

HIGH INCOME

VALUE MICROCAP FUND



MONTHLY PERFORMANCE AS AT 30/09/2024

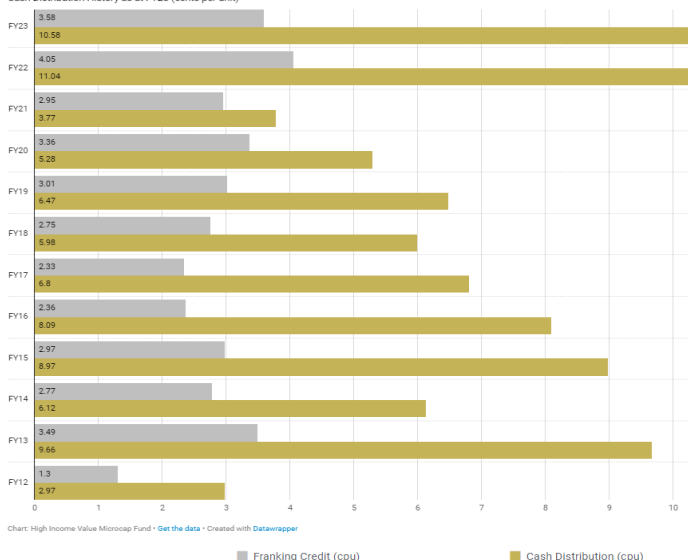
latest unit price \$1.8404 (Cum-distribution)	return since inception (March 2012) 265.95%	return 1 month 2.73%
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FUND OUTLINE

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

\$1.2065 Total Cash and Franking Credits RETURNED SINCE INCEPTION

Cash Distribution History as at FY23 (cents per unit)

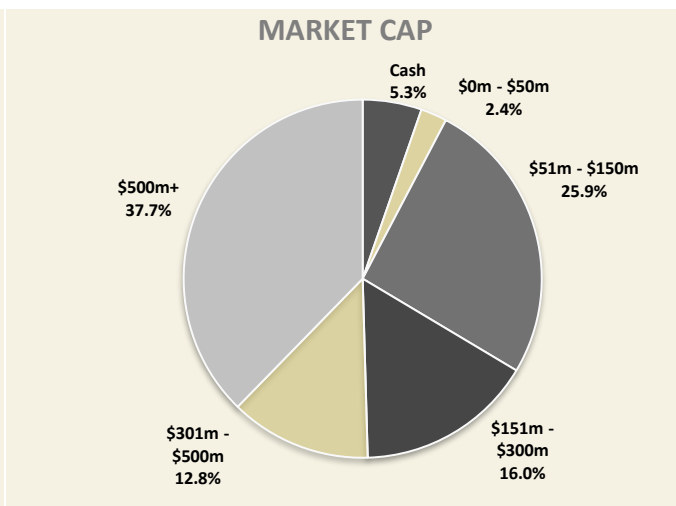
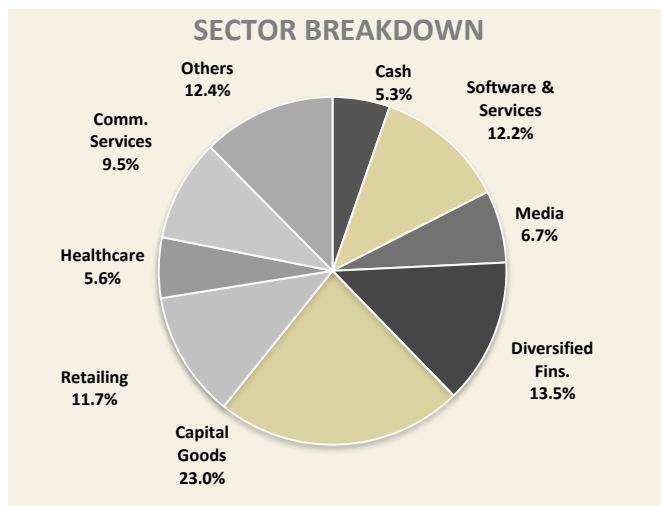


**Current Forecast
Grossed Up
Dividend Yield**

+5.83%**

**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	265.95%	10.86%	10.81%	8.93%	9.46%	6.59%	13.07%	2.73%



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MARKET UPDATE AND COMMENTAR

China has finally addressed its sluggish economic trends by implementing a series of measures aimed at revitalizing its lacklustre performance. The People's Bank of China (PBoC) has reduced the critical 7-day repo reference rate by 20 basis points. In addition to this rate cut, the PBoC will lower the reserve requirement ratio by 50 basis points, a move expected to inject approximately AUD 200 billion in liquidity into the economy. These actions have driven the yield on Chinese 10-year government bonds (the risk-free rate) to below 2%. To further support the struggling housing market, the PBoC has decreased the minimum mortgage deposit from 25% to 15%. Whilst equity markets welcomed the stimulus packages, the reality is China is still not addressing its structural imbalances with an economy that has a bloated property market and deficient internal consumption levels. The economic experiment that is the Chinese economy has no precedents; the jury is still out on the sustainability of its economic structure. In Australia, the Consumer Price Index (CPI) recorded a headline rate of 2.7%, which appears artificially low due to household energy subsidies. A more telling measure, the trimmed mean inflation, stands at 3.4%, lower, yet still elevated. We do not anticipate any rate cuts until 2025.

Microequities High Income Value Microcap Fund returned 2.73% in September; this brings the total return net of fees to 265.95% for the Fund since inception in March 2012.

Whilst we have not added or disposed of any businesses in the High Income Value Microcap Fund (not a particularly unusual event given our long term investment doctrine), we have been actively managing the weightings of various investments in the Fund. In particular, we sold down two of the three mining services businesses the Fund owns with a view to raising cash to purchase more of some of the other businesses within the Fund. Most significant of these is a specialist retailer which we begun buying a few months ago. We are pleased to report that we have increased our stake in this business from 0.5% of the Fund's assets to 1.1%. The selective sell down has increased our cash holdings to 5.3%.

The larger cash holdings will permit the investment management team to undertake continued top up purchases in various underweighted businesses, whilst also under consideration is a new potential entrant into the Fund that has excellent growth opportunities, no financial debt and a balance sheet with net tangible assets close to its market price

Projected EPS Growth	
1 Year Forward (on a weighted basis)	+9.1%
Projected EPS Growth	
2 Years Forward (on a weighted basis)	+9.6%

Number of companies	39
Top 5 Holdings % of NAV	36.9%
Top 10 Holdings % of NAV	55.1%
Top 20 Holdings % of NAV	78.0%
Cash Position % of NAV	5.3%

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.