DEEP VALUE FUND

Microequities Asset Management

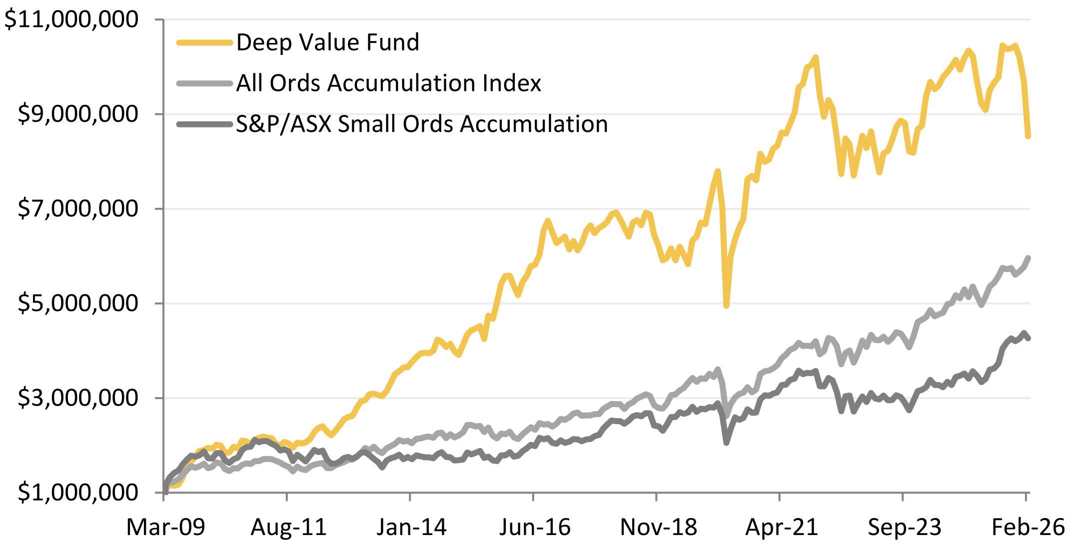
MONTHLY PERFORMANCE AS AT 28/02/2026

latest unit price	return since inception (March 2009)	return 1 month
$4.0178	753.01%	-11.95%

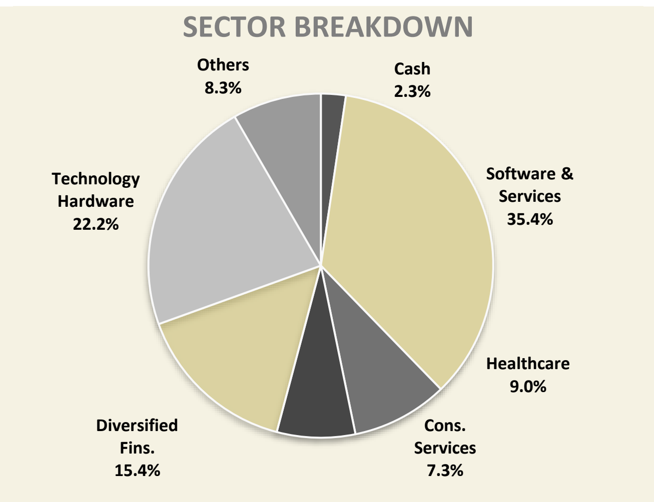
FUND OUTLINE

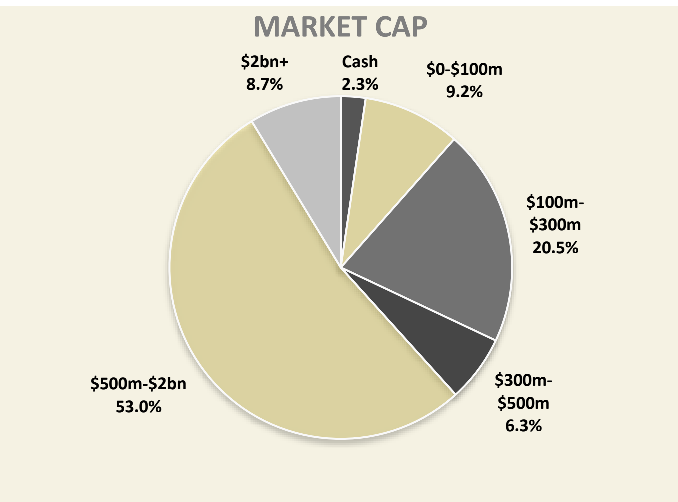
The Deep Value Fund is a wholesale fund investing in a concentrated portfolio of undervalued, profitable, and growing ASX listed microcap and smallcap companies.

VALUE OF $1,000,000 INVESTED AT INCEPTION > $8,530,071



	Compound p.a. since Inception	Total since inception	15 Year Compound Annual	10 Year Compound Annual	5 Year Compound Annual	3 Year Compound Annual	1 Year	1 Month
DVF	13.44%	753.01%	9.50%	5.13%	0.63%	1.42%	-11.74%	-11.95%





DEEP VALUE FUND

Microequities Asset Management

MARKET UPDATE AND COMMENTARY

A solid US labour market report has complicated the outlook for the next move by the US Federal Reserve. The January nonfarm payrolls report showed payrolls rising by 130,000, with the unemployment rate edging down to 4.3%. Wage growth increased by 0.4% for the month, running at 3.7% on an annual basis. Notably, most of the job creation came from the health services sector, which accounted for 82,000 of the new positions. The strength of the report has cooled expectations of an imminent rate cut. A March easing now appears unlikely, with June increasingly seen as the earliest plausible window for policy adjustment. In Europe, annualised inflation fell to 1.7% in January, with core inflation at 2.2%, close to the ECB's 2% target. The moderation in inflation was driven by declines in energy prices. The next inflation release, due in early March, is expected to show a modest uptick. This leaves the ECB in a relatively comfortable position for now inflation is moving in the right direction, but not sufficiently weak to compel a rate cut at the March 24 meeting. Economic activity in Eurozone economy continues to expand. The composite PMI rose to 51.9 from 51.3. Manufacturing activity is beginning to improve, partly supported by German fiscal stimulus. The region has thus far weathered US trade tariffs better than many had anticipated.

Microequities Deep Value Fund returned -11.95% in February; this brings the total return net of fees to 753.01% for the Fund since inception in March 2009.

The reporting season for the Deep Value Fund was dominated by questions surrounding the impact of AI on business models both in terms of threat and opportunity. In the near term, most technology companies we met with are deploying AI to enhance the productivity of their engineering teams and accelerate product development cycles. Others have frozen headcount growth within development functions. We think the next phase will involve structurally lower development headcount as the productivity benefits of AI become more fully realised. This has meaningful positive implications for operating leverage and thus profitability. Companies with durable, non-technology-based moats such as strong customer relationships, embedded workflows, regulatory positioning or network effects stand to see a significant uplift in cash margins as development intensity declines. From a financial perspective, this reporting season delivered a broadly positive report card and weighted EPS growth projections for the Deep Value Fund has increased, albeit with a small number of notable exceptions. As we move into the second half of FY26, we expect to see material improvement from the underperforming assets within the Deep Value portfolio, supported by operational execution and management responses.

Projected EPS Growth 1 Year Forward (on a weighted basis)	**+26.8%**
Projected EPS Growth 2 Years Forward (on a weighted basis)	**+23.3%**

Number of companies	**36**
Top 5 Holdings % of NAV	**47.9%**
Top 10 Holdings % of NAV	**64.8%**
Top 20 Holdings % of NAV	**86.0%**
Cash Position % of NAV	**2.3%**