

MICROEQUITIES VALUE INCOME FUND

ARSN 629 674 175



Microequities Asset Management

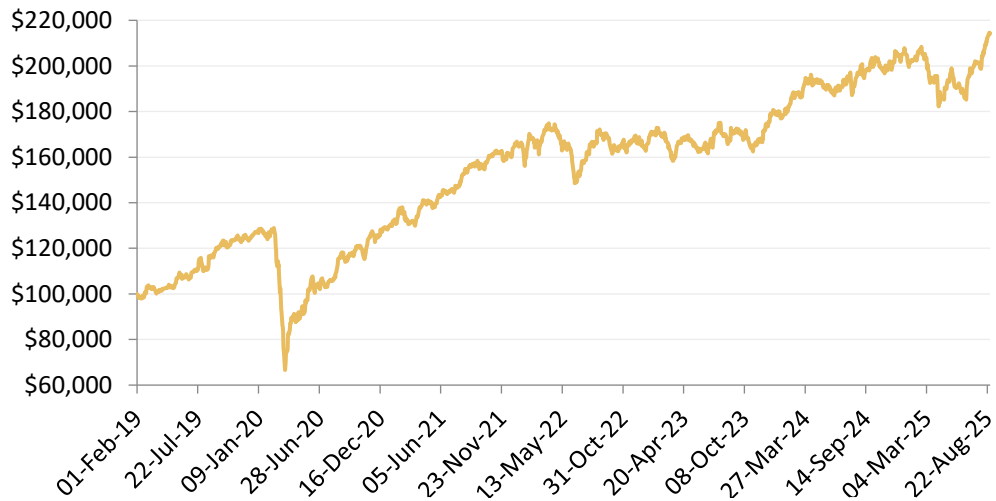
MONTHLY PERFORMANCE AS AT 31/08/2025

latest unit price (exit price) \$1.5890	return since inception (Feb 2019) 114.32%	return 1 month 6.37%
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FUND OUTLINE

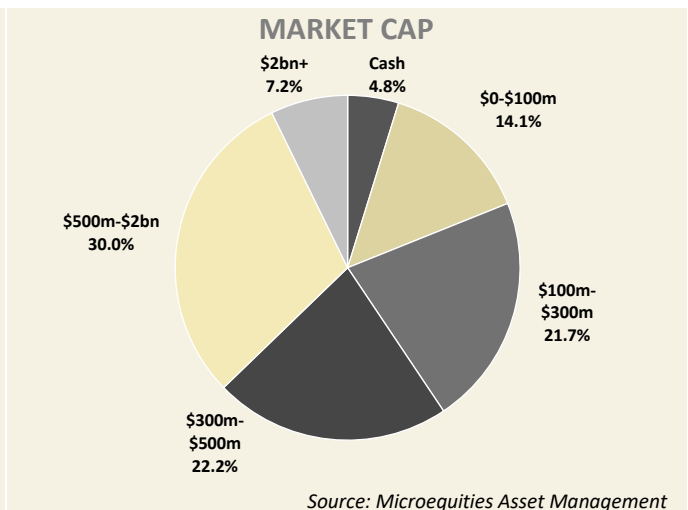
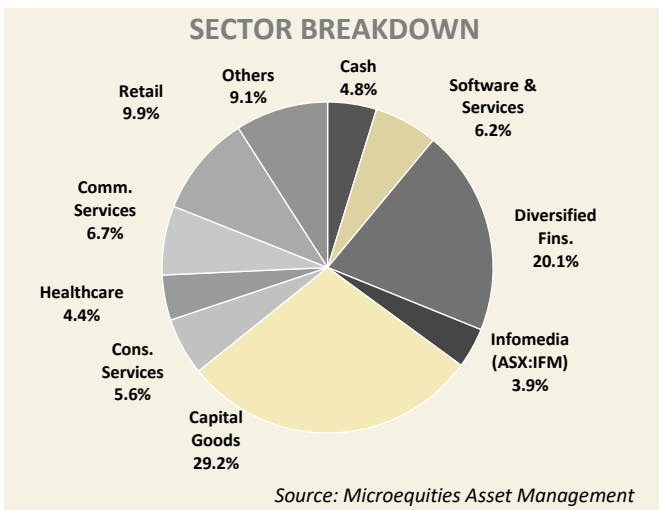
The Microequities Value Income Fund ("VIF") (ARSN 629 674 175) is a retail fund investing in high dividend paying, undervalued, ASX smaller companies. This fund is appropriate for investors with "High" risk and return profiles. A suitable investor for this fund is prepared to accept high risk in the 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 > **\$214,318**



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)	12.28%	114.32%	12.64%	7.97%	11.34%	7.22%	6.37%



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MARKET UPDATE AND COMMENTARY

Australia's July CPI print was markedly higher than June's, with the headline number rising to +2.8% (vs June's +1.9%). Core inflation, which removes volatile items such as energy, also increased to +3.2% from +2.5% a month earlier. A key contributor to the jump in inflation was the removal of the Commonwealth Energy Bill Relief Fund, which saw energy prices surge +13% in July. Another pressure point was rents, which rose +3.9% over the twelve months to July. The stronger inflation numbers effectively rule out an RBA rate cut at next month's meeting. The prospect of a possible cut in November will hinge on the trajectory of labour market conditions and CPI data in the coming months. Internationally, the US economy roared back to growth during the second quarter, with GDP rising at an annualised rate of +3.3%, significantly driven by business investment which grew at annual pace of +5.7%. The strong GDP number follows 1Q25 contraction in the US economy of 0.2% and lend argument to the US goldilocks scenario with broad economic expansion, a strong labour market and declining inflation.

Microequities Value Income Fund returned 6.37% net of fees in August; this brings the total return net of fees to 114.32% for the Fund since inception in February 2019.

Automotive software company **Infomedia Ltd (ASX:IFM)** agreed to a takeover by private equity group **TPG Capital** at a **+30% premium to the undisturbed last share price** and a **+41% premium to the three-month VWAP**. Infomedia currently represents 3.9% of the total assets of the Value Income Fund. We have partly sold down our position during the month to rotate into other opportunities.

August 2025 was generally a strong reporting season across the companies in the Fund with some notable callouts below:

- Asset maintenance company, our largest current holding reported 24% revenue growth, 34% underlying EPS growth and upped the dividend by 22% vs FY24. The outlook is positive with at least 10% earnings growth into FY26 and the business is ready for further acquisitive growth.
- Wholesale distribution business, our 2nd largest current holding reported 22% revenue growth and 8.6% EPS growth, with dividends increased by 16.7%. The outlook was also strong driven by data centre demand, large projects around electrification and green shoots in its day to day commercial construction end market demand.
- Aviation services company, a top 5 holding, reported 19% organic revenue growth but EPS declined 5%. Current PE is 6.8x and the company is moving from a multi-year earnings growth phase to a high dividend yield paying phase.
- We have added 2 new holdings, one in real estate with exposure to medium density real estate development, with strong sales momentum and long track record of earnings and dividend growth. We estimate FY26 PE of 12.5x. We also added a commercial services company, run by an owner operator, trading at less than 10x PE and dividend yield of circa 6.3% in FY26. It has a multi-decade dividend track record and provided a confident outlook around its key international markets.
- Some of the weaker results included our holding in a healthcare business where FY26 guidance was below expectations and is a decline of over 20% at the mid-point for NPAT.

Number of companies	47
Top 5 Holdings % of NAV	30.9%
Top 10 Holdings % of NAV	46.3%
Top 20 Holdings % of NAV	68.4%
Cash Position % of NAV	4.8%

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/>