

MICROEQUITIES VALUE INCOME FUND

ARSN 629 674 175



Microequities Asset Management

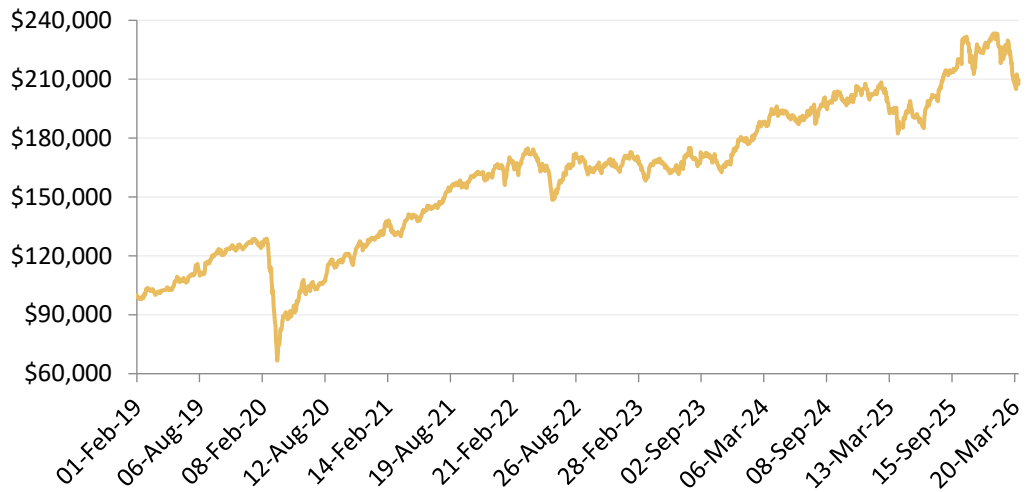
MONTHLY PERFORMANCE AS AT 31/03/2026

latest unit price (exit price) \$1.5346 Ex-distribution	return since inception (Feb 2019) 109.77%	return 1 month -8.68%
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FUND OUTLINE

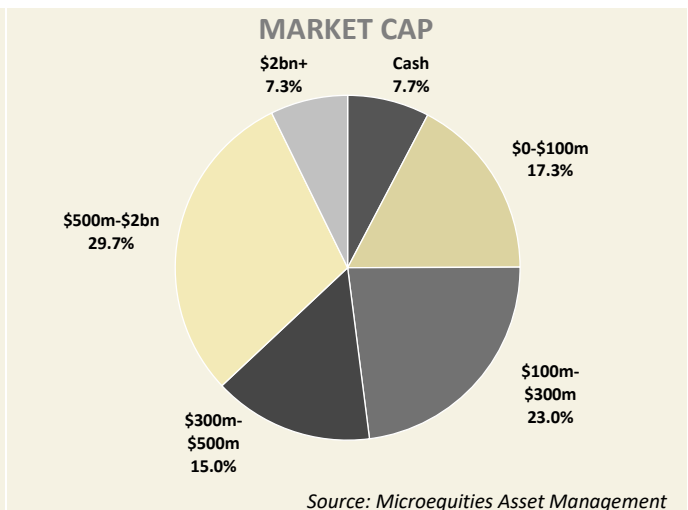
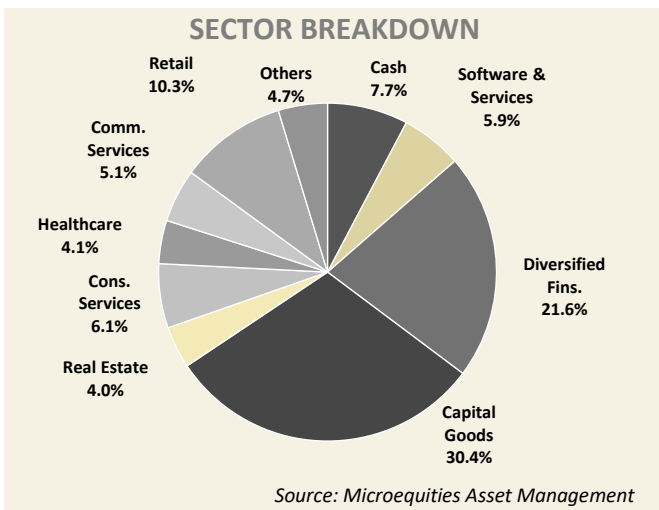
The Microequities Value Income Fund ("VIF") (ARSN 629 674 175) is a retail fund investing in high dividend paying, undervalued, ASX smaller companies. This fund is appropriate for investors with "High" risk and return profiles. A suitable investor for this fund is prepared to accept high risk in the 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 > \$209,771



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
Microequities Value Income Fund (VIF)	10.89%	109.77%	10.98%	9.39%	8.33%	7.83%	-8.68%



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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 Value Income Fund returned -8.68% net of fees in March; this brings the total return net of fees to 109.77% for the Fund since inception in February 2019.

The Fund was unable to avoid the broad market decline which was entirely due to the market reaction to the Middle East war and oil crisis as well as ongoing concerns about AI disruption to enterprise software companies and their long term viability. The investment team met with portfolio companies during the month to assess their outlook. We added to two existing positions during March as well as adding one new position that we picked up at peak pessimism prices.

We continued to add to a company in the financial services sector, that we referenced in last month's report. This company trades on 13x PE for FY26 with net cash of over \$30m. This is now a 4% position for us, and we see a long run-way for earnings growth (given its 14% EPS CAGR in the past 10 years). We also added to a large market capitalisation company that we have owned since the Fund inception in 2019. The market rarely gives us the opportunity to buy excellent quality businesses at excellent prices, but March provided that chance, so the Fund capitalised on this.

In terms of other news flow, we exited our holding in **Mayfield Childcare (ASX:MFD)**, electing to take cash in the **Evolve Education (ASX:EVO)** takeover at 50c. We are supportive of the combination of the two listed microcap companies which if combined have more market relevance. The Fund added a new company that has one of the best mix of earnings growth, dividend payout and excellent valuation metrics we have seen for a long time. Only during times of peak pessimism, does the market allow us to buy businesses we want to own at stupidly low prices. One company that we have been adding to during the month is in consumer services. We think this company will generate c.\$20m NPAT in the coming year, placing it on c.4x PE ratio. It pays a dividend, is buying back shares, holds over \$20m of cash and no debt and similar companies in the private space trade at more than 4x the multiple of this company. We will continue to build our stake here over the coming months.

Number of companies	41
Top 5 Holdings % of NAV	32.1%
Top 10 Holdings % of NAV	48.2%
Top 20 Holdings % of NAV	70.5%
Cash Position % of NAV	7.7%

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/>