MICROEQUITIES VALUE INCOME FUND

ARSN 629 674 175

Microequities Asset Management

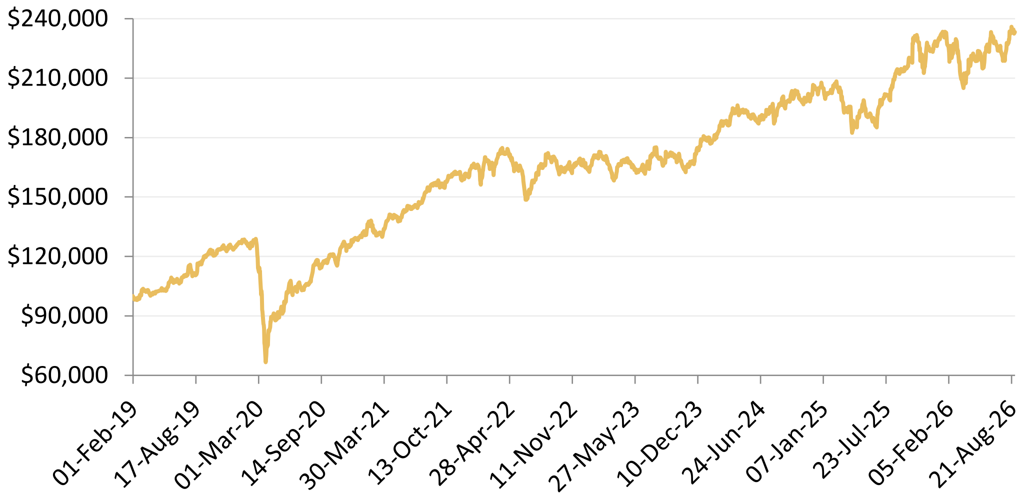
MONTHLY PERFORMANCE AS AT 31/08/2026

latest unit price (exit price)	return since inception (Feb 2019)	return 1 month
$1.6711	133.23%	5.23%

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.

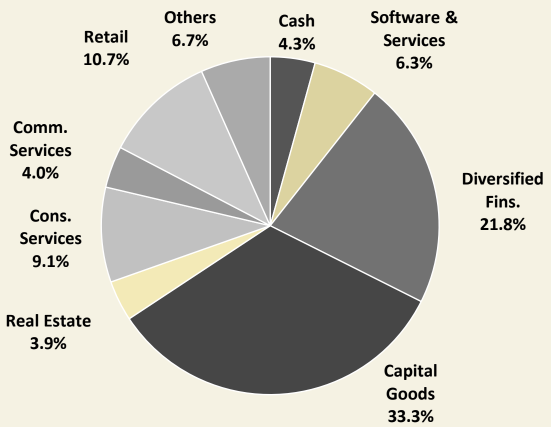
VALUE OF $100,000 INVESTED AT INCEPTION > $233,231



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

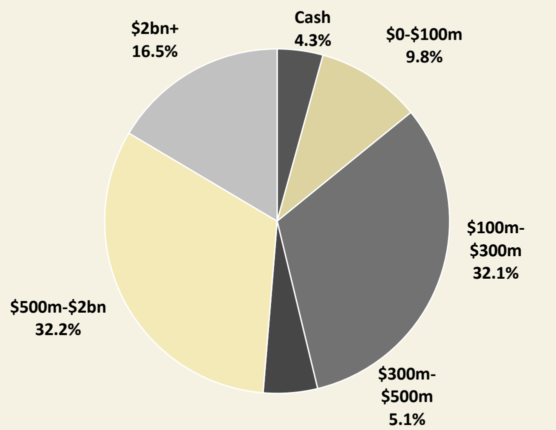
Returns are shown net of fees	Compound p.a. since inception	Total since inception	7 Year Annual Compound	5 Year Annual Compound	3 Year Compound Annual	1 Year	1 Month
Microequities Value Income Fund (VIF)	**11.81%**	**133.23%**	**10.43%**	**8.26%**	**10.49%**	**8.82%**	**5.23%**

SECTOR BREAKDOWN



Source: Microequities Asset Management

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 Value Income Fund returned 5.23% net of fees in August; this brings the total return net of fees to 133.23% for the Fund since inception in February 2019.

August 2026 was generally a positive reporting season for the Fund, with the portfolio delivering impressive earnings and dividend growth.

Our top 6 weighted investments (accounting for c.40% weighting) reported:

- Education services company reported revenue +50%, EBITDA +54%, PBT +61% and NPAT +49%, all organic growth. EPS was +73%, net cash of $24m and CY26 valuation is c. 7x PE. Dividend yield forecast is 7.8% grossed up.
- Asset maintenance company reported revenue +27%, EBITDA +34%, EBITA +41% and EPS +34%. Net cash is $6.2m and guidance was upgraded for FY27 for growth of 17.6% in EBITDA and EBITA at the guidance midpoint. Valuation is 11.7x FY27F EV/EBITDA. Dividend yield is 3.2% grossed up.
- Wholesale distribution company reported revenue +16.8% (+9.7% organic) and EBITDA +19.4% (+11% organic) and EPS +17.4% (+11.9% organic). Net debt is just 0.3x EBITDA. Discussions with management indicate strong growth outlook in almost all of its end customer market segments. Consensus forecasts c.12% revenue and EBITDA growth with FY27 valuation multiples at c. 9.3x EV/EBITDA or 16.6x PE and 4.4% dividend yield.
- Financial services company reported +9% revenue and +15% underlying NPAT growth continuing its 2 decades of EPS growth. FY27 valuation multiple is c.11x PE and dividend yield of 8.9% grossed up.
- A second financial services company reported 21% FUM growth, 14% management fee growth and 54% total revenue growth. Normalised NPAT was 108% higher. Valuation for CY26 is c.8x PE and 10.4% grossed up yield.
- Specialist retailer reported in its core division +19% revenue growth and EBIT growth of +30.3%. 2 new stores opened during the year and like-for-like order growth was +5.9%. Order intake growth has slowed so far in FY27 but outlook for 2 further store openings should see another record year of growth. FY27 forecast valuation multiple is c.17.5x PE and dividend yield of 7% grossed up.

Number of companies	**38**
Top 5 Holdings % of NAV	**35.8%**
Top 10 Holdings % of NAV	**54.3%**
Top 20 Holdings % of NAV	**78.3%**
Cash Position % of NAV	**4.3%**