

# DEEP VALUE FUND



## MONTHLY PERFORMANCE AS AT 31/10/2023

latest unit price <b>\$4.1293</b>	return since inception (March 2009) <b>721.42%</b>	return 1 month <b>-6.79%</b>
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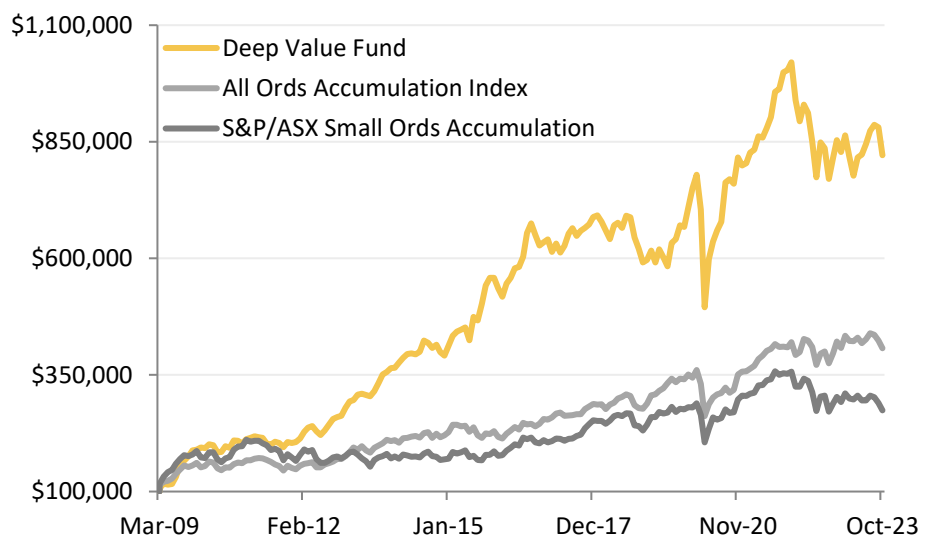
### FUND OUTLINE

Fund Manager:

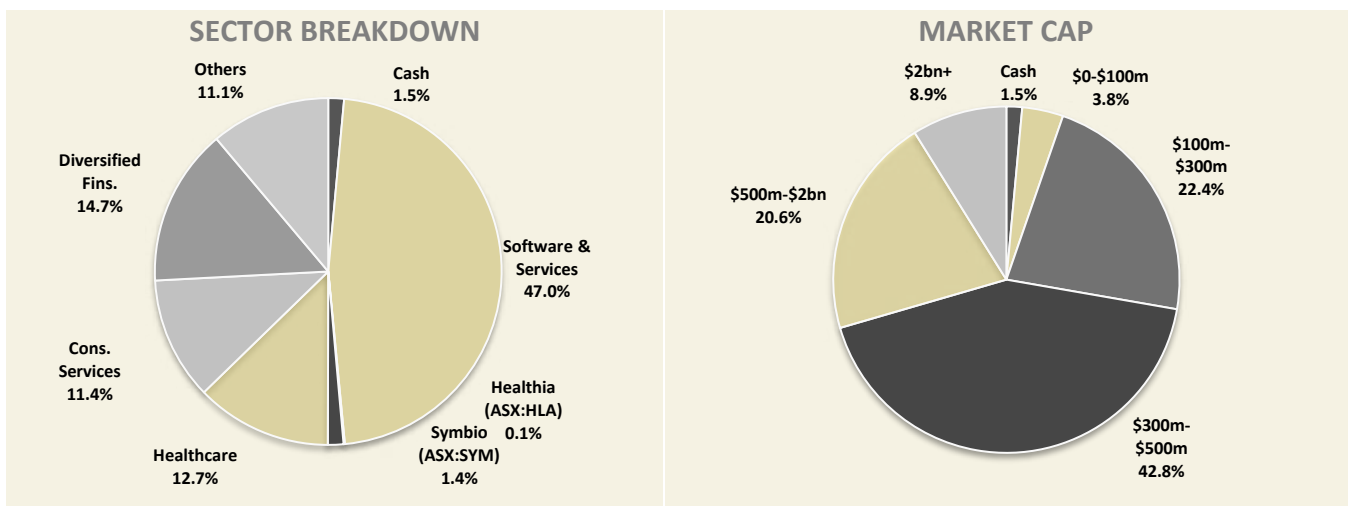
Carlos Gil (CIO)

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 > **\$821,421**



	Compound p.a. since Inception	Total since inception	12 Year	10 Year	7 Year	5 Year	3 Year	1 Year	1 Month
DVF	15.44%	721.42%	12.21%	8.71%	3.39%	4.96%	2.63%	0.76%	-6.79%



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## MARKET UPDATE AND COMMENTARY

The geopolitical landscape and upsetting events in the Middle East have dominated investor sentiment during the month. Outside of the human tragedy of the events taking place, the evolving and fluid military conflict has at the time of writing a potentially broad spectrum of potential geopolitical consequences and it will take some time to identify a more probable narrower range. In economic news, the strength of the US economy was further validated via the third quarter US GDP figures which printed a surprising 4.9% economic growth number. The number more than doubled the pace of the previous quarter's 2.1% print. We do not expect the US to sustain this pace of economic growth as falling credit availability and the higher cost of credit will impact consumer demand. In Australia, a hotter than expected CPI report for the September quarter of 1.2% (up from 0.8% previous quarter) places the annual inflation rate at 5.4%. The rate has markedly increased the probability of an RBA rate increase at the November meeting. China has announced a US\$137b government bond issuance to boost economic growth into 2024.

**Microequities Deep Value Fund returned -6.79% in October; this brings the total return net of fees to 721.42% for the Fund since inception in March 2009.**

**Symbio Ltd (ASX:SYM)** which currently represents 1.4% of the net assets in the Deep Value Fund received a counteroffer from **Aussie Broadband Ltd (ASX:ABB)** after it had previously received a takeover proposal from **Superloop Ltd (ASX:SLC)**. The Symbio board deemed Aussie Broadband's proposal to be superior and granted Aussie Broadband due diligence access. Late in the month Symbio received a binding takeover offer from Aussie Broadband after the latter had concluded its due diligence. The deal will provide us with a successful and profitable exit out of Symbio whilst providing the Fund with a cash injection at a time where there is huge pricing dislocation to take advantage of.

During the month the investment management team also increased its stake in the new company we initiated in the Fund last month. This SaaS software company has an international client base and is growing strongly. It is an excellent asset for the Deep Value Fund and provides the Fund another high quality software constituent. This investment has been made possible thanks the realisation of proceeds from **Healthia Ltd (ASX:HLA)** which has been almost fully sold down following the takeover of the company at an 84.6% premium.

<b>Projected EPS Growth</b>	
1 Year Forward (on a weighted basis)	<b>+21.4%</b>
<b>Projected EPS Growth</b>	
2 Years Forward (on a weighted basis)	<b>+22.7%</b>

<b>Number of companies</b>	<b>32</b>
<b>Top 5 Holdings</b> % of NAV	<b>46.6%</b>
<b>Top 10 Holdings</b> % of NAV	<b>67.6%</b>
<b>Top 20 Holdings</b> % of NAV	<b>90.7%</b>
<b>Cash Position</b> % of NAV	<b>1.5%</b>

**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.