

MICROEQUITIES VALUE INCOME FUND

ARSN 629 674 175



Microequities Asset Management

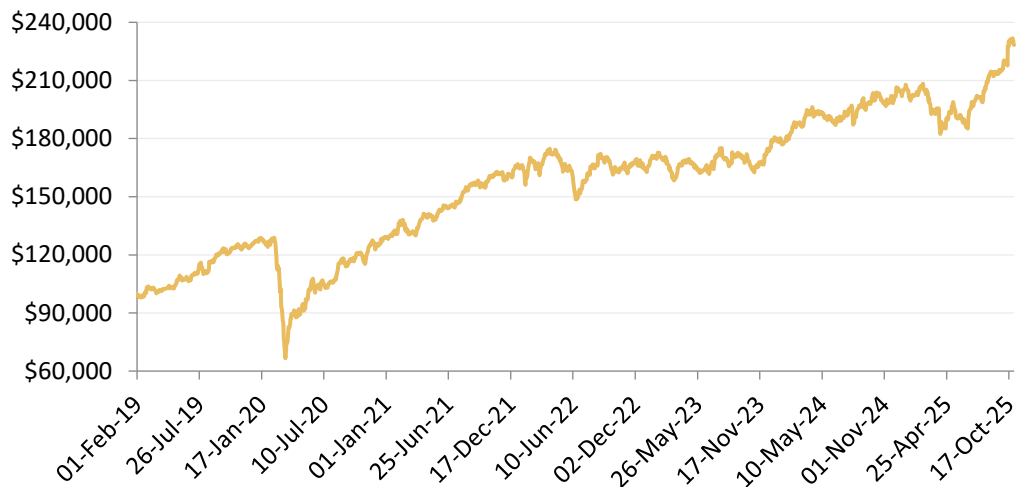
MONTHLY PERFORMANCE AS AT 31/10/2025

latest unit price (exit price) \$1.6922	return since inception (Feb 2019) 128.23%	return 1 month 5.64%
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FUND OUTLINE

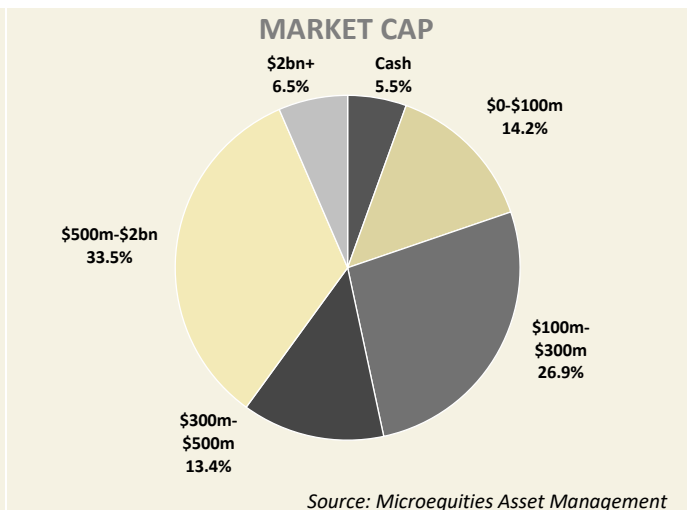
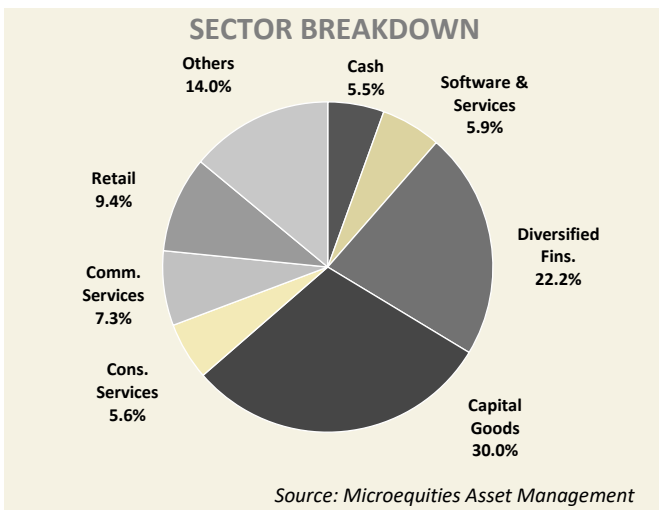
The Microequities Value Income Fund ("VIF") (ARSN 629 674 175) is a retail fund investing in high dividend paying, undervalued, ASX smaller companies. This fund is appropriate for investors with "High" risk and return profiles. A suitable investor for this fund is prepared to accept high risk in the 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 > **\$228,234**



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)	13.00%	128.23%	14.39%	11.03%	18.25%	14.67%	5.64%



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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 Value Income Fund returned 5.64% net of fees in October; this brings the total return net of fees to 128.23% for the Fund since inception in February 2019.

- The largest holding in the Fund, an asset maintenance services company made an extremely accretive acquisition during the month of a marine infrastructure construction and remediation maintenance company. The price paid was circa 3.2x EBIT and funded by cash/debt and shares to the vendors. The price paid, strategic rationale and 25% accretion was applauded by investors, with shares rising 42% during the month.
- Aviation services company (5th largest holding in the Fund) was speculated in the media that private equity had expressed interest in acquiring the company. The company in its official ASX announcement did not deny the speculation. We would also note this business is trading at or very near its NTA which is arguable understated, owns all of its aircraft and a significant spare parts inventory. Share price was 13% higher during the month.
- Non-bank lender that is currently under a non-binding offer from its largest shareholder, provided a Q1 update. New lending volumes are lower in both its consumer and commercial segments. Its overall loan book is slightly lower in the past 3 months, net interest margin is steady and slight uptick in net credit losses. Notwithstanding the mixed update, the company continues to trade at circa 5.5x cash NPAT, with sufficient free cash to undertake significant capital management initiatives. We would expect further developments at its upcoming AGM in November.
- Mining services company with growing exposure to gold and base metals customers provided a strong Q1 trading update after a poor FY25 update with low productivity affecting revenue and profitability. Q1 EBITDA was 67% higher than a year earlier, at 22% margins. Our forecasts would indicate this is one of the cheapest mining services companies at less than 2x EBITDA and 5x EBIT.

Number of companies	44
Top 5 Holdings % of NAV	33.5%
Top 10 Holdings % of NAV	48.2%
Top 20 Holdings % of NAV	70.1%
Cash Position % of NAV	5.5%

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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While every effort has been made to ensure the information in this communication is accurate; its accuracy, reliability or completeness is not guaranteed and none of The Trust Company (RE Services) Limited (ACN 003 278 831), Microequities Asset Management Pty Ltd or any of their related entities or their respective directors or officers are liable to you in respect of this communication. A Product Disclosure Statement (PDS) issued in June 2024 is available for the Fund on the following website:

<http://microequities.com.au/valueincomefund>

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/>