

MICROEQUITIES VALUE INCOME FUND

ARSN 629 674 175



Microequities Asset Management

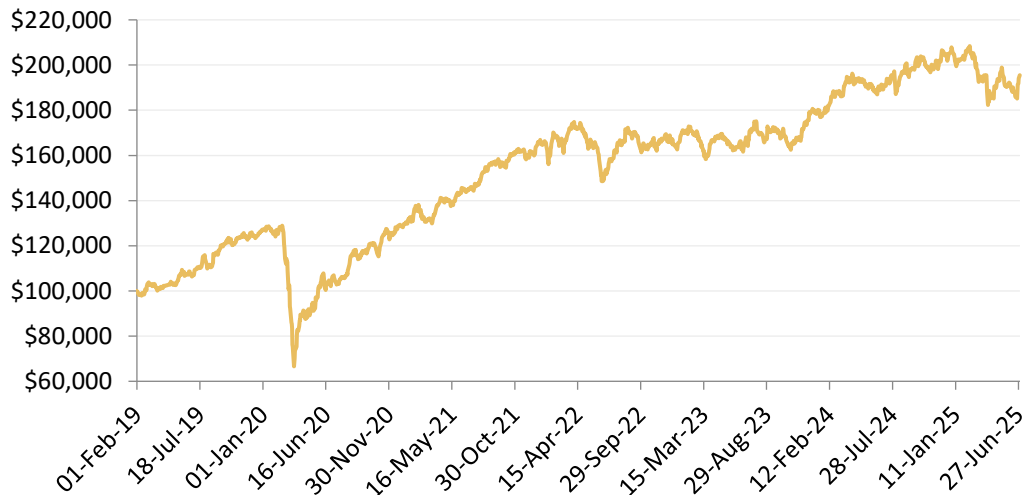
MONTHLY PERFORMANCE AS AT 30/06/2025

latest unit price (exit price) \$1.4755 (Cum-distribution)	return since inception (Feb 2019) 95.45%	return 1 month 2.17%
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FUND OUTLINE

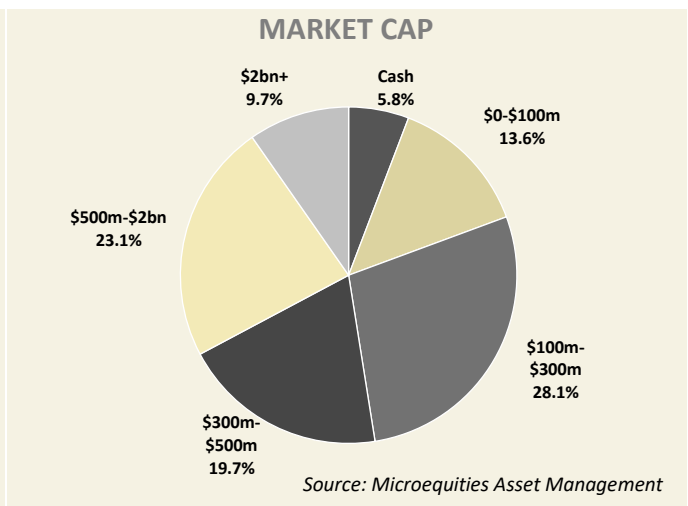
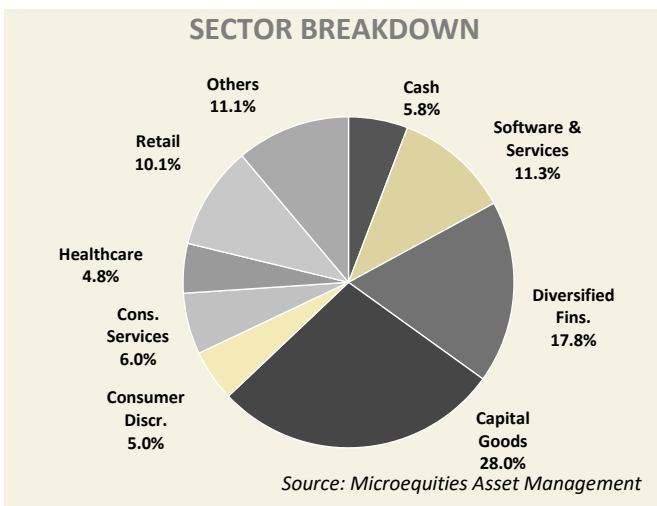
The Microequities Value Income Fund ("VIF") (ARSN 629 674 175) is a retail fund investing in high dividend paying, undervalued, ASX smaller companies. This fund is appropriate for investors with "High" risk and return profiles. A suitable investor for this fund is prepared to accept high risk in the 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 > **\$195,451**



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

<i>Returns are shown net of fees</i>	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)	11.01%	95.45%	13.54%	8.83%	8.91%	2.10%	2.17%



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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 Value Income Fund returned 2.17% net of fees in June; this brings the total return net of fees to 95.45% for the Fund since inception in February 2019.

- We added a non-bank financial company during the month. This business derives the bulk of its profits from its Australian commercial equipment finance business. At our purchase price, the cash PE was just 4x and forecast FY25 grossed up dividend of 10.6%. It was also trading at a 40% discount to its latest NTA. This was not a business in decline, but rather we saw signs of good capital management and improving profitability: repaid back expensive perpetual note financing, executed on an agreement to reduce capital intensity going forward when growing its loan books, and resized business in Canada to reduce losses. Late in the quarter, a major shareholder launched a non-binding offer to take the business private. Looking at the offer, you would think there were structural issues with the business, but there is not. Much is yet to flow under the bridge, and it could be an opening salvo to put the business in play for competing bids.
- **Monash IVF (ASX:MVF)** unfortunately suffered its 2nd reported clinical incident in 3 months. The board has setup an independent investigation into both incidents. We are retaining our position in the business for now given the longer-term structural growth tailwinds in the IVF sector but will be watching for any fallout from permanent reputational damage, any additional regulatory scrutiny imposed on the sector and impacts on doctor retention and recruitment. MVF trades on 10x FY25 PE and 8.3% grossed up dividend yield.
- Our largest position in the Fund, which is in industrial and public infrastructure asset maintenance company won \$850m of contracts across a number of clients and sectors. Trading at circa 13x FY26 PE and dividend yield of 5.5% grossed up, we are optimistic it can trade closer to larger peers given its 80% annuity style revenue and exposure to infrastructure spend.

Number of companies	47
Top 5 Holdings % of NAV	31.3%
Top 10 Holdings % of NAV	46.6%
Top 20 Holdings % of NAV	69.2%
Cash Position % of NAV	5.8%

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/>