

HIGH INCOME

VALUE MICROCAP FUND



MONTHLY PERFORMANCE AS AT 30/11/2024

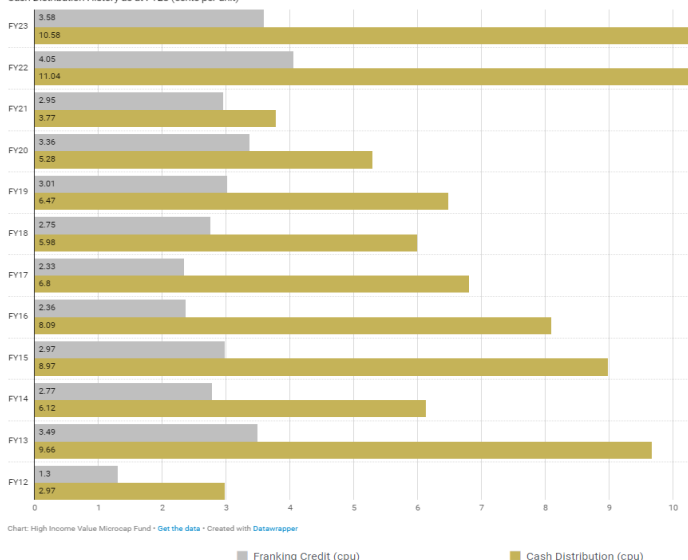
latest unit price \$1.7678 (Cum-distribution)	return since inception (March 2012) 253.46%	return 1 month -0.83%
--	---	---------------------------------

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)

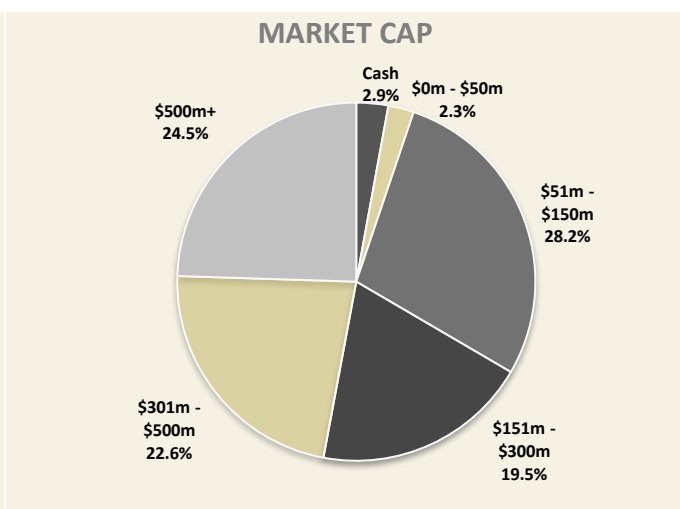
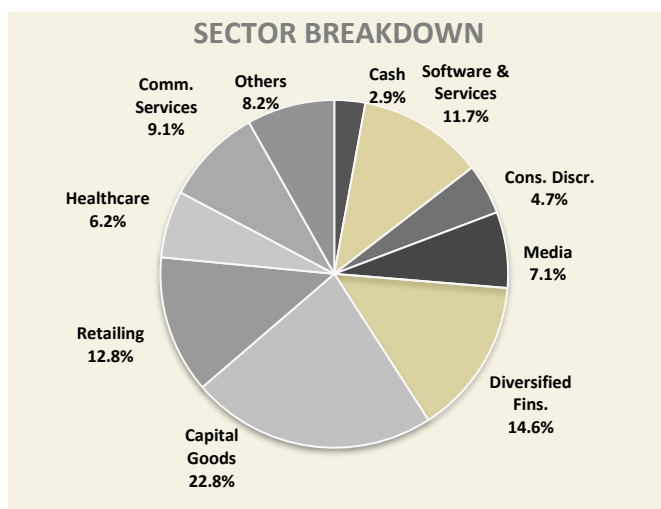


**Current Forecast
Grossed Up
Dividend Yield**

+6.21%**

**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	253.46%	10.41%	10.75%	9.00%	8.29%	4.00%	9.73%	-0.83%



HIGH INCOME

VALUE MICROCAP FUND



MARKET UPDATE AND COMMENTAR

Australia's underlying inflation remains sticky and uncomfortably above the Reserve Bank of Australia's (RBA) 2–3% target band. The October CPI figure, published by the RBA in late November, showed headline inflation falling to 2.1%. However, trimmed mean inflation, which reduces the impact of irregular or temporary price changes and provides a better measure of underlying inflation, rose from 3.2% to 3.5%. This increase in the underlying inflation rate cements the RBA cash rate at 4.35%, likely extending well into 2025. Australia's labour market remains tight, with wage growth uncomfortably high at 3.7% on an annual basis. In a late November data print, Eurozone inflation rose slightly to 2.3% (in line with expectations), while underlying inflation (excluding volatile energy and food prices) remained stable at 2.7%. The headline figure of 2.3% is slightly above the European Central Bank's (ECB) 2% target. These numbers may lead the ECB at its December meeting to favour a 25-basis-point interest rate cut instead of 50 basis points, though some argue that the 2% target itself is too conservative. In the United States, the election of Donald Trump triggered a broad-based rally in U.S. equity prices, driven by his campaign's "pro-growth" economic agenda.

Microequities High Income Value Microcap Fund returned -0.83% in November; this brings the total return net of fees to 253.46% for the Fund since inception in March 2012.

We are pleased to report that the High Income Value Microcap Fund has added a new investee company to its portfolio. The business which operates in the engineering and industrial asset services sector has been acquired at a very modest 7.5x PE FY24 and is expected to increase its earnings per share in FY25 and over the medium term. That forecast is underpinned by a strong tender pipeline in sectors such as defence and government, water and energy. The company has a strong track record of profitability, and its dividend outlook is underpinned by the strong earnings growth. The forecast dividend yield based on the current market price 9.0%.

Working capital financier, **Earlypay Ltd (ASX: EPY)** provided a trading update at its AGM this month. The company is targeting FY25 earnings per share (EPS) of 2.2 cps, up 28% on the FY24 underlying proforma EPS of 1.7 cps. Earnings are expected to be weighted towards 2H25 due to the lower starting base for Funds in Use (FIU) at the beginning of the year and lower interest expense after the repayment of the corporate loan expected in Q3FY25. EarlyPay is a lowly weighted holding in the Fund, but we believe the business is poised to grow its dividend payout as it grows its loan book.

Projected EPS Growth	
1 Year Forward (on a weighted basis)	+9.7%
Projected EPS Growth	
2 Years Forward (on a weighted basis)	+10.2%

Number of companies	41
Top 5 Holdings % of NAV	34.8%
Top 10 Holdings % of NAV	53.3%
Top 20 Holdings % of NAV	76.9%
Cash Position % of NAV	2.9%

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.