

# HIGH INCOME

## VALUE MICROCAP FUND



### MONTHLY PERFORMANCE AS AT 31/05/2026

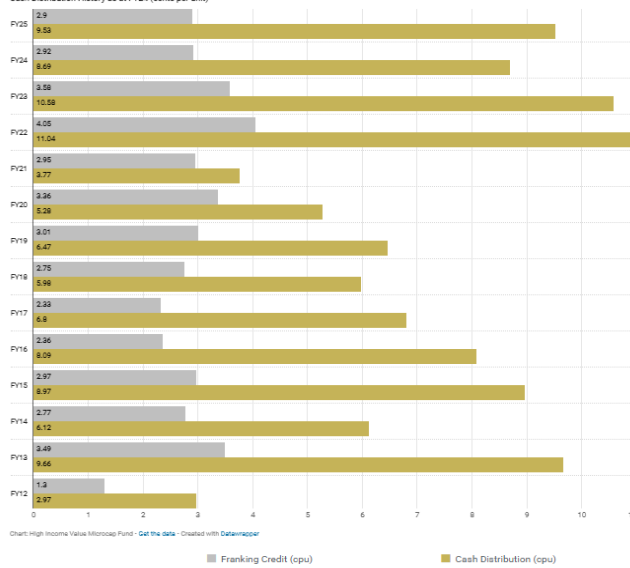
latest unit price <b>\$1.7865</b> (Cum-distribution)	return since inception (March 2012) <b>284.11%</b>	return 1 month <b>2.64%</b>
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#### FUND OUTLINE

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)

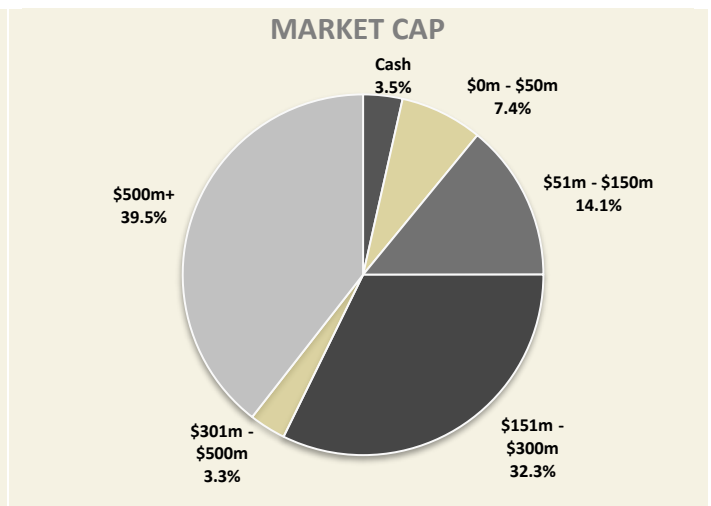
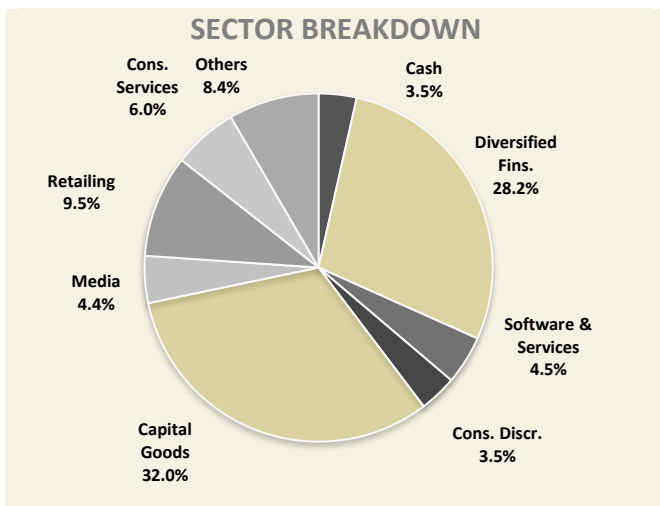


**Current Forecast  
Grossed Up  
Dividend Yield**

**+6.59%\*\***

\*\*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>284.11%</b>	<b>9.90%</b>	<b>8.66%</b>	<b>8.35%</b>	<b>6.30%</b>	<b>7.68%</b>	<b>14.19%</b>	<b>2.64%</b>



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### MARKET UPDATE AND COMMENTARY

Australia's headline inflation rate fell from 4.6% to 4.2% for the month of April. The fall in the headline rate was driven by the cut in fuel excise on April 1<sup>st</sup>. Trimmed inflation, rose by 10 bps to 3.4% from a month earlier. The CPI number came in a month which saw weakness in the labour market with the unemployment rising to 4.5% in April. We expect the RBA to hold rates at its June board meeting, as the central bank will want to see the effects of its recent rates rise permeate through the economy before taking any further action. The US-Iran conflict continued throughout the month with a fragile ceasefire remaining in place. The oil market has largely discounted a worst-case supply disruption, and oil prices remain relatively subdued despite the disruption to global supply chains. Part of the reason for the modest increase in prices is the reliance on oil inventories to smooth supply. Inventories will not last indefinitely and therefore the US administration has a limited timeframe to reopen the Strait of Hormuz. Despite the geopolitical backdrop, the US economy remains resilient, with the April jobs report showing the economy added 115,000 non-farm jobs. Whilst the Federal Reserve remains dovish, divisions are emerging within the committee, with four of the twelve members dissenting from the decision to hold rates and signalling a growing easing bias.

**Microequities High Income Value Microcap Fund returned +2.64% in May; this brings the total return net of fees to 284.11% for the Fund since inception in March 2012.**

It was a relatively active month for the Microequities High Income Value Microcap Fund. We are pleased to announce that we have added two new investments to the Fund. The first is a profitable industrial services company with a significant engineering and technology advantage. It provides products and services that are critical to the operations of its customers. We believe the business has the potential to deliver material capital growth, while its solid earnings profile provides our investors with a twice yearly dividend stream. The company has excellent long-term growth prospects, and we expect it to generate meaningful profit growth in the years ahead.

The second addition to the Fund is a former investee company that is well known to the investment management team. The business operates in the professional services sector across several domestic and international markets. While organic growth is modest, the company's share price has fallen materially over the past three years, allowing us to acquire the business on a grossed-up yield of approximately 10%.

<b>Projected EPS Growth</b> 1 Year Forward (on a weighted basis)	<b>+12.9%</b>
<b>Projected EPS Growth</b> 2 Years Forward (on a weighted basis)	<b>+9.5%</b>

<b>Number of companies</b>	<b>39</b>
<b>Top 5 Holdings</b> % of NAV	<b>38.9%</b>
<b>Top 10 Holdings</b> % of NAV	<b>57.7%</b>
<b>Top 20 Holdings</b> % of NAV	<b>80.7%</b>
<b>Cash Position</b> % of NAV	<b>3.5%</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.