

DEEP VALUE FUND



MONTHLY PERFORMANCE AS AT 30/11/2021

latest unit price \$5.3717	return since inception (March 2009) 903.88%	return 1 month 0.52%
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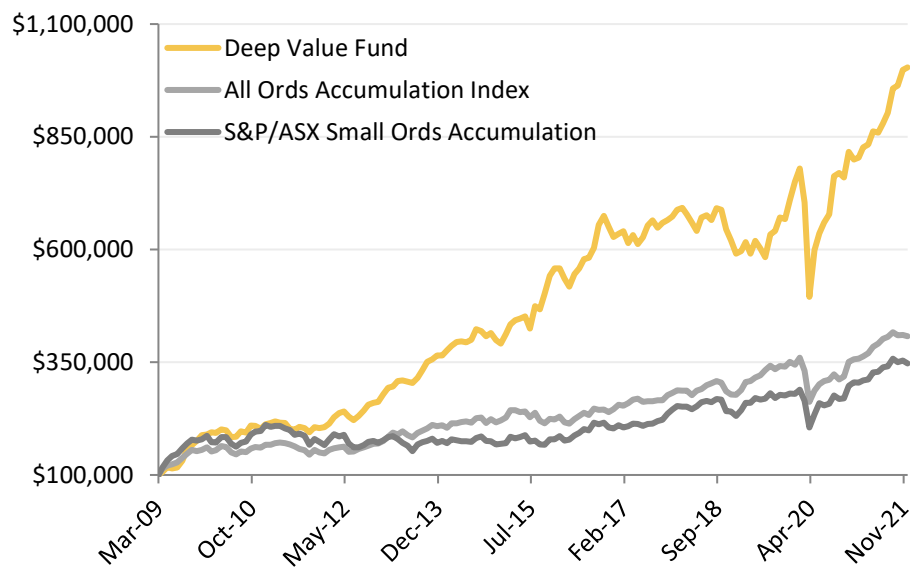
FUND OUTLINE

Fund Manager:

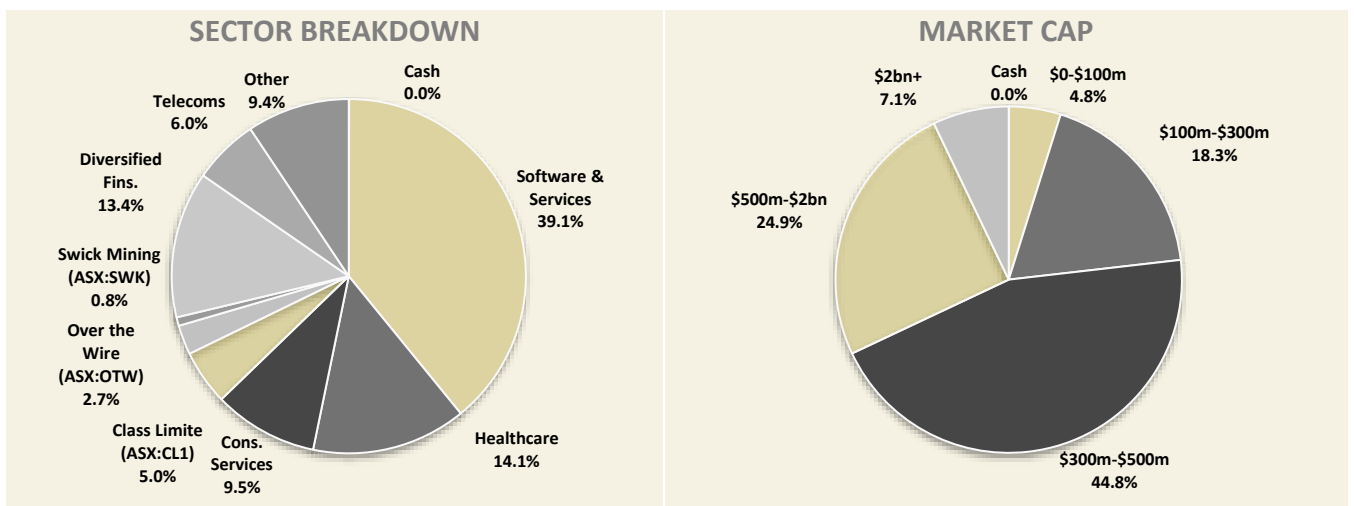
Carlos Gil (CIO)

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 > **\$1,003,884**



	Compound p.a. since Inception	Total since inception	12 Year	10 Year	7 Year	5 Year	3 Year	1 Year	1 Month
DVF	19.83%	903.88%	14.98%	17.27%	14.09%	9.85%	17.39%	22.97%	0.52%



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MARKET UPDATE AND COMMENTARY

The US employment numbers provided another tangible data point that the world's largest economy needs very little stimulus to continue its growth phase. The US economy added an impressive 531,000 jobs last month pointing towards accelerating economic growth. Average hourly earnings is now tracking at a growth rate of +4.9%, suggesting wage inflationary pressure. That figure will likely be closely watched over the coming months. For much of the past decade, despite solid economic growth, the average US hourly earnings failed to grow beyond rates of +2.5%. The current growth rate is the highest ever recorded since the US Bureau of Labour Statistics started tracking the measure back in March 2007. The inflationary risks which we have previously cited in our updates, appear to be increasing and increase the chances that the Federal Reserve may raise rates in 2022. In Australia trading conditions and consumer spending are likely to end the calendar year on a strong note as pent up demand during the lockdowns is unleashed, particularly in the services sector of the economy.

Microequities Deep Value Fund returned 0.52% in November; this brings the total return net of fees to 903.88% for the Fund since inception in March 2009.

November saw the takeover of **Empired Ltd (ASX:EPD)** come to its conclusion, with the scheme of arrangement fully implemented and the last of the proceeds received by the Fund. As previously stated, our investment universe is currently abundant with opportunities and we redeployed the proceeds of the sale within some of our most undervalued assets in the portfolio, whilst also adding to a new company we recently started acquiring.

The new company is a software business with a SaaS business model. The business is rapidly growing organically but has also historically bolstered its growth through acquisitions. It has a sizable addressable market in its product vertical, both domestically and internationally. The business is well known to the investment management team and has been previously owned in the Deep Value Fund. With the price down by more than 40% from its peak, the investment management team has taken the opportunity to reinvest in what is a quality business with long term growth runway.

We are happy to report that the current market conditions continues to present many very high quality prospective investments.

Projected EPS Growth	
1 Year Forward (on a weighted basis)	+30.2%
Projected EPS Growth	
2 Years Forward (on a weighted basis)	+26.2%

Number of companies	34
Top 5 Holdings % of NAV	41.6%
Top 10 Holdings % of NAV	61.9%
Top 20 Holdings % of NAV	86.2%
Cash Position % of NAV	0.0%

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.