

# HIGH INCOME

## VALUE MICROCAP FUND



### MONTHLY PERFORMANCE AS AT 31/03/2026

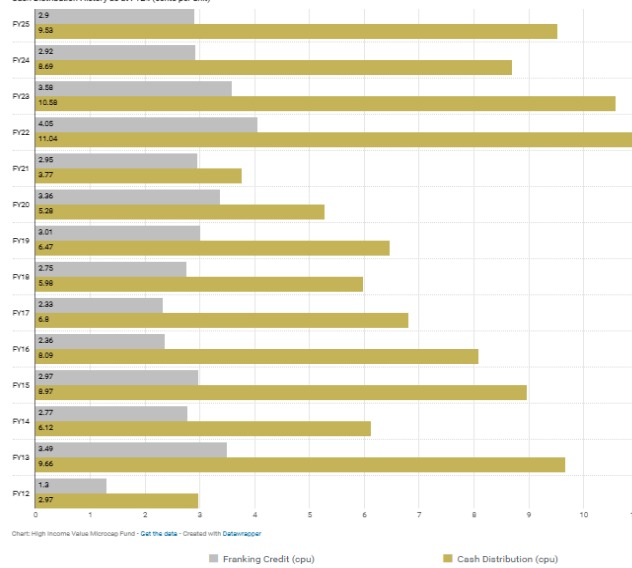
latest unit price <b>\$1.6803</b> (Cum-distribution)	return since inception (March 2012) <b>259.17%</b>	return 1 month <b>-9.27%</b>
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#### FUND OUTLINE

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)

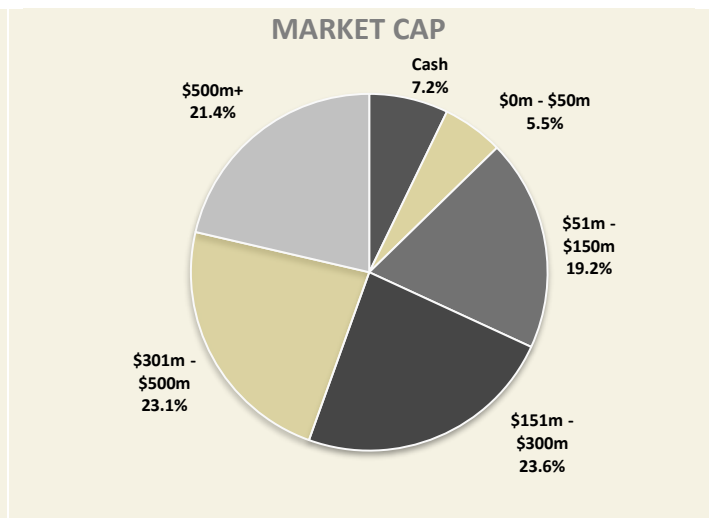
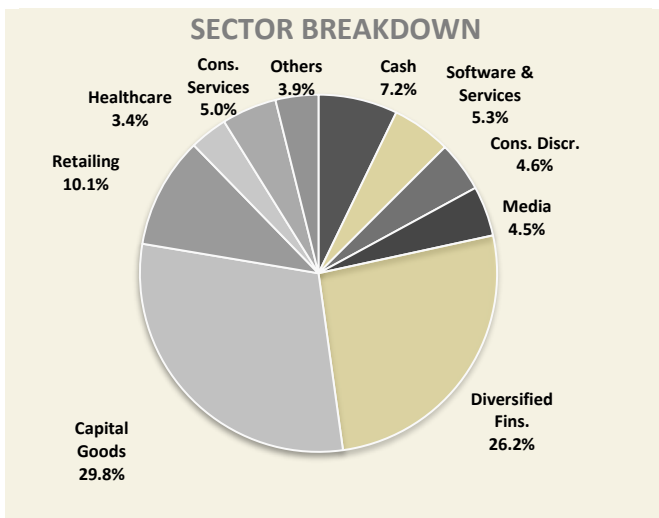


**Current Forecast  
Grossed Up  
Dividend Yield**

**+6.96%\*\***

\*\*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>259.17%</b>	<b>9.50%</b>	<b>7.96%</b>	<b>7.80%</b>	<b>6.11%</b>	<b>4.45%</b>	<b>3.25%</b>	<b>-9.27%</b>



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### MARKET UPDATE AND COMMENTARY

Financial markets became understandably absorbed with the military escalation in the Middle East and its consequent impact on LNG and oil markets. The widening conflict and Iran's hold on the strategic important Strait of Hormuz has alarmed energy markets, with disrupted supply lines causing a sharp increase across LNG and oil prices. The military conflict remains highly fluid and is likely to continue to escalate. Some significant LNG production infrastructure has been damaged, with 17% of Qatar's LNG export capacity impaired. The damage to oil and LNG infrastructure in the region is likely to have lasting impact on energy supplies. We expect energy prices to rise further and remain at relatively high levels for a prolonged period. The increase in energy prices will reverberate across the global economy with likely price increases across many inputs leading to price inflation. Peculiarly, we think, this will likely lead the RBA to pause on any further imminent rate rises, given the ultimate cost of living impact of the Middle East conflict. In domestic developments, Australia's headline CPI for the month of February came in at 3.7% down from January's 3.8%, while trimmed mean inflation remained unchanged at 3.3%.

**Microequities High Income Value Microcap Fund returned -9.27% in March; this brings the total return net of fees to 259.17% for the Fund since inception in March 2012.**

During March, the investment management team made several changes to the portfolio. We fully exited our position in **ARN Media (ASX:A1N)**, which represented 0.8% of Fund assets, following a sustained period of underperformance and a reassessment of our investment thesis. We redeployed capital into what we believe is the most undervalued company in our investment universe. We have acquired a professional services business with recurring revenues at approximately 3x FCF to equity. **We expect the business to generate free cash flow equivalent to roughly one-third of its current market capitalisation over FY26.** The business also pays meaningful dividends with attached franking credits. We intend to build this position further in the coming months.

One of our portfolio companies, which reports outside the February reporting cycle, published its 1H26 results during the month. The company delivered very strong NPAT growth of 75%, driven by a significant improvement in gross margins and double-digit revenue growth. The share price reacted positively to the result and, following the rally, the investment now represents 3.7% of the total assets of the Fund.

<b>Projected EPS Growth</b>	
1 Year Forward (on a weighted basis)	<b>+11.1%</b>
<b>Projected EPS Growth</b>	
2 Years Forward (on a weighted basis)	<b>+9.3%</b>

<b>Number of companies</b>	<b>37</b>
<b>Top 5 Holdings</b> % of NAV	<b>39.0%</b>
<b>Top 10 Holdings</b> % of NAV	<b>55.9%</b>
<b>Top 20 Holdings</b> % of NAV	<b>78.2%</b>
<b>Cash Position</b> % of NAV	<b>7.2%</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.