

HIGH INCOME

VALUE MICROCAP FUND



MONTHLY PERFORMANCE AS AT 30/06/2025

latest unit price \$1.6499 (Cum-distribution)	return since inception (March 2012) 236.59%	return 1 month 0.06%
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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.

\$1.3226 Total Cash and Franking Credits RETURNED SINCE INCEPTION

Cash Distribution History as at FY24 (cents per unit)

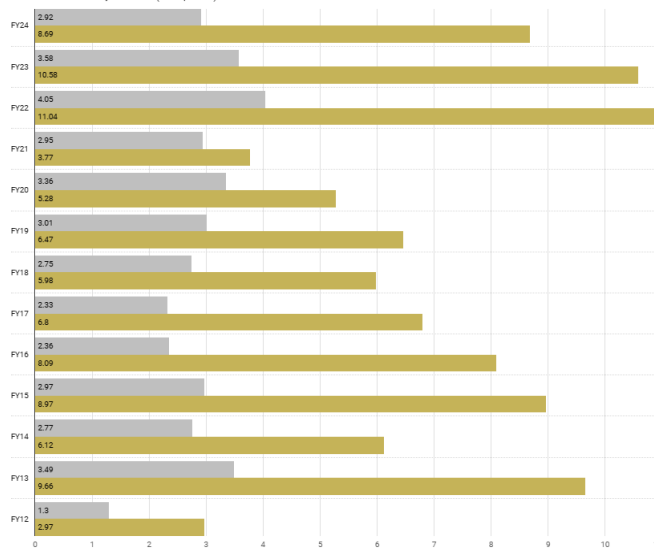


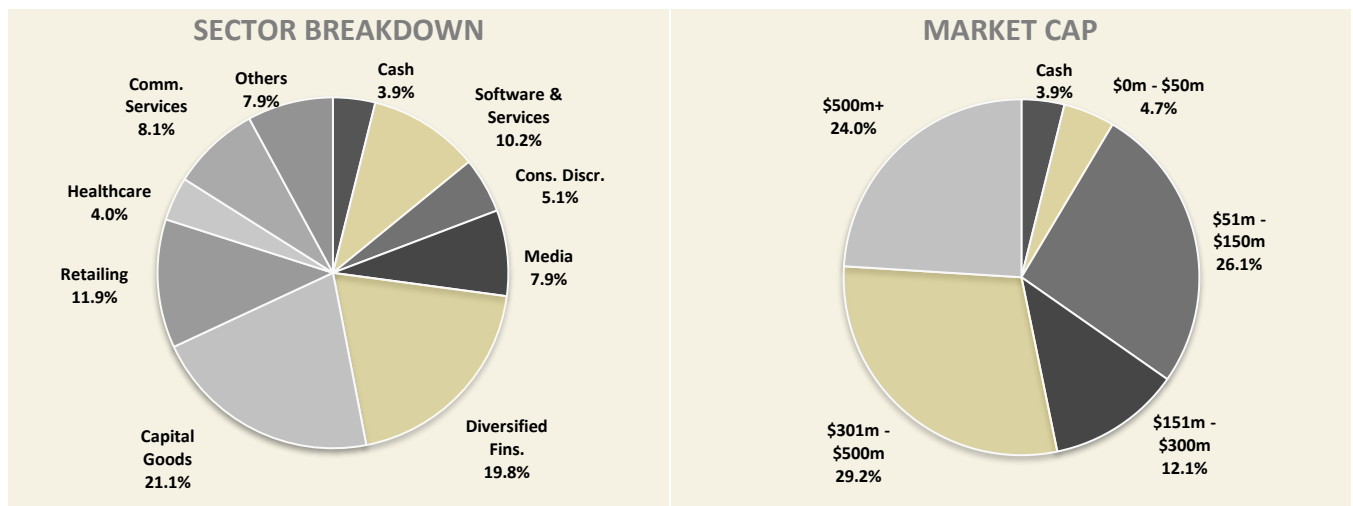
Chart: High Income Value Microcap Fund - Get the data - Created with Datawrapper

Current Forecast Grossed Up Dividend Yield

+6.25%**

**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	236.59%	9.53%	8.57%	8.49%	10.90%	5.88%	-1.74%	0.06%



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MARKET UPDATE AND COMMENTARY

Equity markets during the month were primarily influenced by geopolitical developments in the Middle East, culminating in limited, targeted U.S. airstrikes on Iran. The minimal disruption to oil supply chains and the subsequent military ceasefire helped reassure markets, easing concerns that the conflict would impact the global economy. Focus then shifted back to U.S.-China trade relations, with both nations confirming late in the month that they had reached a preliminary agreement on implementing the trade framework discussed during the recent Geneva talks. This de-escalation of trade tensions between the world's two largest economies lifted market sentiment and raised hopes for further progress in trade negotiations.

Domestically, Australia's headline CPI fell to 2.1%, below the expected 2.3%, while underlying inflation (excluding volatile items) eased from 2.8% to 2.4%. This favourable inflation trajectory makes a rate cut at the July RBA meeting increasingly likely. **We note that the continued decline in the risk-free rate has positive implications for the asset class we manage.**

Microequities High Income Value Microcap Fund returned 0.06% in June; this brings the total return net of fees to 236.59% for the Fund since inception in March 2012.

Alliance Aviation Services Ltd (ASX:AQZ), a provider of charter and FIFO aviation services, announced a series of asset sales involving engines and spare parts during the month. The total proceeds, expected to be approximately \$110 million AUD, which will be used to strengthen the company's balance sheet and accelerate the resumption of dividend payments, potentially earlier than previously anticipated. Alliance's share price has been artificially depressed by investor concerns over its debt levels for a number of years now. While we do not share this view, we acknowledge that these concerns have been a key factor weighing on the company's market price. These recent transactions are expected to restore market confidence, and we anticipate a material re-rating of Alliance's share price as investor sentiment improves.

Our investment management team made selective constituent changes to the Fund during the month. We fully divested from **Gale Pacific (ASX:GAP)** following a sustained period of operational and financial underperformance. With the core premise of our original investment thesis no longer intact, we exited the position. Proceeds from the divestment have been redeployed into **two new financial services companies** with compelling long-term capital growth prospects. Both businesses are expected to contribute meaningfully to the Fund's future dividend income while enhancing its overall growth profile.

Projected EPS Growth	
1 Year Forward (on a weighted basis)	+9.2%
Projected EPS Growth	
2 Years Forward (on a weighted basis)	+10.4%

Number of companies	40
Top 5 Holdings % of NAV	34.9%
Top 10 Holdings % of NAV	55.2%
Top 20 Holdings % of NAV	79.4%
Cash Position % of NAV	3.9%

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.