

DEEP VALUE FUND



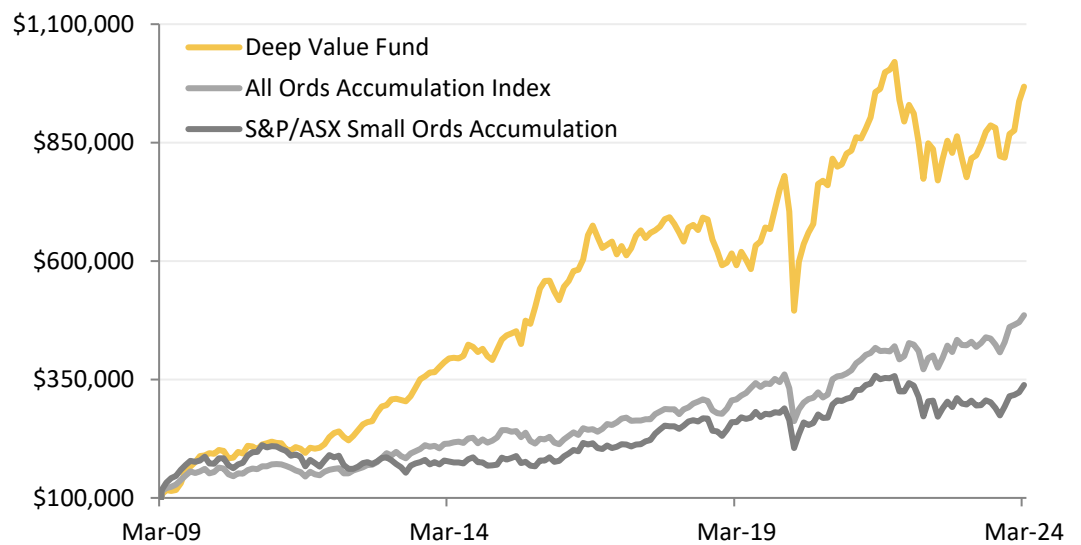
MONTHLY PERFORMANCE AS AT 31/03/2024

latest unit price \$4.8659	return since inception (March 2009) 867.95%	return 1 month 3.28%
--------------------------------------	---	--------------------------------

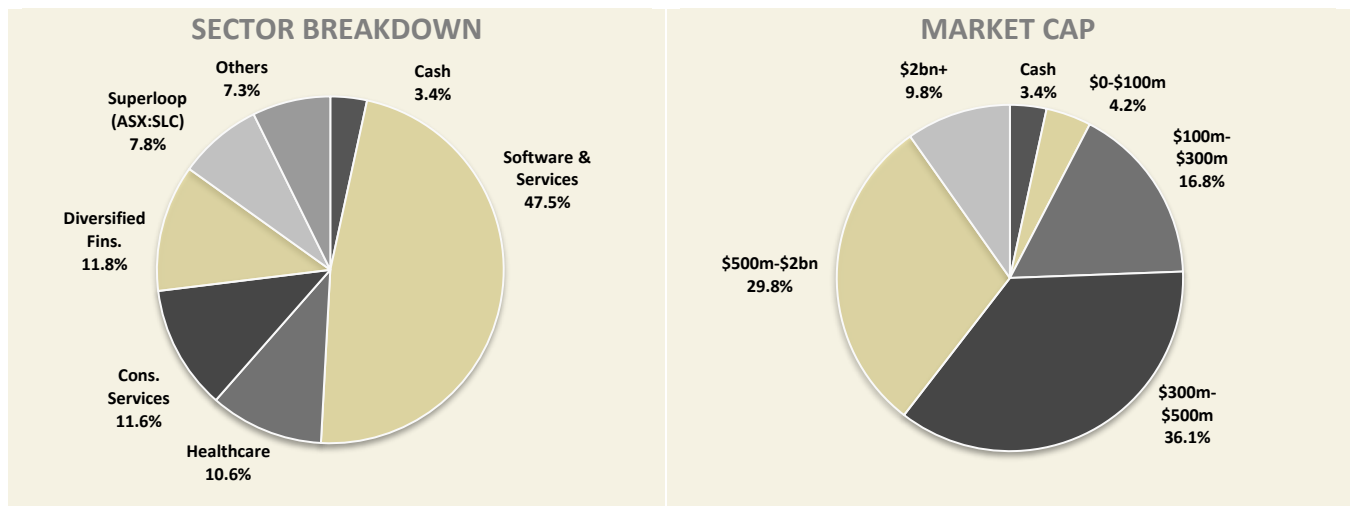
FUND OUTLINE

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 > **\$967,949**



	Compound p.a. since Inception	Total since inception	15 Year Compound Annual	12 Year Compound Annual	10 Year Compound Annual	5 Year Compound Annual	3 Year Compound Annual	1 Year	1 Month
DVF	16.24%	867.95%	15.83%	12.44%	9.39%	10.37%	5.13%	24.54%	3.28%



DEEP VALUE FUND



MARKET UPDATE AND COMMENTARY

The US Federal Reserve, predictably, kept rates on hold for its March meeting. All eyes however were on the wording in the statement and more importantly whether it would continue to signal rate cuts during 2024. It did not disappoint, wording in the official statement said rate reductions would “likely be appropriate” later in the year but under the proviso that the economy “evolves broadly as expected”. The strength of the US economy continues to give the Fed the benefit of time, with the unemployment rate at 3.9% and ongoing economic growth of the US economy is avoiding a pathway to a recession. The Fed therefore doesn’t need to rush into cutting rates, it has the luxury of waiting for more data points that validate the cadence of slowing inflation while keeping a restrictive monetary policy. Domestically, the Australian unemployment rate surprisingly dropped back to 3.7% after the economy created 116k jobs. The strength of the Australian economy has allowed households to navigate through a tough cost of living environment. We continue to see the inflationary outlook in Australia as more challenged than that of the US, with wage growth feeding structural elements into inflationary pressure.

Microequities Deep Value Fund returned 3.28% in March; this brings the total return net of fees to 867.95% for the Fund since inception in March 2009.

The battle for control of **Superloop (ASX:SLC)** which currently represents 7.8% of the Deep Value Fund, took an interesting turn during the month. For context, **Aussie Broadband (ASX:ABB)** back in February revealed it had acquired 19.9% of Superloop and consequently launched an opportunistic offer to acquire Superloop at \$0.95 per share. That indicative offer was promptly rejected by Superloop. Shortly after the rejection, Superloop announced it had signed its biggest wholesale contract in the history of the company. The wholesale contract will add \$19m of EBITDA annually once fully deployed. The client was none other than **Origin Energy (ASX:ORG)** which happened to have an existing wholesale relationship with, yes you guessed it, Aussie Broadband. Superloop also revealed as part of the deal Origin will be issued 9.8m shares in Superloop, a further 9.8m shares upon successful migration of Origin’s existing NBN customers plus an option to acquire 55.6m further shares and up to \$30m worth of Superloop shares subject to growth hurdles. The deal means Aussie Broadband has lost a significant client, Superloop has gained a very large client and upgraded its guidance in FY24 to \$51-53m EBITDA whilst also announcing that it expects FY25 growth of 60-70%. The scrip issue also effectively introduces a potential interloper if Aussie Broadband was to make another tilt for Superloop. We remain fully committed to our Superloop investment and deem the Origin contract win as a transformational win.

Projected EPS Growth	
1 Year Forward (on a weighted basis)	+21.0%
Projected EPS Growth	
2 Years Forward (on a weighted basis)	+23.7%

Number of companies	33
Top 5 Holdings % of NAV	45.4%
Top 10 Holdings % of NAV	65.2%
Top 20 Holdings % of NAV	88.3%
Cash Position % of NAV	3.4%

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.