

DEEP VALUE FUND



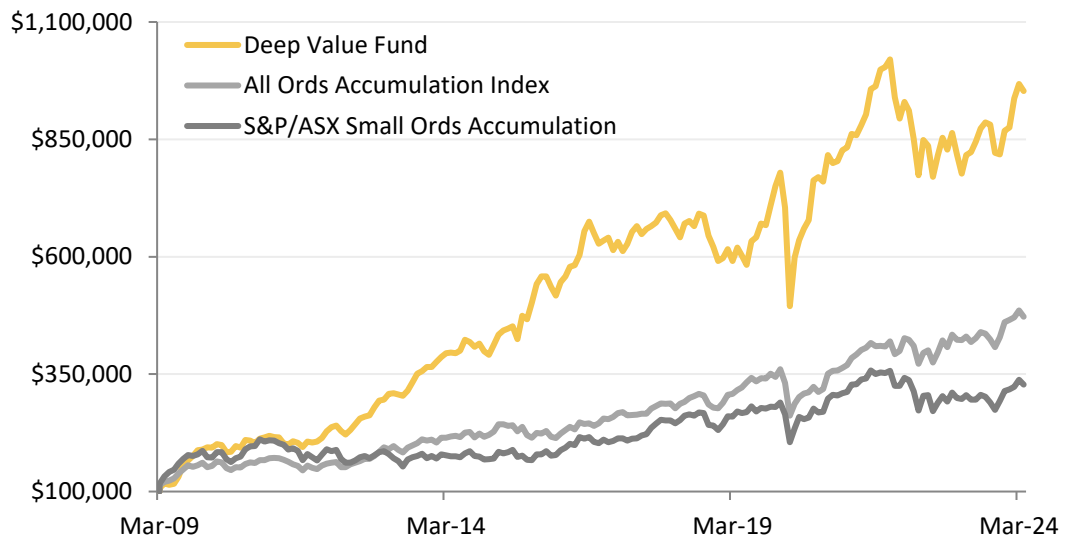
MONTHLY PERFORMANCE AS AT 30/04/2024

latest unit price \$4.7895	return since inception (March 2009) 852.75%	return 1 month -1.57%
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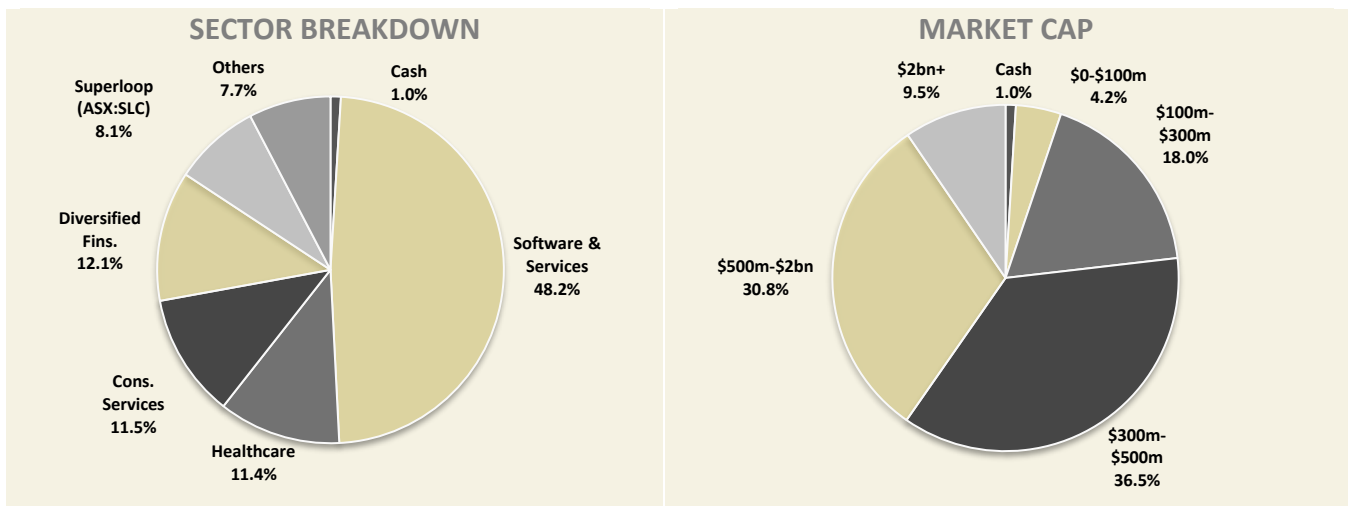
FUND OUTLINE

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 > **\$952,751**



	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	16.02%	852.75%	15.00%	12.16%	9.17%	9.00%	3.40%	16.69%	-1.57%



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MARKET UPDATE AND COMMENTARY

In last month's update we stated that the Fed, due to the strength of the US economy, has the luxury of time. It does not need to rush into cutting rates. The data points issued during this month, suggest that the Fed will not be cutting rates anytime over the next few months. The CPI for March rose 0.5%, taking the annual CPI to 3.5% whilst core CPI (which excludes food and energy prices) rose to 3.8%. Core CPI has increased at a pace of 4.2% in the first quarter of the year, undermining the downward trend required for any short-term rates cuts. In late April, the core PCE (personal consumption expenditures), the Fed's favourite inflation measure, for March was released showing an increase 0.3% with the annualised rate running at 2.8%. Whilst the trend on core PCE continues to be downward, strong consumption together with core CPI is unlikely to persuade the Fed to move on rates anytime soon. Financial markets will need absorb a "higher for longer" regime. Positively, economic momentum continues to support a strong labour market, and the bedrock of the US economy, personal consumption, shows no signs of letting up. In China, first quarter GDP rose at annual pace of +5.3% driven by capital investment and industrial production, a slightly faster rate than the previous quarter.

Microequities Deep Value Fund returned -1.57% in April; this brings the total return net of fees to 852.75% for the Fund since inception in March 2009.

The investment management team made the decision to add a new investee company to the Deep Value Fund, taking the total number of investments to 34. The new business added to the portfolio is a software technology provider that has mostly government agency contracts across Australia and international regions. We would rate the quality of its business model as the highest level of quality available across the ASX. In simple words, it is a superb business with a strong and highly probable growth runway in front of it. Due to the limited cash position of the Fund the initial stake in this business is currently very small and non-material. Subject to net inflows and/or asset disposals we intend to build on our initial stake on the condition that we can buy at or near current prices.

The Deep Value Fund currently has 4 investments whose weighting cumulative adds to less than 1% of the Fund's total assets. This is not an intended allocation but a reflection of the vast opportunity set presently available to us with insufficient cash resources to fully capture them. This should convey to our investors that the current investment climate is extremely favourable for capital deployment into our asset class.

Projected EPS Growth	
1 Year Forward (on a weighted basis)	+20.6%
Projected EPS Growth	
2 Years Forward (on a weighted basis)	+23.8%

Number of companies	34
Top 5 Holdings % of NAV	46.1%
Top 10 Holdings % of NAV	66.9%
Top 20 Holdings % of NAV	90.9%
Cash Position % of NAV	1.0%

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.