

DEEP VALUE FUND



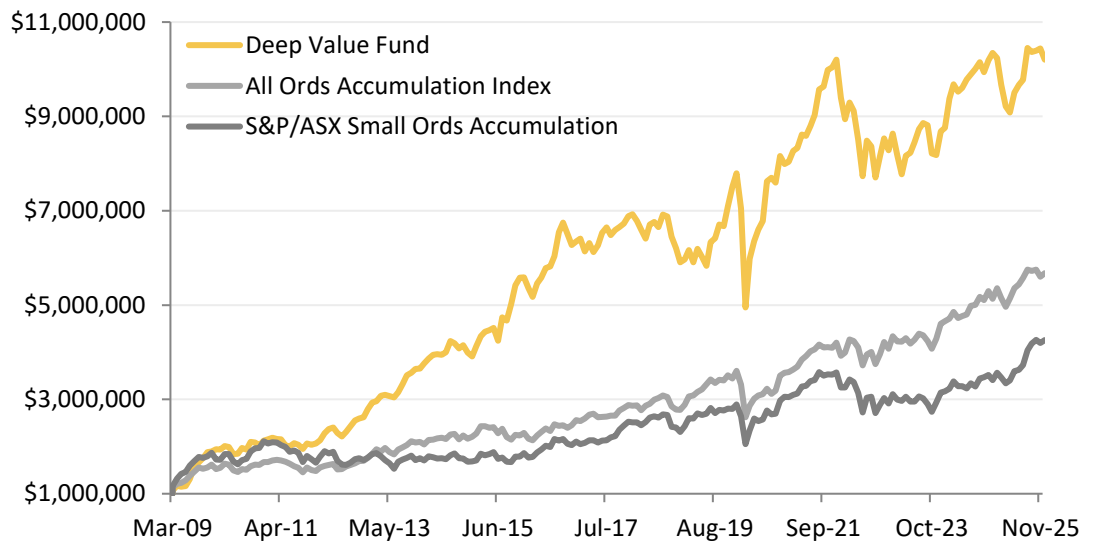
MONTHLY PERFORMANCE AS AT 31/12/2025

latest unit price \$4.8068	return since inception (March 2009) 920.52%	return 1 month -2.27%
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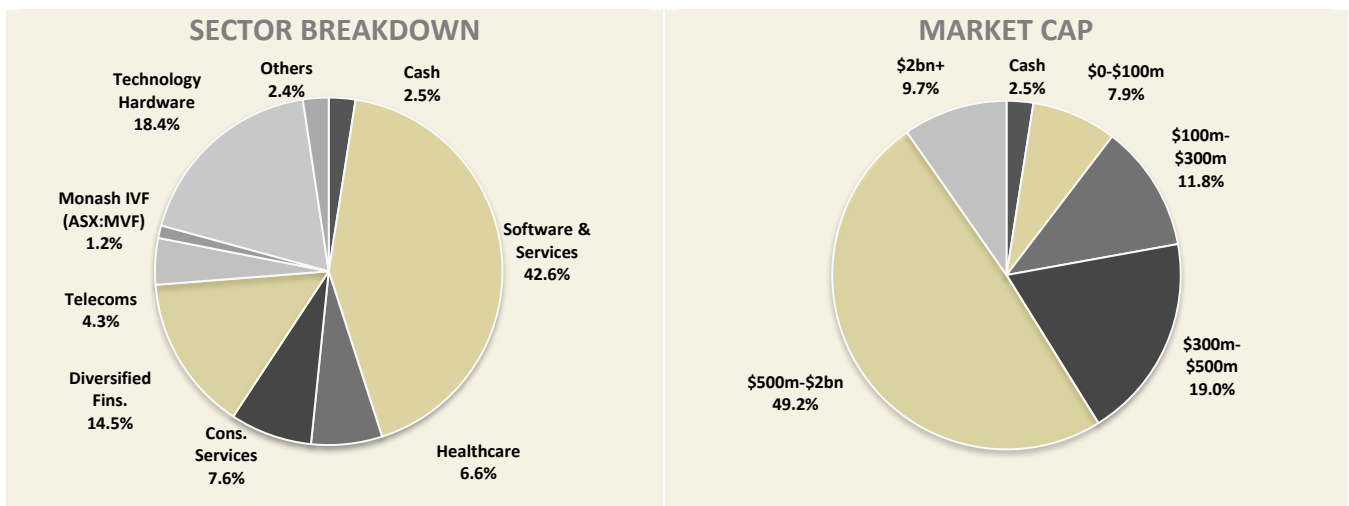
FUND OUTLINE

The Deep Value Fund is a wholesale fund investing in a concentrated portfolio of undervalued, profitable, and growing ASX listed microcap and smallcap companies.

VALUE OF \$1,000,000 INVESTED AT INCEPTION > **\$10,205,173**



	Compound p.a. since Inception	Total since inception	15 Year Compound Annual	12 Year Compound Annual	10 Year Compound Annual	5 Year Compound Annual	3 Year Compound Annual	1 Year	1 Month
DVF	14.80%	920.52%	11.03%	8.94%	6.21%	5.01%	7.22%	-1.34%	-2.27%



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MARKET UPDATE AND COMMENTARY

The US third-quarter GDP figure, which had been delayed by two months due to the federal government shutdown, was finally released. The US economy expanded at an annualised rate of 4.3%, the fastest pace of growth in two years. Growth was driven primarily by consumer spending and exports. Business investment, which had grown by 7.8% in the previous quarter, slowed to 2.8% in the third quarter. This GDP print comes at a time when the US labour market is showing signs of slowing. The November jobs report showed the US economy added 64,000 jobs, with job creation clearly decelerating, while the unemployment rate ticked up to 4.6%. Taken together, these indicators support a continued dovish stance by the US Federal Reserve.

The next RBA meeting in Australia is scheduled for 3 February. Prior to that meeting, the RBA Board will digest another CPI print, covering inflation for the month of November. The current monetary policy setting sits on a knife edge. A resurgence in inflation over the past three months has effectively extinguished expectations of near-term rate cuts. A further upside surprise in CPI would almost certainly force the RBA's hand to raise rates.

Microequities Deep Value Fund returned -2.27% in December; this brings the total return net of fees to 920.52% for the Fund since inception in March 2009.

Monash IVF Group (ASX:MVF) last month announced that it had rejected a non-binding indicative offer (NBIO) from Genesis Capital and WHSP Holdings Pty Ltd ("Soul Patts") to acquire 100% of the company at 80 cents per share. The consortium had indicated that it held an interest of approximately 19.6% of Monash IVF's shares. This month the NBIO was withdrawn after the Monash IVF board declined to grant due-diligence access. We viewed the proposal as highly opportunistic and unattractive. Monash IVF represents 1.2% weighting at month end.

During the period, several of our software and technology investee companies were awarded significant contract wins. One in particular was a landmark contract of considerable strategic importance, which we expect will drive strong earnings growth from FY27 onwards. Offsetting these positive developments, one IT investee company announced that it had entered into a contractual dispute with a customer, which is expected to have a material impact on FY26 earnings.

The investment management team has continued to actively deploy capital following the recent takeover of **SmartPay (ASX:SMP)**, reallocating proceeds into some of the most undervalued opportunities within the portfolio. This process remains ongoing.

Projected EPS Growth	
1 Year Forward (on a weighted basis)	+24.3%
Projected EPS Growth	
2 Years Forward (on a weighted basis)	+23.7%

Number of companies	38
Top 5 Holdings % of NAV	47.0%
Top 10 Holdings % of NAV	64.8%
Top 20 Holdings % of NAV	86.0%
Cash Position % of NAV	2.5%

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.