

# HIGH INCOME

## VALUE MICROCAP FUND



### MONTHLY PERFORMANCE AS AT 31/10/2025

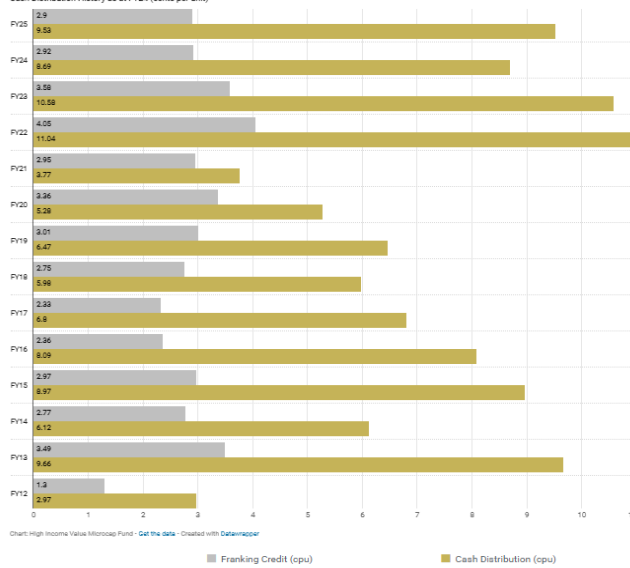
latest unit price <b>\$1.8663</b> (Cum-distribution)	return since inception (March 2012) <b>293.59%</b>	return 1 month <b>2.82%</b>
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#### FUND OUTLINE

The High Income Value Microcap Fund is a wholesale fund investing in high dividend paying, undervalued, ASX microcap companies.

#### \$1.4469 Total Cash and Franking Credits RETURNED SINCE INCEPTION

Cash Distribution History as at FY24 (cents per unit)

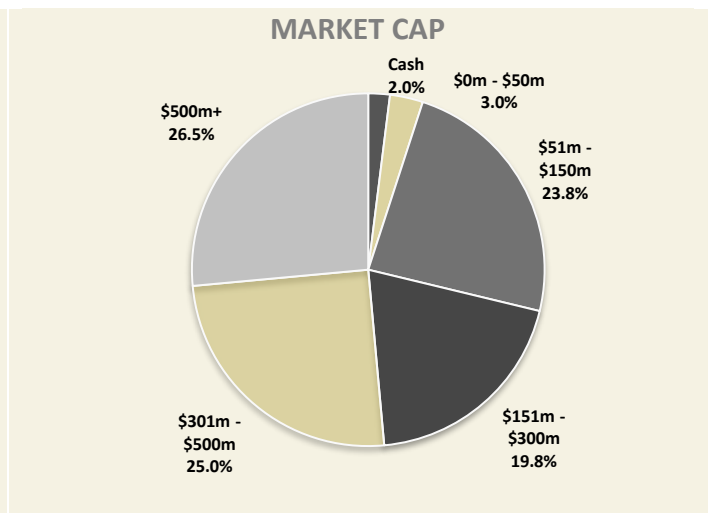
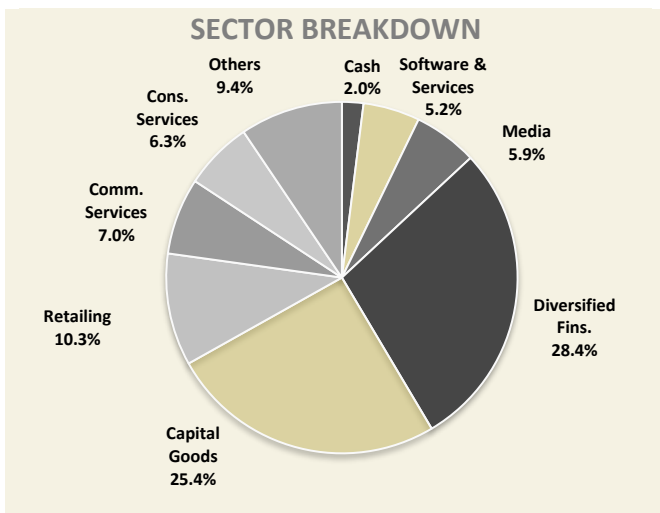


**Current Forecast  
Grossed Up  
Dividend Yield**

**+5.66%\*\***

\*\*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
<b>HIMF</b>	<b>293.59%</b>	<b>10.55%</b>	<b>8.62%</b>	<b>8.93%</b>	<b>11.22%</b>	<b>8.44%</b>	<b>10.43%</b>	<b>2.82%</b>



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### MARKET UPDATE AND COMMENTARY

With the U.S. government in shutdown, most of the macroeconomic focus in financial markets centred on U.S. administration trade developments and Federal Reserve monetary policy. The major headline was the renewed trade talks between China and the United States. The first outcome of those discussions was a framework agreement under which the U.S. agreed to postpone a planned 100% tariff increase in exchange for China delaying the implementation of rare-earth export controls and resuming large-scale purchases of U.S. soybeans. The U.S. Federal Reserve cut interest rates by 25 basis points to 4.00%, in a widely expected decision, although Chair Jerome Powell cautioned that a December rate cut is “far from a foregone conclusion.” Across Europe, the S&P Global PMI data pointed to surprising resilience in the Eurozone, with Germany’s composite PMI rising to 53.8, the largest increase in 29 months, while the overall Eurozone composite climbed to 52.1, up from 51.0 in September. In Australia, an even hotter CPI print than the previous month’s dampened expectations of further rate cuts, and markets are now considering that we may be near, or already at, the end of the rate cut cycle. Stating the obvious, this will depend on the evolution of inflation and the labour market over the months ahead.

**Microequities High Income Value Microcap Fund returned 2.82% in October; this brings the total return net of fees to 293.59% for the Fund since inception in March 2012.**

We are excited to announce that the High Income Value Microcap Fund has added a new investee company to its portfolio. The business has been tracked and researched by the investment management team for over ten years. The initial stake has been acquired at a PE of 8 times forecasted FY26 earnings and a grossed up yield of over 9%. The new entrant into the Fund takes the total number of investee companies to 39.

During the month, a top five investee company announced a highly earnings-accretive acquisition. The strategic transaction was primarily funded with debt, with only a small equity component issued to the vendor. The equity market responded positively to the announcement, with the company’s share price rising by 42% over the month.

The investment management team continues to build a sizeable position in one of the High Income Fund’s investee companies. The business operates in the retail sector and has a long-term store rollout program, providing a clear and extended growth runway. It is a well-managed company with strong unit economics and an unusually high degree of earnings visibility for a retail business. Several other investee companies in the Fund remain underweighted, with the opportunity set currently large, the Fund can deploy cash at very attractive risk adjusted return profiles

<b>Projected EPS Growth</b> 1 Year Forward (on a weighted basis)	<b>+12.0%</b>
<b>Projected EPS Growth</b> 2 Years Forward (on a weighted basis)	<b>+11.9%</b>

<b>Number of companies</b>	<b>39</b>
<b>Top 5 Holdings</b> % of NAV	<b>39.3%</b>
<b>Top 10 Holdings</b> % of NAV	<b>58.7%</b>
<b>Top 20 Holdings</b> % of NAV	<b>81.1%</b>
<b>Cash Position</b> % of NAV	<b>2.0%</b>

**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.