

HIGH INCOME

VALUE MICROCAP FUND



MONTHLY PERFORMANCE AS AT 31/10/2024

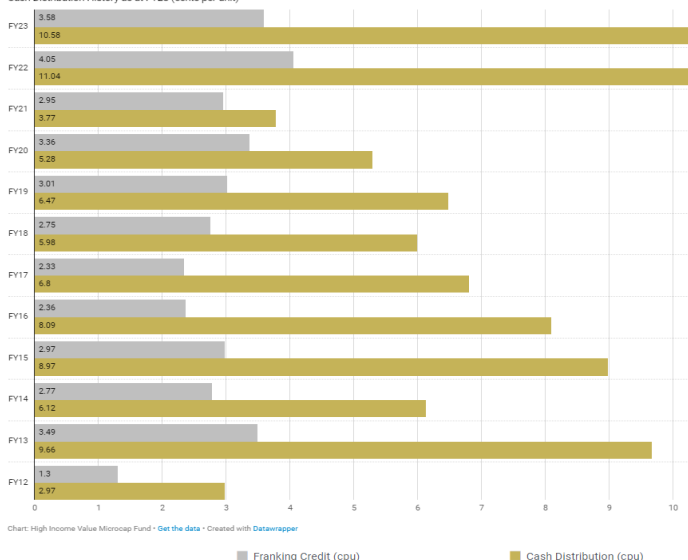
latest unit price \$1.7876 (Cum-distribution)	return since inception (March 2012) 256.42%	return 1 month -2.60%
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FUND OUTLINE

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)

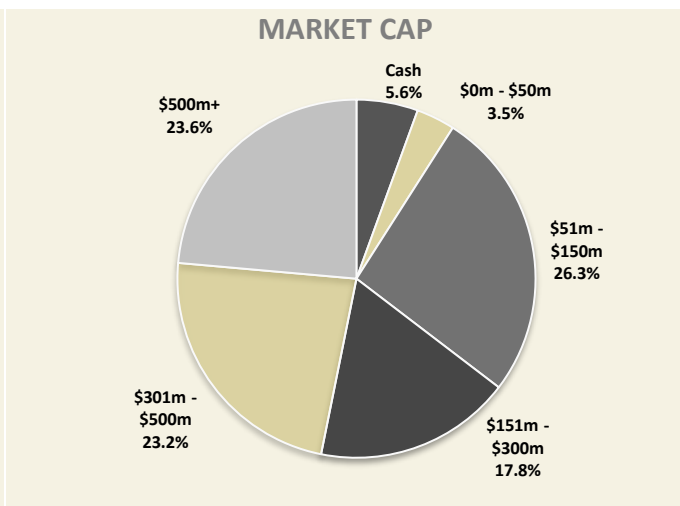
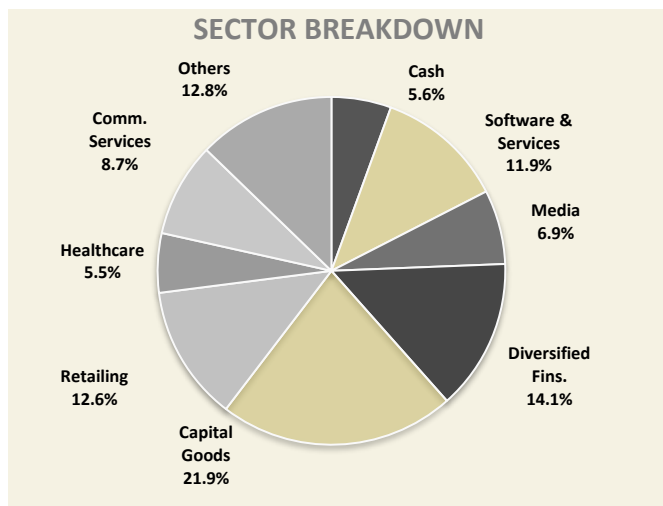


**Current Forecast
Grossed Up
Dividend Yield**

+5.97%**

**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	256.42%	10.55%	10.67%	8.95%	8.76%	4.72%	16.61%	-2.60%



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MARKET UPDATE AND COMMENTAR

The Chinese economy expanded at an annual pace of +4.6% during Q3FY24, broadly in line with expectations and slightly lower than the +4.7% rate recorded in the previous quarter. Consumption in China remains weak with retail spending growing at an annual pace of +2.8%. The most positive element in the GDP report was investment spending which grew at +6.2%. Our view is China continues to face structural imbalances in its economy, which for the most part remain unremedied. China is stepping up its economic stimulus measures with the Vice-Minister of Finance announcing last week China will intensify countercyclical measures including measures to reduce local government debt risks, stabilise the property market and increasing income of key economic groups. The measures are expected to see Q4FY24 GDP growth accelerate. Domestically, Australia's remarkable jobs market has continued to strengthen with net employment growth for September surging by 64,100 new jobs. This was the sixth consecutive print above forecasts and marks an extraordinarily strong employment market which unintendedly will elongate the wait for interest rate cuts.

Microequities High Income Value Microcap Fund returned -2.60% in October; this brings the total return net of fees to 256.42% for the Fund since inception in March 2012.

A very active management month in the High Income Value Microcap Fund with one exit and two new investee companies. The investment management team made the decision to fully sell out of drilling services provider **Perenti Ltd (ASX:PRN)**. Our investment in Perenti originated from the Perenti's acquisition of DDH1, which the Fund was a shareholder in. Despite Perenti being materially undervalued, the investment management team has lost confidence in Perenti's leadership to build sustainable long term growth and extract value for shareholders. Given the opportunity set available, we deemed we could recycle the capital into other investee companies.

The sale of Perenti and the cash holdings already in the Fund has permitted the Fund to undertake two new purchases. One is a healthcare business very well known to the investment management team, which is being acquired by the Fund at a highly opportunistic price point, at a time when its earnings are at an inflection point. The other purchase represents a sizeable profitable long term growth business, with a considerable competitive advantage and robust balance sheet to fund future growth. Both companies pay dividends, and we expect they will contribute positively to the Fund's return profile.

Projected EPS Growth	
1 Year Forward (on a weighted basis)	+9.3%
Projected EPS Growth	
2 Years Forward (on a weighted basis)	+9.7%

Number of companies	40
Top 5 Holdings % of NAV	35.0%
Top 10 Holdings % of NAV	53.5%
Top 20 Holdings % of NAV	76.5%
Cash Position % of NAV	5.6%

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.