HIGH INCOME
VALUE MICROCAP FUND

Microequities Asset Management

MONTHLY PERFORMANCE AS AT 31/08/2026

latest unit price	return since inception (March 2012)	return 1 month
$1.8221 (Cum-distribution)	299.11%	4.36%

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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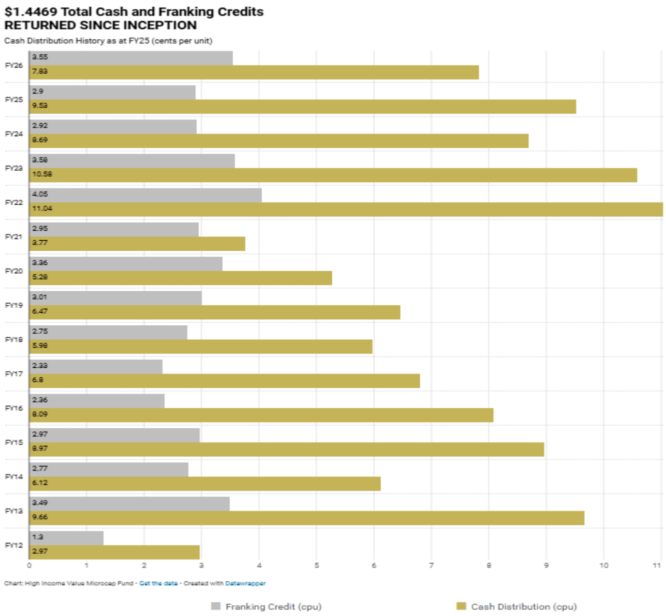


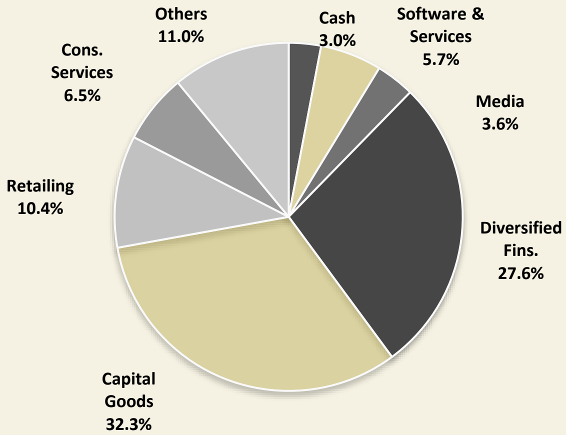
Current Forecast Grossed Up Dividend Yield

+7.16%**

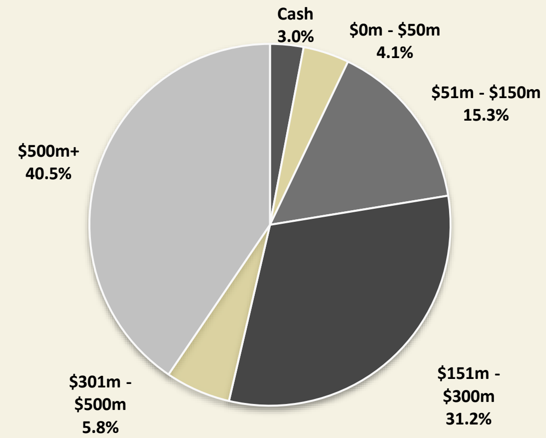
**Represents the annual dividend yield of the companies in the portfolio grossed up for franking credits. It is based on internal forecasts and actual results may vary. It is not a forecast distribution as distributions will depend on actual dividend income received, expenses of the fund and actual number 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	**299.11%**	**10.02%**	**8.02%**	**7.74%**	**5.69%**	**6.88%**	**4.86%**	**4.36%**

SECTOR BREAKDOWN



MARKET CAP



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MARKET UPDATE AND COMMENTARY

As we noted last month, we believed there was upside risk to inflationary pressures in Australia. That risk materialised in the latest CPI data, with trimmed mean inflation remaining elevated at 3.6%, driven partly by housing costs, which have increased by 5.0% over the past 12 months. The trimmed mean, the RBA's preferred measure of underlying inflation, remains well above the midpoint of its 2 to 3% target range. This latest reading makes a further interest rate increase highly likely.

The US economy is also confronting persistent inflationary pressures, with headline inflation reaching 3.4% and the PCE price index rising to 3.7%. These readings have renewed pressure on the Federal Reserve to take more decisive action. Federal Reserve Chair Kevin Warsh acknowledged that inflation had exceeded the Fed's 2% target for 65 consecutive months and signalled that, without imminent progress, the Fed would need to raise interest rates.

Microequities High Income Value Microcap Fund returned 4.36% in August; this brings the total return net of fees to 299.11% for the Fund since inception in March 2012.

The FY26 reporting season was particularly strong for the High Income Value Microcap Fund, with the Fund's investee companies delivering strong earnings growth. Of the Fund's 39 investee companies, 31 reported FY26 earnings, **delivering weighted-average EPS growth of +20.9%**. This was a very satisfactory level of growth, particularly given the High Income Value Microcap Fund typically invests in companies with more moderate growth profiles than our other domestically focused growth funds. Looking ahead, we are also pleased to provide an updated forecast for FY27, with the portfolio expected to deliver weighted-average EPS growth of **+13.2%**. The reporting season was also positive from an income perspective, with **19 of the Fund's investee companies increasing their dividends, while only four reduced them**. As a result of the net increase in portfolio dividends, the Fund's forecast **grossed-up dividend yield has increased to +7.16%, from +6.76% previously**.

	FY26 EPS Growth (weighted average)
31 companies of the total 39 companies reported FY26 financials in the period. (The 31 companies represent 76.8% of the non-cash assets of the High Income Value Microcap Fund)	+20.9%

Projected EPS Growth 1 Year Forward (on a weighted basis)	**+13.2%**
Projected EPS Growth 2 Years Forward (on a weighted basis)	**+8.3%**

Number of companies	**39**
Top 5 Holdings % of NAV	**37.8%**
Top 10 Holdings % of NAV	**56.3%**
Top 20 Holdings % of NAV	**80.0%**
Cash Position % of NAV	**3.0%**