

DEEP VALUE FUND



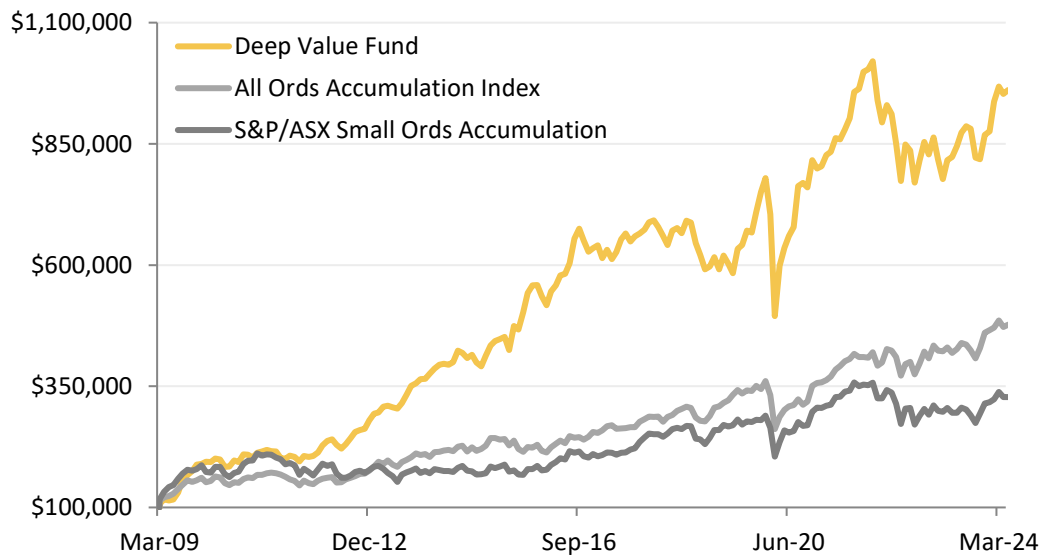
MONTHLY PERFORMANCE AS AT 31/05/2024

latest unit price \$4.8291	return since inception (March 2009) 860.63%	return 1 month 0.83%
--------------------------------------	---	--------------------------------

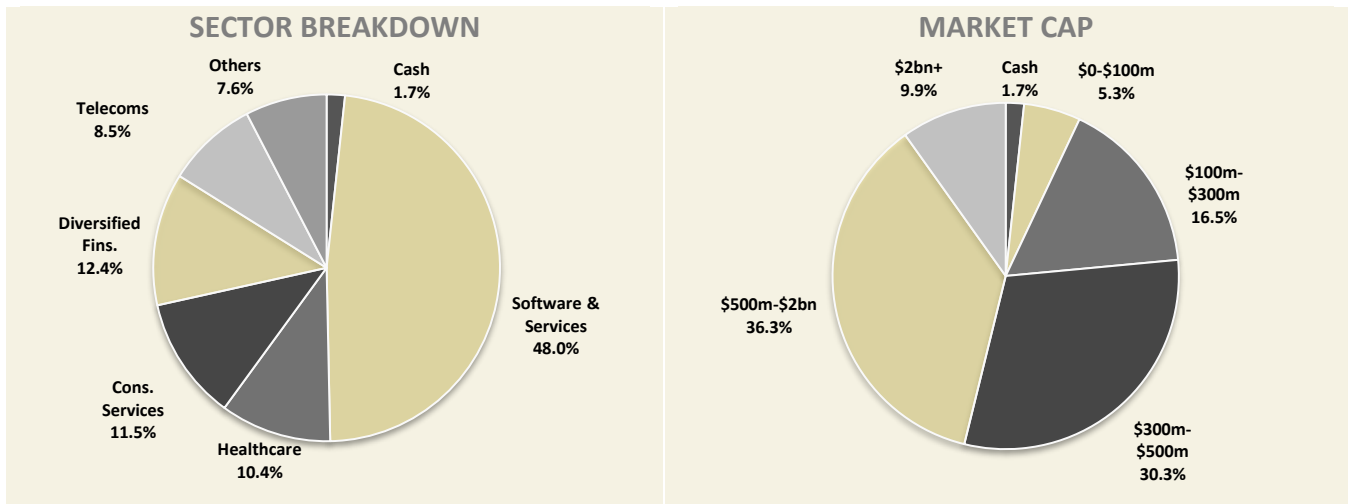
FUND OUTLINE

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 > **\$960,629**



	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	15.99%	860.63%	15.22%	12.68%	9.31%	9.78%	3.80%	16.75%	0.83%



DEEP VALUE FUND



MARKET UPDATE AND COMMENTARY

Australia's headline CPI number for March ticked up to 3.6% from 3.5%. Core inflation (removing volatile price items such as fruit and vegetables, energy) remained unchanged at 4.1%. Monthly inflation numbers can be volatile, and this data print is unlikely to change RBA's thinking and remains within the forecast range. We expect the RBA to keep rates unchanged at its next meeting. Over in Europe, Germany, the biggest economy in the European Union, clawed back to economic growth in the first quarter of 2024 with its GDP expanding at +0.2%, after declining in the last quarter of 2023. The data print follows a similar pattern to the UK which also returned to economic growth during its first quarter, with its GDP expanding by 0.6% for the first three months of 2024. The overall picture for Europe is one of a slowly improving economy after a 2023 that would best be categorised as a stagnant economic performance.

Microequities Deep Value Fund returned 0.83% in May; this brings the total return net of fees to 860.63% for the Fund since inception in March 2009.

Shares in Deep Value Fund investee **OFX Ltd (ASX:OFX)** surged this month following the publication of its FY24 financial results. OFX achieved underlying EBITDA (excluding Paytron) growth of +8.2% on the back of a +6.3% increase in its Net Operating Income (NOI). The business which has consistently generated significant free cash flow is now in a net cash position following aggressive financial debt repayments. The business provided medium term guidance stating it expects to grow its NOI at least by 10% p.a. for the next 3 years and maintain EBITDA margins in the range of 28-30%. Despite the share price appreciation since the publication of the FY24 results the company has reinstated its buyback. OFX remains a high quality strong free cash flow generative business and remains considerably undervalued by the market.

Smartpay (ASX:SMP) announced that it had executed a payment facilitator agreement for New Zealand with Cuscal Payments New Zealand. The agreement with Cuscal is one of the key agreements necessary for Smartpay to enter the New Zealand acquiring market. Entering the New Zealand acquiring market would make Smartpay a trans-Tasman instore payment provider and presents a material commercial opportunity for the group. Smartpay also announced its FY24 results during the month. Revenue of NZ\$96.5m was up 24% and normalised EBITDA of NZ\$21.3m was 18% higher.

Projected EPS Growth	
1 Year Forward (on a weighted basis)	+21.3%
Projected EPS Growth	
2 Years Forward (on a weighted basis)	+18.6%

Number of companies	34
Top 5 Holdings % of NAV	46.9%
Top 10 Holdings % of NAV	67.1%
Top 20 Holdings % of NAV	90.3%
Cash Position % of NAV	1.7%

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.