

DEEP VALUE FUND



MONTHLY PERFORMANCE AS AT 30/11/2022

latest unit price \$4.3427	return since inception (March 2009) 753.64%	return 1 month 4.71%
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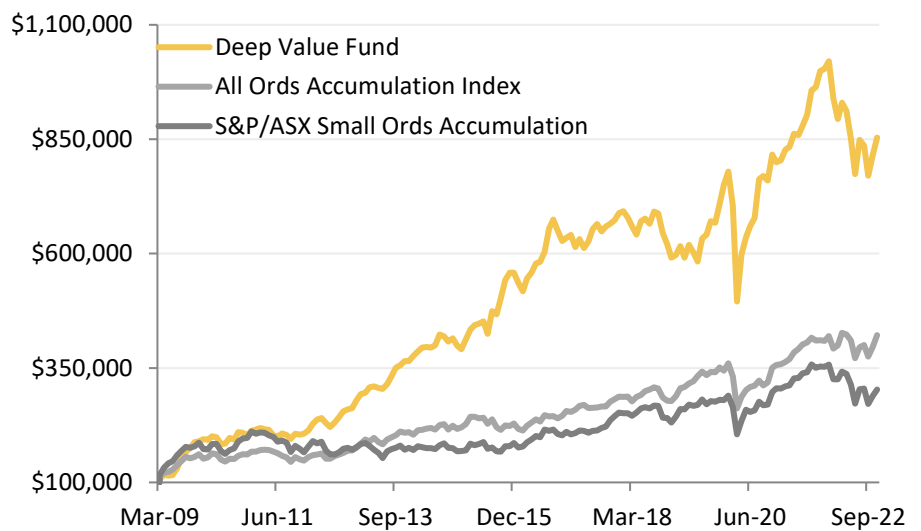
FUND OUTLINE

Fund Manager:

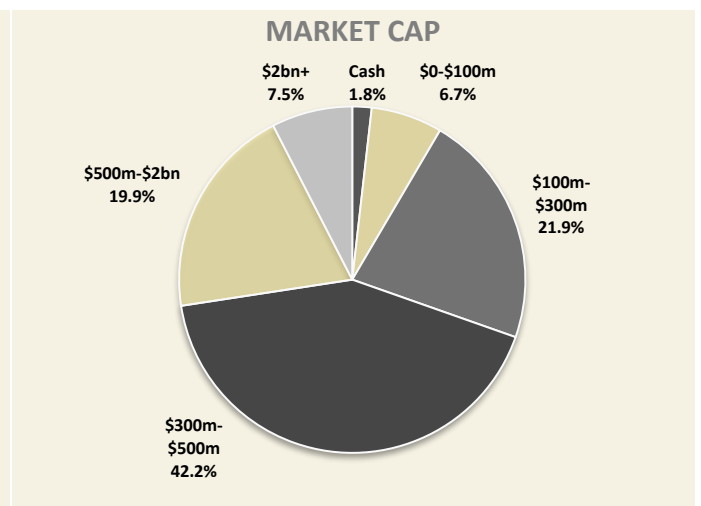
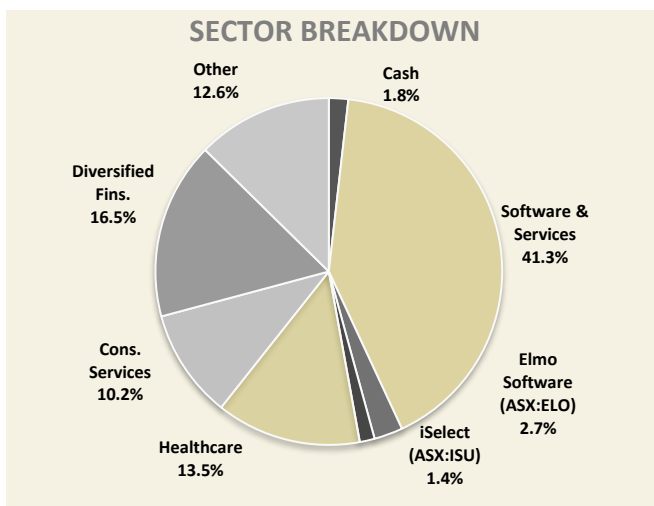
Carlos Gil (CIO)

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 > **\$853,635**



	Compound p.a. since Inception	Total since inception	12 Year	10 Year	7 Year	5 Year	3 Year	1 Year	1 Month
DVF	16.88%	753.64%	12.73%	12.53%	6.26%	4.87%	6.36%	-14.97%	4.71%



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MARKET UPDATE AND COMMENTARY

Financial markets continue to postulate that the US Federal Reserve will begin to taper the size of interest rate increases as the heat comes off the US labour market. The thesis was further strengthened after minutes from the last Federal Reserve meeting were released stating “A substantial majority of participants judged that a slowing in the pace of increase would likely soon be appropriate”. We kindly doubt there will be a pivot. Chairman Powell has been consistently hawkish in all his recent public announcements whilst Richmond Federal Reserve Bank president Thomas Barkin has publicly pronounced additional tightening and St Louis Fed president James Bullard has also reaffirmed the need for further tightening. Supply chain issues continue to persist and will contain deflationary pressures whilst China incurs another Covid induced lockdown that will not help. Domestically the Australian labour market remains buoyant with the Australian economy creating 32,000 jobs during the month of October and taking the unemployment rate to a half century low of 3.4%. The Australian labour market is extremely tight and the risks of further wage growth very high. The RBA will raise rates at its next December board meeting, but we think it unlikely to deviate from its 25-basis points path, at least at this meeting.

Microequities Deep Value Fund returned 4.71% in November; this brings the total return net of fees to 753.64% for the Fund since inception in March 2009.

A busy month for the investment management team as we continue to scramble for cash to capture and increase our investments across a significant number of excellent underinvested assets. We have rarely seen such breadth and depth of compelling investment opportunities. Our cash position is purposely very low for we are deploying capital to our maximum capacity, such are the opportunities.

Additionally, we have added a new investment to our portfolio. A small cap company that is profitable, growing rapidly and we think will dramatically scale over the next 5 years to become a meaningful player in a huge addressable market. Currently this new company only represents 1.4% of the net assets of the Deep Value Fund, but that is due to the reasons previously mentioned. It is not indicative of the stake we want to buy in this quality business.

Projected EPS Growth	
1 Year Forward (on a weighted basis)	+26.8%
Projected EPS Growth	
2 Years Forward (on a weighted basis)	+24.5%

Number of companies	34
Top 5 Holdings % of NAV	44.5%
Top 10 Holdings % of NAV	64.7%
Top 20 Holdings % of NAV	87.6%
Cash Position % of NAV	1.8%

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.