

DEEP VALUE FUND



MONTHLY PERFORMANCE AS AT 30/09/2023

latest unit price \$4.4299	return since inception (March 2009) 781.22%	return 1 month -0.57%
--------------------------------------	---	---------------------------------



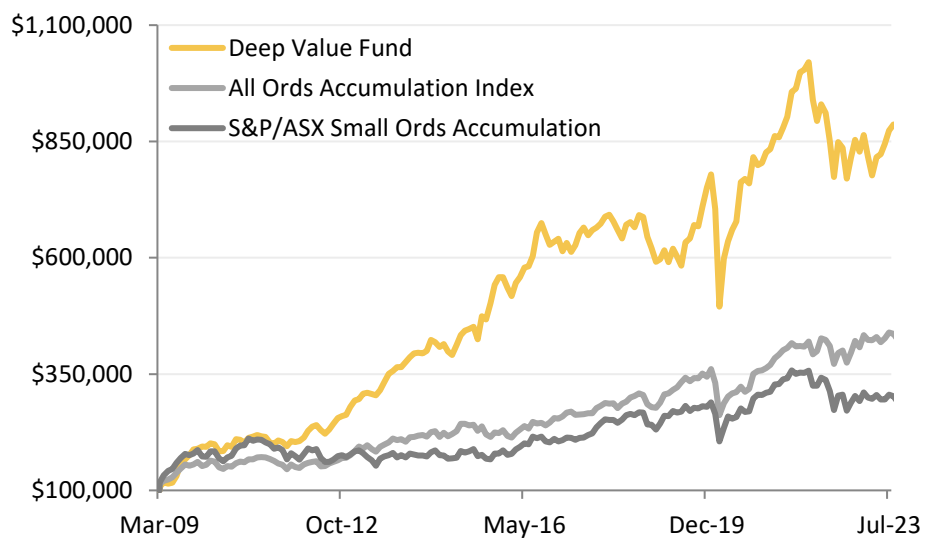
FUND OUTLINE

Fund Manager:

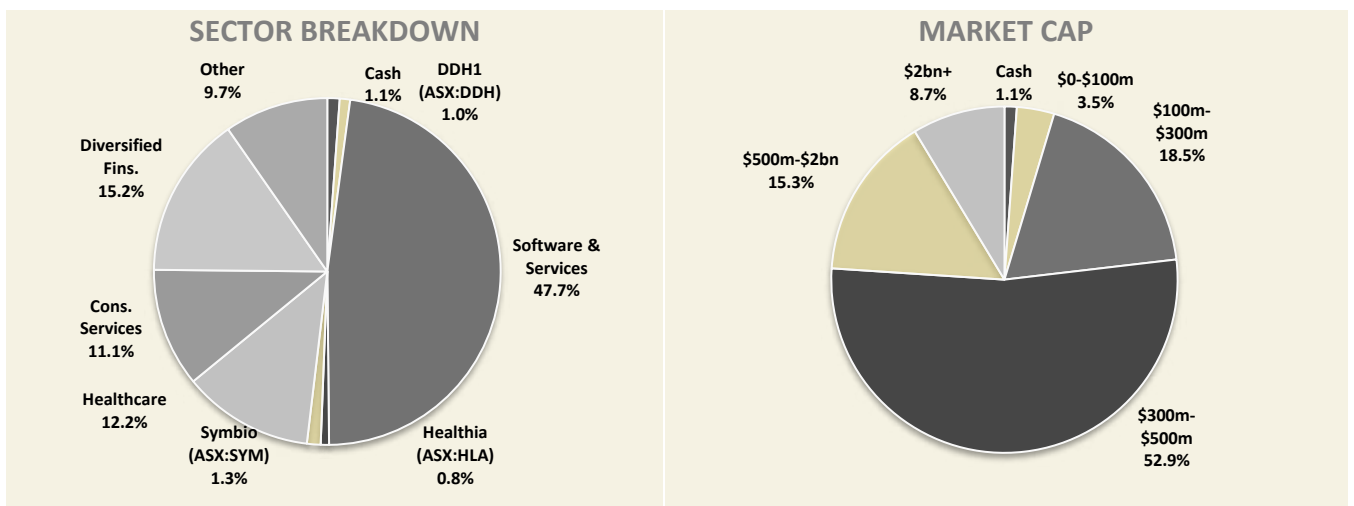
Carlos Gil (CIO)

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 > **\$881,217**



	Compound p.a. since Inception	Total since inception	12 Year	10 Year	7 Year	5 Year	3 Year	1 Year	1 Month
DVF	16.09%	781.22%	13.39%	9.65%	3.89%	5.08%	4.61%	14.38%	-0.57%



DEEP VALUE FUND



MARKET UPDATE AND COMMENTARY

September 2023 will go down as the month when the global central banks interest inflection point begun. Whilst it is unlikely that the US Federal Reserve will move to cut rates during 2023, the US is at or very near peak rates. So, too is the European Union, which this month saw the ECB raise rates to an all-time high for the institution (it raised rates 25 basis points to 4%) but implied rates have peaked "Based on its current assessment, the Governing Council considers that the key ECB interest rates have reached levels that, maintained for a sufficiently long duration, will make a substantial contribution to the timely return of inflation to the target". Over in the UK, the Bank of England surprisingly kept rates unchanged in a close vote, citing weakness in the UK property market and slowing inflation data. The latter is the key data point for central bankers around the world. Core inflation in the US (which strips out volatile energy and food prices) is trending downwards and could fall below 4% in the coming months, whilst in the EU it has been falling since March this year when it reached 8.7%, with the current rate at 6.9% and expected to fall further. Over in Australia, early in the year, we called that there was at most 75 basis points increase before we reached peak rates this cycle. So far, the RBA has increased 50 basis points.

Microequities Deep Value Fund returned -0.57% in September; this brings the total return net of fees to 781.22% for the Fund since inception in March 2009.

We are pleased to announce the Deep Value Fund has added a new investee company to its portfolio. The company is an enterprise software company with a SaaS business model. It has a large diversified high quality international client base, and its industry vertical is poised to increase significantly over the next decade. We have followed the business for several years since its IPO and consider the company has stabilised its operations and will achieve growth over the FY24 period and beyond. Given the deep value price point, there is a significant possibility the company may become vulnerable to unsolicited takeover approaches though, we need to emphasise, this does not form part of our investment thesis. The capital deployed in this business over the course of September represents a mere beachhead and currently an immaterial weighting in the Fund. Part of the reason for this, is we still have an array of exciting, underweighted assets in the Fund and given the relatively small cash holdings there is large competition for our limited capital. This is of course an excellent problem to have and says a lot about the highly attractive pricing environment and undervalued assets in the Deep Value Fund.

Projected EPS Growth	
1 Year Forward (on a weighted basis)	+23.0%
Projected EPS Growth	
2 Years Forward (on a weighted basis)	+22.9%

Number of companies	32
Top 5 Holdings % of NAV	47.4%
Top 10 Holdings % of NAV	67.7%
Top 20 Holdings % of NAV	90.7%
Cash Position % of NAV	1.1%

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.