

# DEEP VALUE FUND



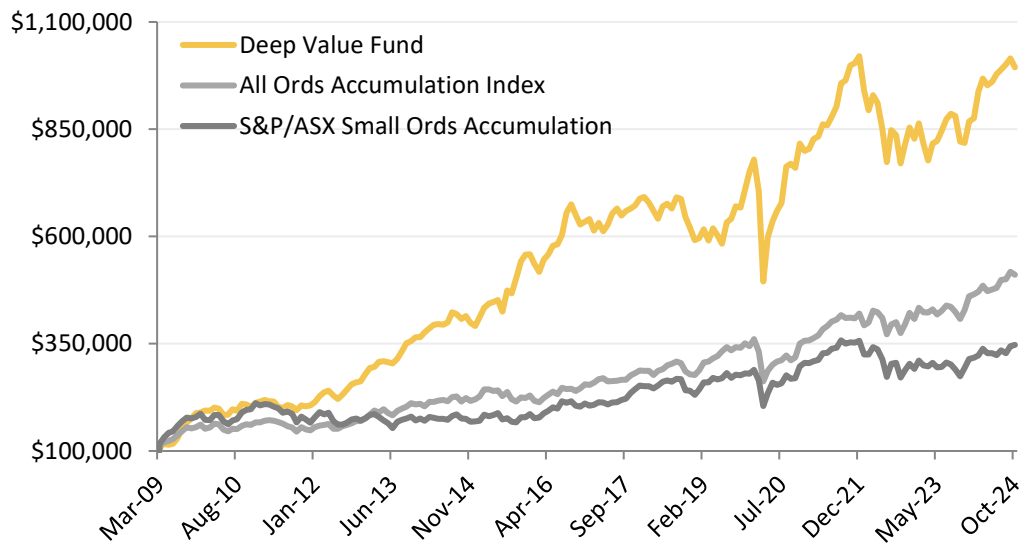
## MONTHLY PERFORMANCE AS AT 31/10/2024

latest unit price <b>\$4.9973</b>	return since inception (March 2009) <b>894.14%</b>	return 1 month <b>-2.05%</b>
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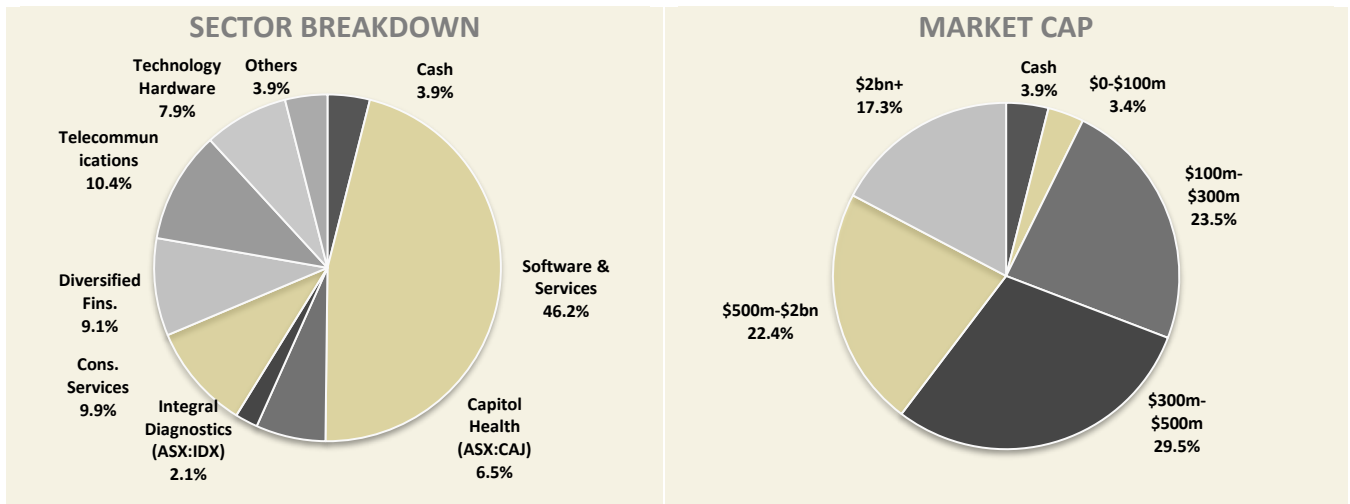
### FUND OUTLINE

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 > **\$994,138**



	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
<b>DVF</b>	<b>15.79%</b>	<b>894.14%</b>	<b>12.26%</b>	<b>11.84%</b>	<b>9.14%</b>	<b>8.30%</b>	<b>-0.15%</b>	<b>21.03%</b>	<b>-2.05%</b>



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## MARKET UPDATE AND COMMENTARY

The Chinese economy expanded at an annual pace of +4.6% during Q3FY24, broadly in line with expectations and slightly lower than the +4.7% rate recorded in the previous quarter. Consumption in China remains weak with retail spending growing at an annual pace of +2.8%. The most positive element in the GDP report was investment spending which grew at +6.2%. Our view is China continues to face structural imbalances in its economy, which for the most part remain unremedied. China is stepping up its economic stimulus measures with the Vice-Minister of Finance announcing last week China will intensify countercyclical measures including measures to reduce local government debt risks, stabilise the property market and increasing income of key economic groups. The measures are expected to see Q4FY24 GDP growth accelerate. Domestically, Australia's remarkable jobs market has continued to strengthen with net employment growth for September surging by 64,100 new jobs. This was the sixth consecutive print above forecasts and marks an extraordinarily strong employment market which unintendedly will elongate the wait for interest rate cuts.

**Microequities Deep Value Fund returned -2.05% in October; this brings the total return net of fees to 894.14% for the Fund since inception in March 2009.**

During the month, we finalised the final sell down of **Fleetpartners Group (ASX:FPR)**. The exit concludes a highly successful investment in the company, which was initially purchased in August 2018, an investment tenure of more than 6 years that generated over +18.1% IRR.

During the month there were several trading updates from various companies in the Fund, including **OFX Ltd (ASX:OFX)** and **WEB Travel Group (ASX:WEB)** which referred to specific headwinds in their operating environment. In both cases the investment management team considers the fundamental impacts of these events to be non-structural in nature and therefore not impairing the long-term investment thesis of these investments.

Both **Capitol Health (ASX:CAJ)** and **Integral Diagnostics (ASX:IDX)** have experienced material share price appreciation since the acquisition of Capitol Health was first announced. In view of the material reduction in the gap between market price and intrinsic valuation, we have adjusted the weighting to reflect an updated risk/reward analysis.

<b>Projected EPS Growth</b>	
1 Year Forward (on a weighted basis)	<b>+23.8%</b>
<b>Projected EPS Growth</b>	
2 Years Forward (on a weighted basis)	<b>+25.6%</b>

<b>Number of companies</b>	<b>35</b>
<b>Top 5 Holdings</b> % of NAV	<b>46.5%</b>
<b>Top 10 Holdings</b> % of NAV	<b>69.7%</b>
<b>Top 20 Holdings</b> % of NAV	<b>88.8%</b>
<b>Cash Position</b> % of NAV	<b>3.9%</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.