HIGH INCOME
VALUE MICROCAP FUND

Microequities Asset Management

MONTHLY PERFORMANCE AS AT 31/07/2026

latest unit price	return since inception (March 2012)	return 1 month
$1.7510	282.45%	-2.10%

FUND OUTLINE

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

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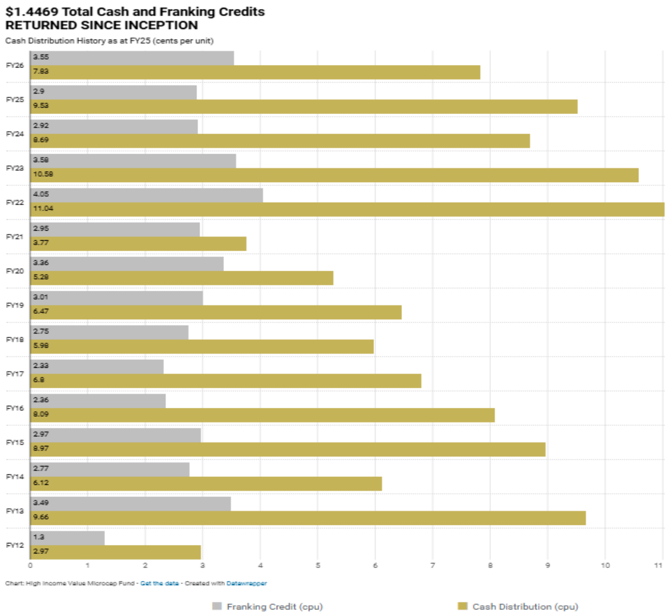


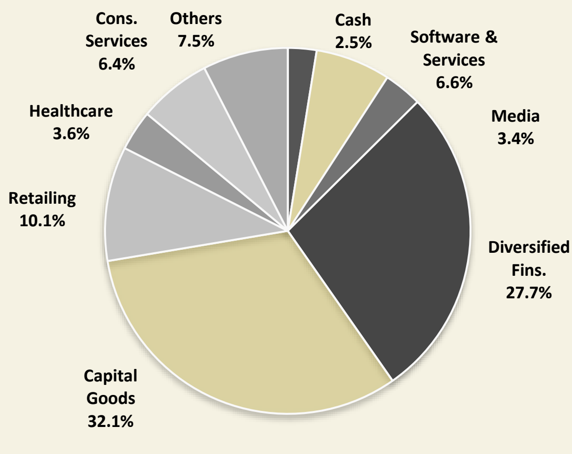
Current Forecast Grossed Up Dividend Yield

+6.76%**

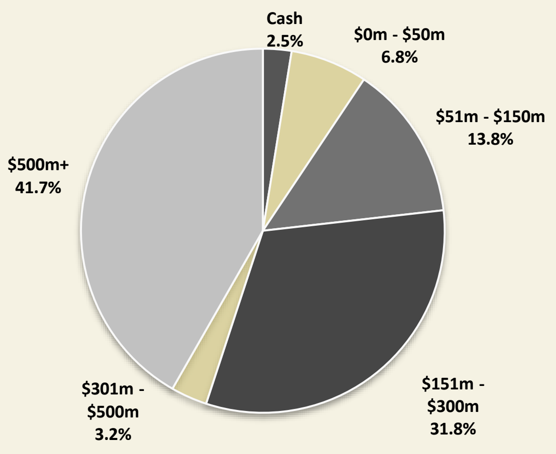
**Represents the annual dividend yield of the companies in the portfolio grossed up for franking credits. It is based on internal forecasts and actual results may vary. It is not a forecast distribution as distributions will depend on actual dividend income received, expenses of the fund and actual number 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
HIMF	**282.45%**	**9.75%**	**7.91%**	**7.60%**	**5.62%**	**4.90%**	**7.63%**	**-2.10%**

SECTOR BREAKDOWN



MARKET CAP



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MARKET UPDATE AND COMMENTARY

A softer than expected Australian CPI print of 3.8% has increased expectations that the Reserve Bank of Australia (RBA) has reached the end of its tightening cycle. Trimmed mean inflation, the RBA's preferred measure of underlying inflation, eased to 3.6%. However, we continue to view the inflation outlook as mixed. Tight labour markets, constrained supply, and persistent housing shortages continue to present upside risks to inflation. In the near term, the more likely outcome is that the RBA holds the cash rate steady at its upcoming August Board meeting. Beyond that, however, the balance of risks continues to lean towards further policy tightening. Across global financial markets, attention remains firmly focused on geopolitical developments, particularly the conflict between the United States and Iran. As we noted last month, the ceasefire appeared fragile, subsequent events have reinforced that assessment, with hostilities resuming in recent weeks. The US faces a complicated exit pathway as Iran insists on taking navigational authority over the Hormuz straight and is asserting operational control through military means. If the US were to concede operational control of the straight to Iran, it would effectively provide Iran with a tangible strategic victory in the conflict, an unpalatable outcome for the US.

Microequities High Income Value Microcap Fund returned -2.10% in July; this brings the total return net of fees to 282.45% for the Fund since inception in March 2012.

Market price pullbacks across three significantly weighted investee companies detracted from the Fund's monthly return. Encouragingly, several company updates released during the month reaffirmed the strong earnings momentum of other investee companies. The Investment management team also began opportunistically acquiring a business that we have actively followed for more than a year. The company operates a high-quality funds management business and has significant on-balance sheet investments alongside the funds it manages, providing shareholders with exposure to both a recurring fee-based earnings stream and a portfolio of investment assets. We believe the current disconnect between the company's market price and intrinsic value, together with the quality and resilience of its earnings, presents an attractive investment opportunity for the High Income Microcap Fund. In addition, the investment offers a grossed up dividend yield broadly in line with the Fund's current portfolio weighted average. We intend to continue building our position as we recalibrate the portfolio over time. Total number of companies in the Fund has now risen to 38, with the top 20 investments still accounting for circa 80% of the NTA, maintaining our high conviction style.

Projected EPS Growth 1 Year Forward (on a weighted basis)	**+13.0%**
Projected EPS Growth 2 Years Forward (on a weighted basis)	**+10.5%**

Number of companies	**38**
Top 5 Holdings % of NAV	**38.0%**
Top 10 Holdings % of NAV	**57.0%**
Top 20 Holdings % of NAV	**81.1%**
Cash Position % of NAV	**2.5%**