HIGH INCOME
VALUE MICROCAP FUND

Microequities Asset Management

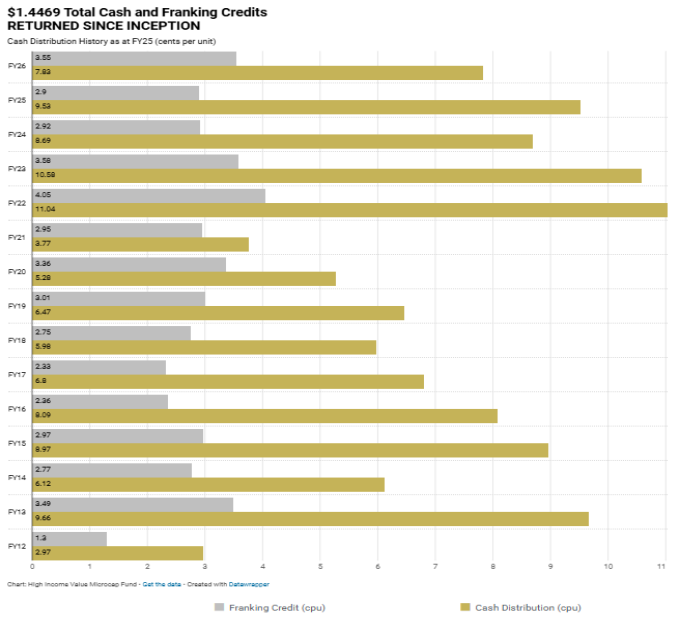
MONTHLY PERFORMANCE AS AT 31/10/2026

latest unit price	return since inception (March 2012)	return 1 month
$1.7501 (Cum-distribution)	285.45%	-4.25%

FUND OUTLINE

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

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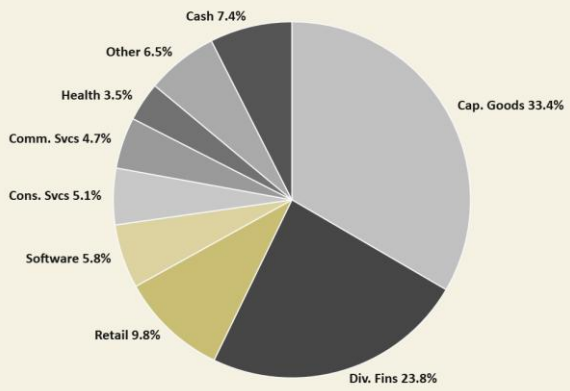
Current Forecast Grossed Up Dividend Yield

+6.98%**

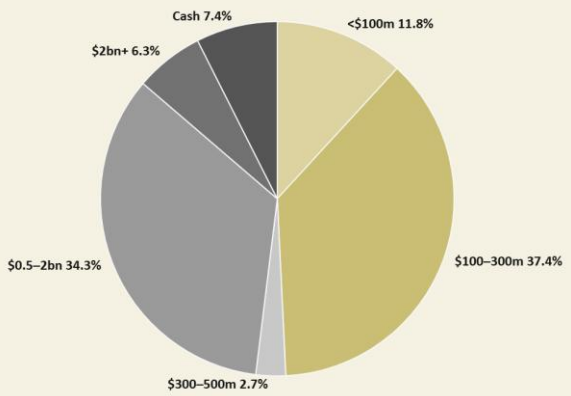
**Represents the annual dividend yield of the companies in the portfolio grossed up for franking credits. It is based on internal forecasts and actual results may vary. It is not a forecast distribution as distributions will depend on actual dividend income received, expenses of the fund and actual number 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	**285.45%**	**9.64%**	**8.11%**	**7.10%**	**4.43%**	**8.04%**	**-2.07%**	**-4.25%**

SECTOR BREAKDOWN



MARKET CAP



HIGH INCOME
VALUE MICROCAP FUND

MARKET UPDATE AND COMMENTAR

Global financial markets experienced another volatile month in October, although US government bond yields provided some relief. The US 10 year Treasury yield retreated from approximately 5.3% to below 5.0%, reversing part of September's sharp increase. Nevertheless, yields remain elevated, reflecting persistent inflationary pressures, substantial US Government borrowing requirements and increasing competition for capital, particularly from the extraordinary investment being directed towards artificial intelligence infrastructure. Additionally, the conflict in the Middle East remains fluid and open ended. In Australia, the latest inflation data reinforced our previously stated view of two further RBA interest rate increases, with annual headline inflation accelerating to 4.3% and trimmed mean inflation reaching 3.6%. We maintain our expectation of at least two rate rises during this tightening cycle, although we believe the impact of higher borrowing costs is already becoming evident in household spending and broader economic activity. This emerging slowdown should provide the RBA with reason to exercise caution in pursuing further monetary tightening (beyond the two rate rises).

Microequities High Income Value Microcap Fund returned -4.25% in October; this brings the total return net of fees to 285.45% for the Fund since inception in March 2012.

We are pleased to announce that, following an increase in the portfolio's forecast dividend yield, we will be increasing our monthly cash distribution from 0.5 cents per unit to 0.6 cents per unit. October marked an unusually active month for the High Income Value Microcap Fund in terms of asset acquisitions and disposals. The investment management team fully sold its remaining stake in **Cash Converters International (ASX:CCV). Cash Converters** was a long-held investment in the Fund, but the team had formed the view that its capital growth runway was relatively limited compared with other investment opportunities and consequently decided to fully divest. The second divestment was **Paragon Care (ASX:PGC)**, which has not met our investment thesis, with poor operational and financial performance. The proceeds from these sales were reinvested into new investments. The first is a very high-quality, dominant marketplace business that is well known to the investment management team. At current share prices, the company presents an excellent capital growth opportunity while also providing an acceptable dividend yield. The second addition to the Fund is a growing financial services business with diversified revenue streams and increasing market share. Following a share price decline of more than 50% over the past 12 months, we are acquiring the business at circa 8 times earnings and a grossed-up dividend yield of circa 9%.

Projected EPS Growth 1 Year Forward (on a weighted basis)	**+7.7%**
Projected EPS Growth 2 Years Forward (on a weighted basis)	**+9.9%**

Number of companies	**38**
Top 5 Holdings % of NAV	**36.0%**
Top 10 Holdings % of NAV	**56.7%**
Top 20 Holdings % of NAV	**78.2%**
Cash Position % of NAV	**7.4%**

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.