>	<b>11.20%</b>	<b>12.52%</b>	<b>1.24%</b>



# MICROEQUITIES VALUE INCOME FUND

ARSN 629 674 175



## 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 Value Income Fund returned 1.24% net of fees in February; this brings the total return net of fees to 129.71% for the Fund since inception in February 2019.**

With just under 6% of the Fund currently invested in 3 software companies, the Fund has to date largely avoided the sharp share price falls in the technology sector in the past 2 months on AI disruption concerns. We remind our unitholders that the Fund's strategy is to invest in undervalued smaller companies with an ability to pay sustainable dividends. Our cash holdings at 8.9% is a little higher than usual, giving us ability to selectively capitalise on potential existing portfolio or new opportunities in March.

February was a strong reporting season for the majority of our holdings. Just a reminder, our top 5 holdings sit across asset maintenance services, funds management, wholesale distribution, speciality retailer with exposure to the housing renovation market and real estate. Top 5 holdings accounting for 33% weighting, reported revenue growth of 20.1% on a weighted basis and 26.5% operating earnings growth on a weighted basis. The top 10 holdings that reported accounts for 48% weighting, with weighted revenue growth of 13.9% and 24.7% operating earnings growth. 30/42 companies either maintained their dividend or increased their dividend compared to the same time last year.

The only company in the Fund we have been actively adding to during the month is in financial services, which has a remarkable track record of two decades of consistent earnings per share and dividend growth. We have owned this business since Fund inception in 2019 but recent pullback in the share price of 18% in the past 6 months has us scratching our heads. The company reported 1H26 net revenue growth of 11% and EPS growth of 16%. Over the past 10 years, EPS has grown at a CAGR just short of 14% per annum. Based on FY26 forecasts, we are paying 14x PE and grossed up dividend yield of 7.1%.

<b>Number of companies</b>	<b>42</b>
<b>Top 5 Holdings % of NAV</b>	<b>33.0%</b>
<b>Top 10 Holdings % of NAV</b>	<b>48.5%</b>
<b>Top 20 Holdings % of NAV</b>	<b>70.1%</b>
<b>Cash Position % of NAV</b>	<b>8.9%</b>

**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.

This communication contains general information only and does not take into account investment objectives, financial situation or needs of any particular individual or entity. It does not constitute financial, tax or legal advice, nor is it an offer, invitation or recommendation to subscribe or purchase a unit in the Fund or any other financial product. Before acting on any information contained in this communication, you should consider whether it's appropriate to you, in light of your objectives, financial situation or needs.

While every effort has been made to ensure the information in this communication is accurate; its accuracy, reliability or completeness is not guaranteed and none of The Trust Company (RE Services) Limited (ACN 003 278 831), Microequities Asset Management Pty Ltd or any of their related entities or their respective directors or officers are liable to you in respect of this communication. A Product Disclosure Statement (PDS) issued in June 2024 is available for the Fund on the following website:

<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/>