

MICROEQUITIES VALUE INCOME FUND

ARSN 629 674 175



MONTHLY PERFORMANCE AS AT 30/11/2024

latest unit price (exit price) \$1.5491	return since inception (Feb 2019) 101.98%	return 1 month 1.47%
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FUND OUTLINE

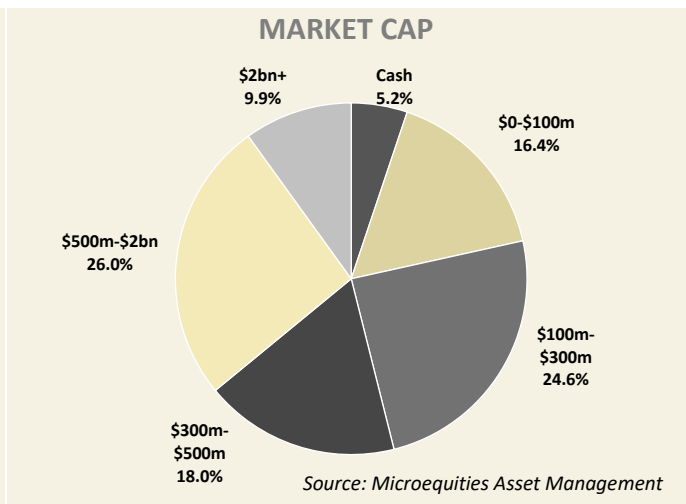
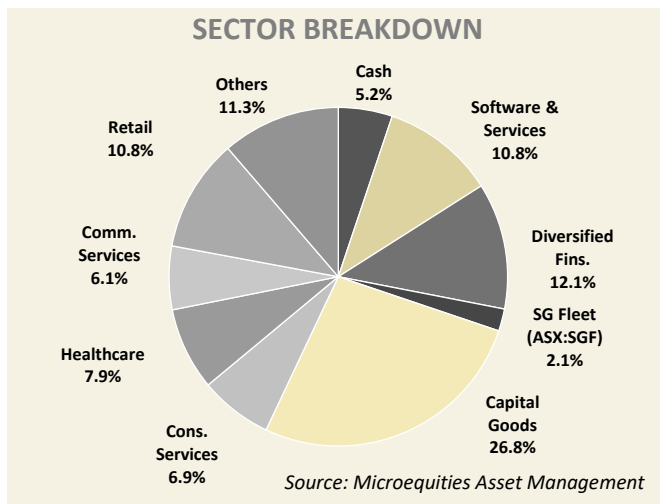
The Microequities Value Income Fund ("VIF") (ARSN 629 674 175) is a retail fund investing in high dividend paying, undervalued, ASX smaller companies. This fund is appropriate for investors with "High" risk and return profiles. A suitable investor for this fund is prepared to accept high risk in the 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 > \$201,976



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)	12.81%	101.98%	9.97%	8.19%	9.71%	17.67%	1.47%



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MARKET UPDATE AND COMMENTARY

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 Value Income Fund returned 1.47% net of fees in November; this brings the total return net of fees to 101.98% for the Fund since inception in February 2019.

The Fund's investment in fleet leasing business **SG Fleet (ASX:SGF)** received a non-binding indicative offer from private equity PEP at \$3.50 per share representing a 31% premium to the last undisturbed price. SG Fleet has been a holding for the Fund since inception in 2019 with our average purchase price of \$2.34 and \$1.05 of cumulative fully franked dividends since 2019. SG Fleet accounts for 2.1% weighting at month end.

The Fund exited its small position in air traffic management and air traffic simulator software and hardware business **Adacel (ASX:ADA)** after the company's shareholders overwhelmingly voted to delist the company. The Fund does not have a mandate to hold unlisted assets.

We added three new positions to the Fund, the first is a small holding in a multidisciplinary engineering and industrial asset services business. It has several positive end market exposures to defence spending, energy and water infrastructure investment. It has a strong balance sheet, improving margins, sub 10x price to earnings ratio and over 5% dividend yield.

Traffic reporting and advertising company **GTN Limited (ASX:GTN)** previously received a nil premium bid from its largest shareholder Viburnum at \$0.465. The offer closed during the month with Viburnum ending with over 80% shareholding. We are comforted by the board's decision to undertake a capital management review highlighting a potential capital return and focus on maximising dividend payments. GTN accounts for 1.9% of the Fund weighting at month end.

Number of companies	44
Top 5 Holdings % of NAV	32.9%
Top 10 Holdings % of NAV	49.7%
Top 20 Holdings % of NAV	71.6%
Cash Position % of NAV	5.2%

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/>