

MICROEQUITIES VALUE INCOME FUND

ARSN 629 674 175



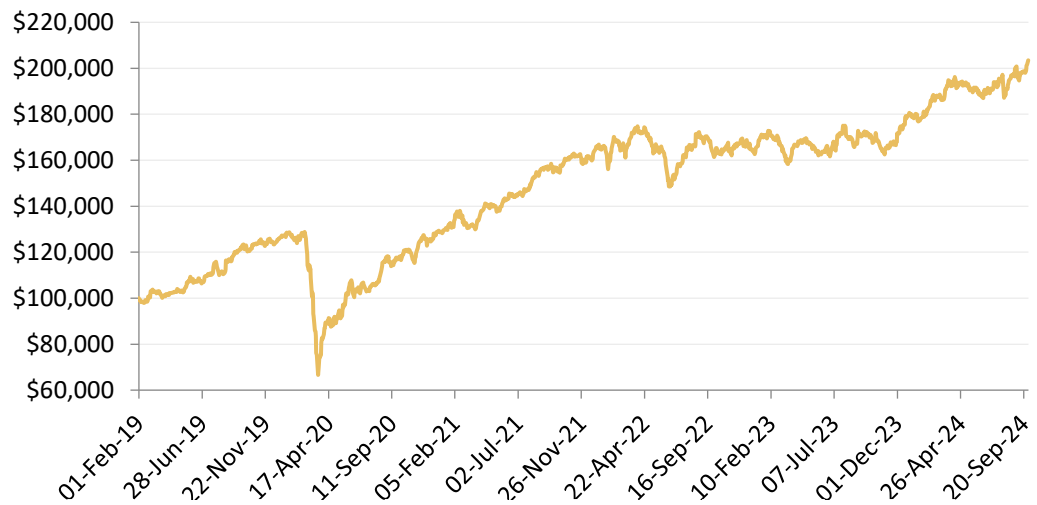
MONTHLY PERFORMANCE AS AT 30/09/2024

latest unit price (exit price) \$1.5607	return since inception (Feb 2019) 103.48%	return 1 month 1.80%
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FUND OUTLINE

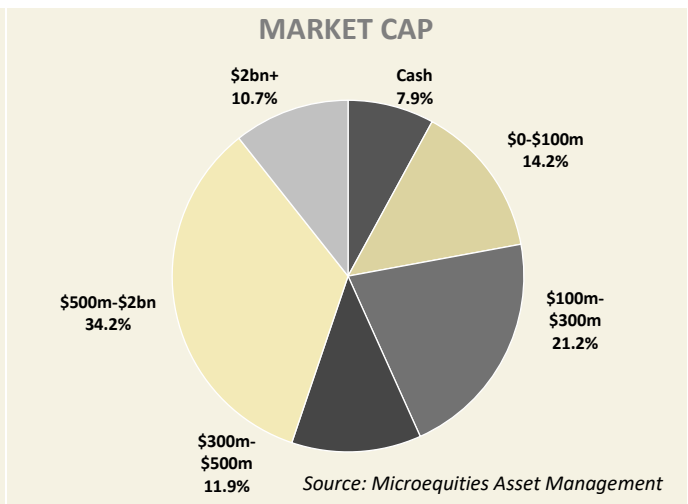
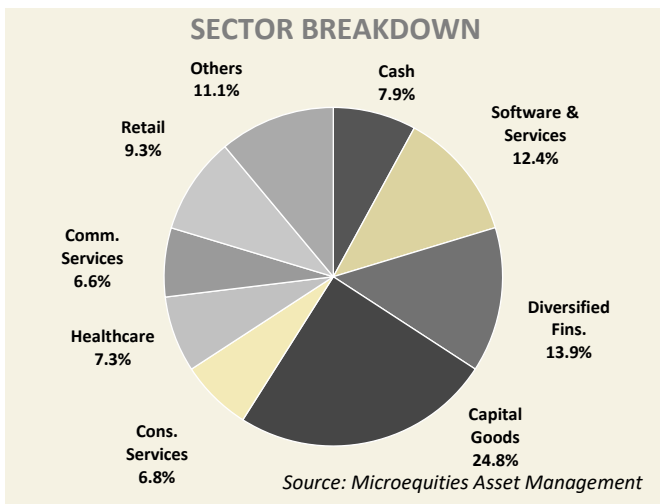
The Microequities Value Income Fund ("VIF") (ARSN 629 674 175) is a retail fund investing in high dividend paying, undervalued, ASX smaller companies. This fund is appropriate for investors with "High" risk and return profiles. A suitable investor for this fund is prepared to accept high risk in the 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 > \$203,481



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	5 Year Annual Compound	3 Year Annual Compound	2 Year Compound Annual	1 Year	1 Month
Microequities Value Income Fund (VIF)	13.36%	103.48%	10.54%	9.16%	12.28%	18.97%	1.80%



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MARKET UPDATE AND COMMENTARY

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 Value Income Fund returned 1.80% net of fees in September; this brings the total return net of fees to 103.48% for the Fund since inception in February 2019.

- Traffic reporting and radio advertising company **GTN (ASX:GTN)** announced its largest fund manager shareholder Viburnum made a takeover proposal at nil premium or \$0.465. We think Viburnum is actually just trying to accelerate their shareholding increase rather than trying to buy out the entire company. We think GTN under new management have a plethora of easy win opportunities to improve sales, profitability and capital management. Balance sheet is net cash, earnings outlook is strong and the board have committed to further dividends and other capital management such as buybacks and potentially capital returns. The shares are severely undervalued and obviously Viburnum agrees!
- We added a new position in consumer retail which is in a turnaround phase under new management. There are a number of low hanging fruit operational improvements that can significantly improve sales and profitability including attracting new customer demographic segments, product creep into adjacencies, wholesaling, supply chain improvements and product innovation. We think the downside is mitigated by the strong net cash balance sheet and low cost of doing business whilst upside is significant with some improved sales execution and high gross margins. Shares had fallen circa 75% from its all time highs and we think new management brings fresh energy and ideas to this business.

Number of companies	43
Top 5 Holdings % of NAV	34.1%
Top 10 Holdings % of NAV	50.9%
Top 20 Holdings % of NAV	71.2%
Cash Position % of NAV	7.9%

Disclaimer: This communication has been prepared and issued by Microequities Asset Management Pty Ltd ABN 96 134 984 768 AFS Licence No 287 526, as investment manager of the Microequities Value Income Fund ARSN 629 674 175. The Trust Company (RE Services) Limited (ACN 003 278 831) (AFSL 235150) is the responsible entity.

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You should obtain the PDS for the Fund and consider the risks and disclosures for your circumstances before deciding whether to acquire, or continue to hold, an interest in the Fund. Initial Applications for units in the Fund can only be made pursuant to the application form attached to the PDS. Past performance is not a reliable indicator of future performance.

The PDS and target market determination can be obtained by calling 02 9009 2900 or visiting our website <https://microequities.com.au/our-funds/value-income-fund/>