

# HIGH INCOME

## VALUE MICROCAP FUND



### MONTHLY PERFORMANCE AS AT 30/09/2026

latest unit price

**\$1.8328**

(Cum-distribution)

return since inception (March 2012)

**302.56%**

return 1 month

**0.86%**

### 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 FY25 (cents per unit)

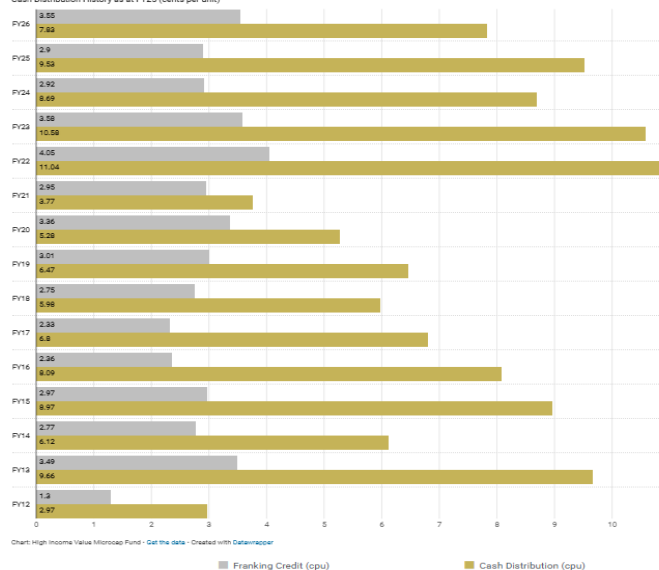


Chart: High Income Value Microcap Fund - Get the data - Created with Datawrapper

Franking Credit (cpu)

Cash Distribution (cpu)

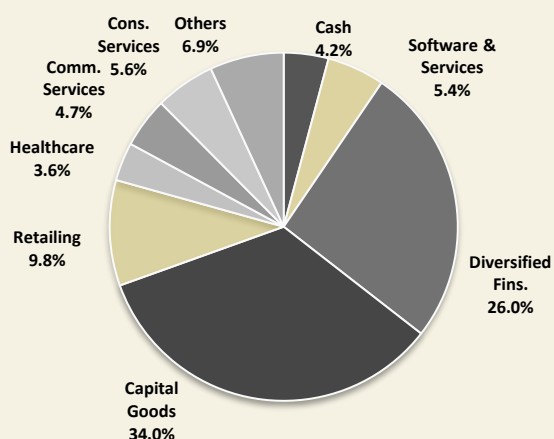
**Current Forecast  
Grossed Up  
Dividend Yield**

**+7.34%\*\***

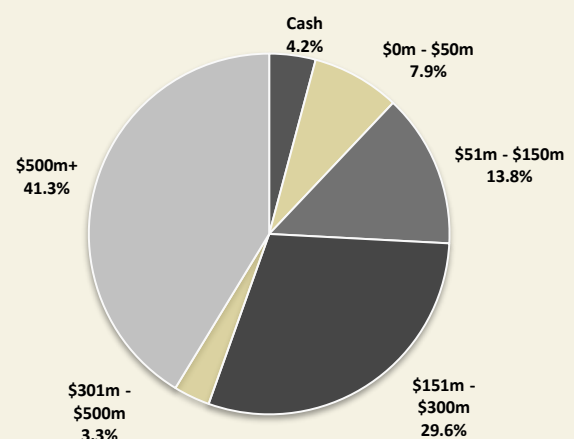
\*\*Represents the annual dividend yield of the companies in the portfolio grossed up for franking credits. It is based on internal forecasts and actual results may vary. It is not a forecast distribution as distributions will depend on actual dividend income received, expenses of the fund and actual 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 | 302.56%               | 10.02%                        | 8.24%                   | 7.57%                   | 5.90%                  | 7.54%                  | 5.17%  | 0.86%   |

### SECTOR BREAKDOWN



### MARKET CAP



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### MARKET UPDATE AND COMMENTARY

World equity markets have become increasingly concerned about the rise in the US 10-year Treasury yield, widely regarded as a proxy for the risk-free rate and therefore an important input in the valuation of many financial securities. The US 10-year Treasury yield has increased by circa 1% to currently sit around 5.24%. The rise in yields also makes it more expensive for the US Government to issue and recycle federal debt. The rise in US bond yields is being driven by several facets, including increasing competition in private markets (think about the private debt funding the AI capex boom), inflationary concerns and mounting US debt.

In Australia, the RBA increased its official cash rate 25bps to 4.60% in a highly expected and telegraphed move. As we noted some time ago, we expected at least 2 rate rises before a potential change in the monetary policy cycle, and we maintain the thesis as still the most plausible framework. Whilst some commentators are predicting 3 rate rises in total (inclusive of the September rate rise), we think there is evident data that the slowdown in spending and likely loosening of labour markets has already started to take place, giving the RBA time to ingest the likely slowdown in the economy and the impact of higher rates.

**Microequities High Income Value Microcap Fund returned 0.86% in September; this brings the total return net of fees to 302.56% for the Fund since inception in March 2012.**

High Income Value Microcap Fund investee **Clover Corporation Ltd (ASX:CLV)** published its FY26 results during the month of September. The specialist nutritional ingredients provider achieved record 2H26 revenue and profitability, with strong growth stemming from its ARA division following the contamination scandal involving one of its Chinese competitors. Importantly, the investment team believes there are a number of growth corridors available to the business for FY27, FY28 and FY29. This was an important foundational year for the business, and we think its future prospects are the best we have seen. The investment management team has been following this business for over 20 years.

The investment management team met with some of the Fund's largest holdings during the month of September. The overriding prospects for the core most important holdings of the portfolio is exceedingly positive for FY27, and whilst we cannot control share prices, ultimately share prices do follow fundamental earnings prospects.

|                                          |               |
|------------------------------------------|---------------|
| <b>Projected EPS Growth</b>              |               |
| 1 Year Forward<br>(on a weighted basis)  | <b>+14.6%</b> |
| <b>Projected EPS Growth</b>              |               |
| 2 Years Forward<br>(on a weighted basis) | <b>+7.4%</b>  |

|                                    |              |
|------------------------------------|--------------|
| <b>Number of companies</b>         | <b>39</b>    |
| <b>Top 5 Holdings</b><br>% of NAV  | <b>37.8%</b> |
| <b>Top 10 Holdings</b><br>% of NAV | <b>57.6%</b> |
| <b>Top 20 Holdings</b><br>% of NAV | <b>80.0%</b> |
| <b>Cash Position</b><br>% of NAV   | <b>4.2%</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.