

DEEP VALUE FUND



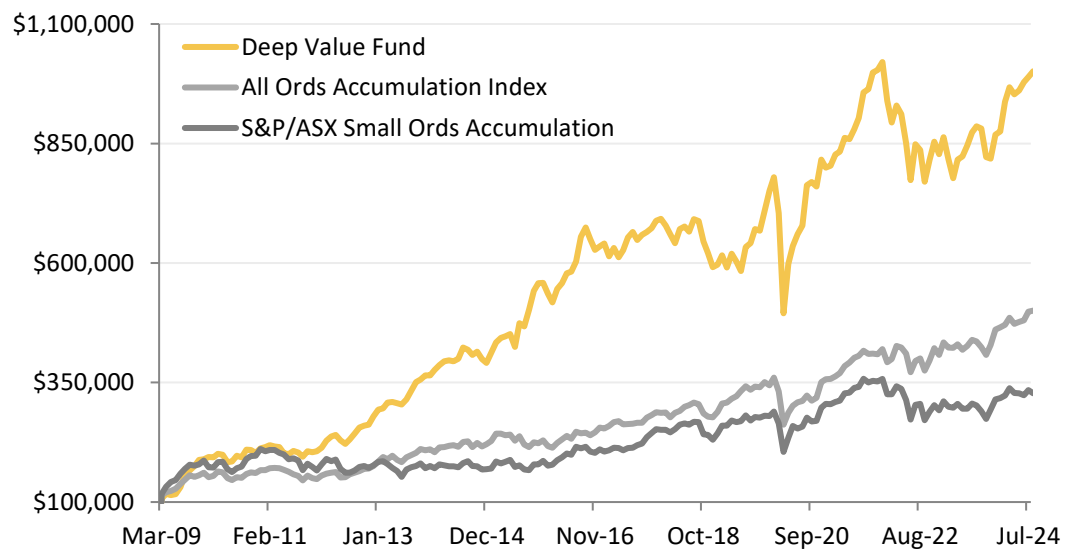
MONTHLY PERFORMANCE AS AT 31/08/2024

latest unit price \$5.0317	return since inception (March 2009) 900.98%	return 1 month 1.19%
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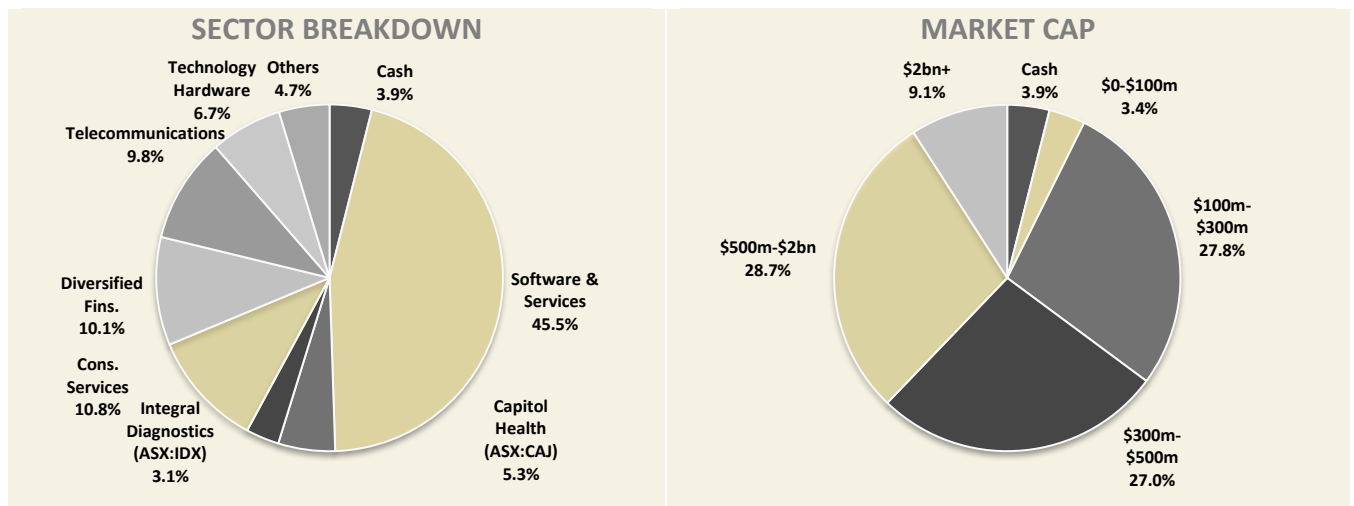
FUND OUTLINE

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 > **\$1,000,981**



	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%	900.98%	13.14%	12.52%	9.11%	9.31%	1.51%	12.94%	1.19%



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MARKET UPDATE AND COMMENTARY

The US Federal Reserve's preferred measure of inflation, the Personal Consumption Expenditure Price Index (PCE), remained unchanged at 2.5%, slightly below the market expectation of 2.6%. This stable figure paves the way for the Fed to consider a rate cut at the next meeting on the 17th of September. This data point follows comments made earlier this month by Federal Reserve Chairman Jerome Powell, who noted that “the time has come for policy to adjust,” reflecting growing confidence that the US economy is moving toward the Fed’s inflation target of 2%. This shift marks a significant moment in US monetary policy, after a period during which the central bank raised rates to their highest levels in over 20 years. In another indication of the US economy's remarkable soft landing, consumer spending for July increased by a solid 0.5%, a robust figure suggesting that the Fed is unlikely to cut rates by more than 25 basis points at its upcoming meeting. Meanwhile, domestically, Australia is unlikely to see a rate cut in 2024, as persistent wage increases continue to stoke inflation, which is more structural in nature and therefore harder to reduce.

Microequities Deep Value Fund returned 1.19% in August; this brings the total return net of fees to 900.98% for the Fund since inception in March 2009.

It was an excellent FY24 reporting season which showcased the earnings growth of the core of the Deep Value portfolio which delivered weighted average EPS growth of +25.4%, a figure above our internal expectations for the Fund.

	FY24 EPS Growth Weighted Average
35 companies of the total 36 companies reported FY24 financials in the period May to August 2024. (The 35 companies represent 99% of the non-cash assets of the Deep Value Fund)	+25.4%

We also ask our investors to note the strong double digit EPS growth is forecast to continue into FY25 & FY26. The Deep Value Fund has 4 core investments which in aggregate make up 40% of the net assets of the Fund which we expect to double in profit over the next few years. During the month we have continued to make selective purchases in an IT services company, as we look to build a sizeable stake in the business. We have also almost finalised the sell down of **Fleetpartners Group Ltd (ASX:FPR)** after a highly successful multiyear investment in the business. Whilst we have a positive view of the business, we have stronger value/growth opportunities elsewhere.

Projected EPS Growth	
1 Year Forward (on a weighted basis)	+21.4%
Projected EPS Growth	
2 Years Forward (on a weighted basis)	+25.5%

Number of companies	36
Top 5 Holdings % of NAV	45.5%
Top 10 Holdings % of NAV	67.9%
Top 20 Holdings % of NAV	88.8%
Cash Position % of NAV	3.9%

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.