

# DEEP VALUE FUND



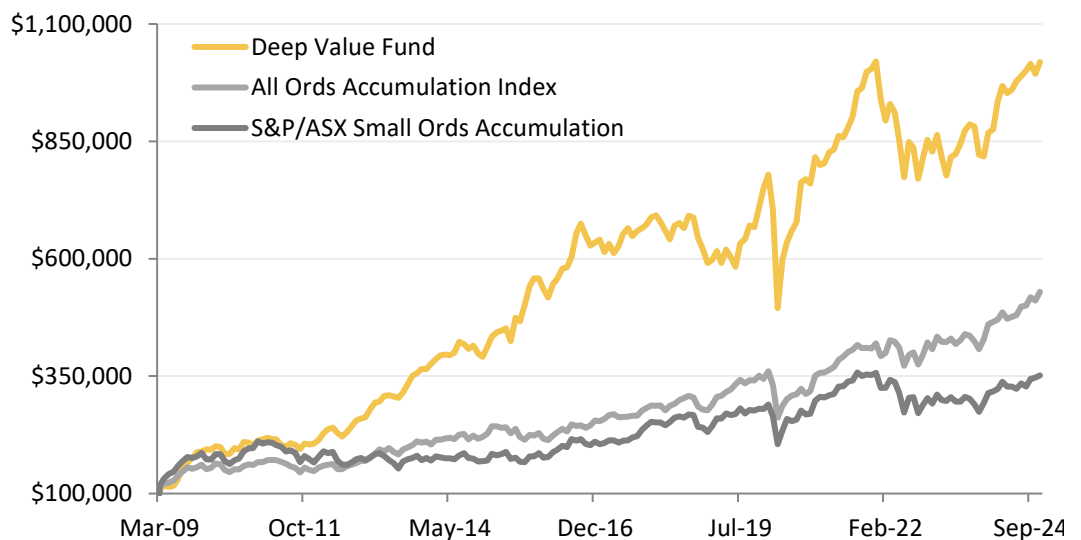
## MONTHLY PERFORMANCE AS AT 30/11/2024

latest unit price <b>\$5.1214</b>	return since inception (March 2009) <b>918.83%</b>	return 1 month <b>2.48%</b>
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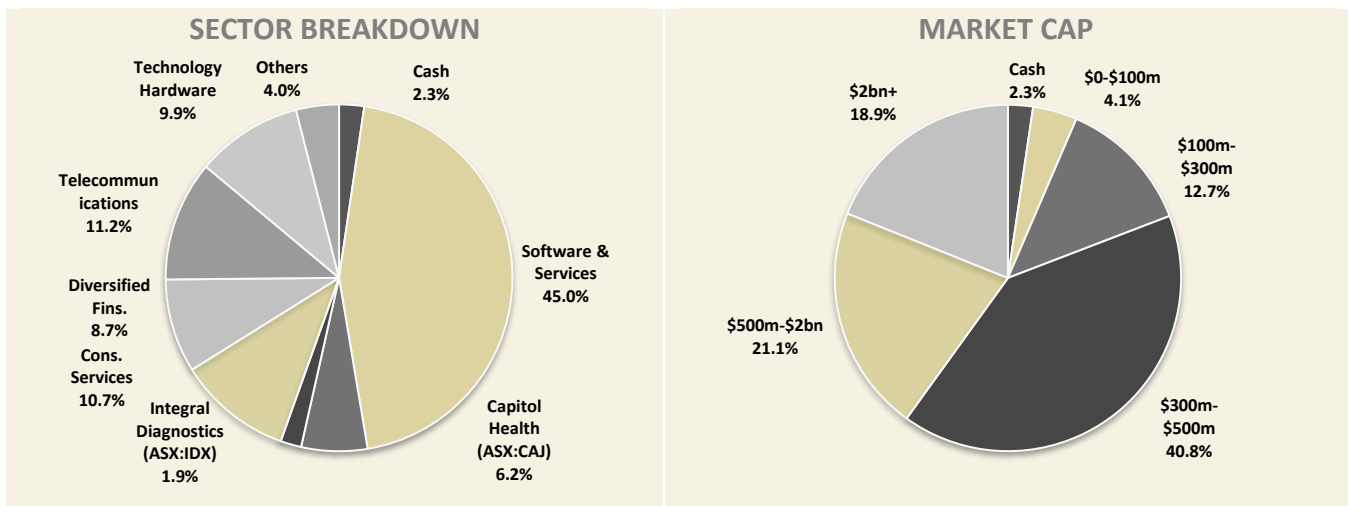
### FUND OUTLINE

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 > **\$1,018,826**



	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	15.88%	918.83%	11.92%	11.98%	9.83%	7.51%	0.49%	24.52%	2.48%



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## MARKET UPDATE AND COMMENTARY

Australia's underlying inflation remains sticky and uncomfortably above the Reserve Bank of Australia's (RBA) 2–3% target band. The October CPI figure, published by the RBA in late November, showed headline inflation falling to 2.1%. However, trimmed mean inflation, which reduces the impact of irregular or temporary price changes and provides a better measure of underlying inflation, rose from 3.2% to 3.5%. This increase in the underlying inflation rate cements the RBA cash rate at 4.35%, likely extending well into 2025. Australia's labour market remains tight, with wage growth uncomfortably high at 3.7% on an annual basis. In a late November data print, Eurozone inflation rose slightly to 2.3% (in line with expectations), while underlying inflation (excluding volatile energy and food prices) remained stable at 2.7%. The headline figure of 2.3% is slightly above the European Central Bank's (ECB) 2% target. These numbers may lead the ECB at its December meeting to favour a 25-basis-point interest rate cut instead of 50 basis points, though some argue that the 2% target itself is too conservative. In the United States, the election of Donald Trump triggered a broad-based rally in U.S. equity prices, driven by his campaign's "pro-growth" economic agenda.

**Microequities Deep Value Fund returned 2.48% in November; this brings the total return net of fees to 918.83% for the Fund since inception in March 2009.**

We are pleased to announce a new entrant into the Deep Value Fund. The Fund has acquired an initial stake in a growing fintech business with a strong long term growth runway. The initial weighting of this new entrant is small at 0.6% but we will look to build on the stake subject to realising sales from other assets held in the Fund.

**Web Travel Group (ASX:WEB)** which provides B2B hotel booking services for the wholesale travel agency market, published its 1H25 financial results. The results were adversely affected by a series of one-off events in Europe, including the collapse of German based tour operator FTI Group and increase incentive payments (overrides) to its travel agency customers. At the top line level, the group reiterated its TTV target of achieving \$10b by 2030, whilst it remains on track to achieve \$5b for FY25. Whilst the 1H25 results are disappointing, the long-term growth thesis of Web Travel Group remains a strong one and we believe the asset is currently undervalued.

Another of the Fund constituents which operates in the fintech space provided a positive AGM update with new medium term financial targets, and we took the opportunity to add to our investment in the business.

<b>Projected EPS Growth</b>	
1 Year Forward (on a weighted basis)	<b>+25.3%</b>
<b>Projected EPS Growth</b>	
2 Years Forward (on a weighted basis)	<b>+26.6%</b>

<b>Number of companies</b>	<b>36</b>
<b>Top 5 Holdings</b> % of NAV	<b>47.4%</b>
<b>Top 10 Holdings</b> % of NAV	<b>69.8%</b>
<b>Top 20 Holdings</b> % of NAV	<b>89.6%</b>
<b>Cash Position</b> % of NAV	<b>2.3%</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.