

DEEP VALUE FUND



MONTHLY PERFORMANCE AS AT 30/11/2020

latest unit price \$4.6754	return since inception (March 2009) 716.34%	return 1 month 7.42%
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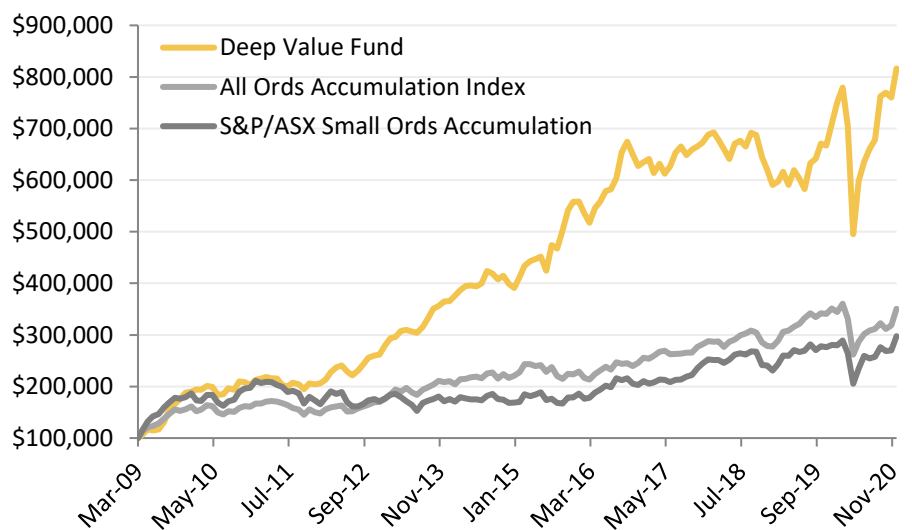
FUND OUTLINE

Fund Manager:

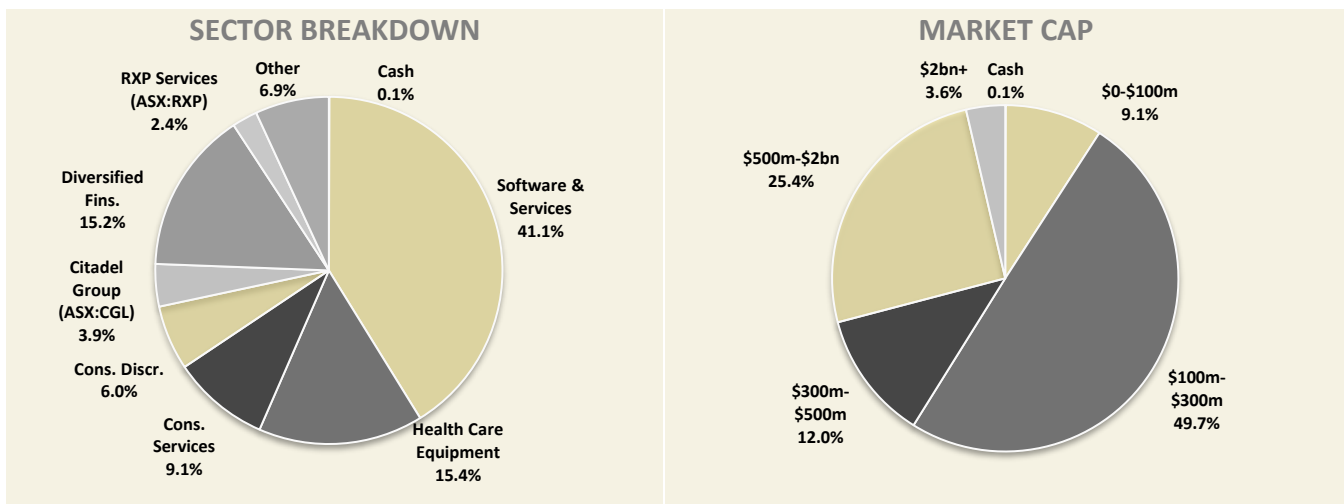
Carlos Gil (CIO)

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 \$100,000 INVESTED AT INCEPTION > **\$816,338**



	Compound p.a. since Inception	Total since inception	10 Year	7 Year	5 Year	3 Year	1 Year	1 Month
DVF	19.57%	716.34%	14.94%	12.19%	7.90%	6.66%	15.06%	7.42%



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MARKET UPDATE AND COMMENTARY

World equity markets rallied strongly during the month as clinical Phase III trials for three different experimental vaccines delivered high efficacy results with low side effects. The vaccine clinical trials results mark a likely turning point in the evolution of the pandemic. The US FDA has scheduled a meeting on the 10th of December to discuss emergency use authorisation (EUA) request for Pfizer and BioNTech's COVID-19 vaccine. It is likely that the FDA will provide authorisation. Across Europe there are reports that the UK's Medicines and Healthcare Products Regulatory Agency which has the power to override the European Medicines Agency, will provide approval within days. Vaccination rollout across the UK will begin within hours of the authorisation. Germany has begun plans to conduct and begin mass vaccination beginning in December. Investors and equity markets have begun to price in a different 2021 economic scenario as the world economy emerges from the distortive effects of its Covid induced restrictions.

Microequities Deep Value Fund returned 7.42% in November; this brings the total return net of fees to 716.34% for the Fund since inception in March 2009.

The takeover offer for **Citadel Group (ASX:CGL)** was the first M&A event in the Fund post Covid. This month we saw another company in the Fund subjected to M&A. **RXP Ltd (ASX:RXP) received a takeover offer from French multinational consultancy Capgemini. The takeover bid came in at a +61.8% premium to the last market price.** RXP currently represents approximately 2.4% of the Fund's assets. The investment management team has welcomed the bid premium and given the amount of companies that are currently underinvested within the Fund the recycling of capital from the sale of RXP will be utilised to drive long term returns.

During the month, the investment management team acquired a stake in a new software technology company where there is sizeable value accretion available over the next 12 months. The investment represents highly favourable risk/reward metrics and should a transformational transaction be undertaken the investment management team would look to materially increase its investment in this business.

Projected EPS Growth	
1 Year Forward (on a weighted basis)	+18.1%
Projected EPS Growth	
2 Years Forward (on a weighted basis)	+19.6%

Number of companies	35
Top 5 Holdings % of NAV	36.0%
Top 10 Holdings % of NAV	59.3%
Top 20 Holdings % of NAV	87.0%
Cash Position % of NAV	0.1%

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.