

DEEP VALUE FUND



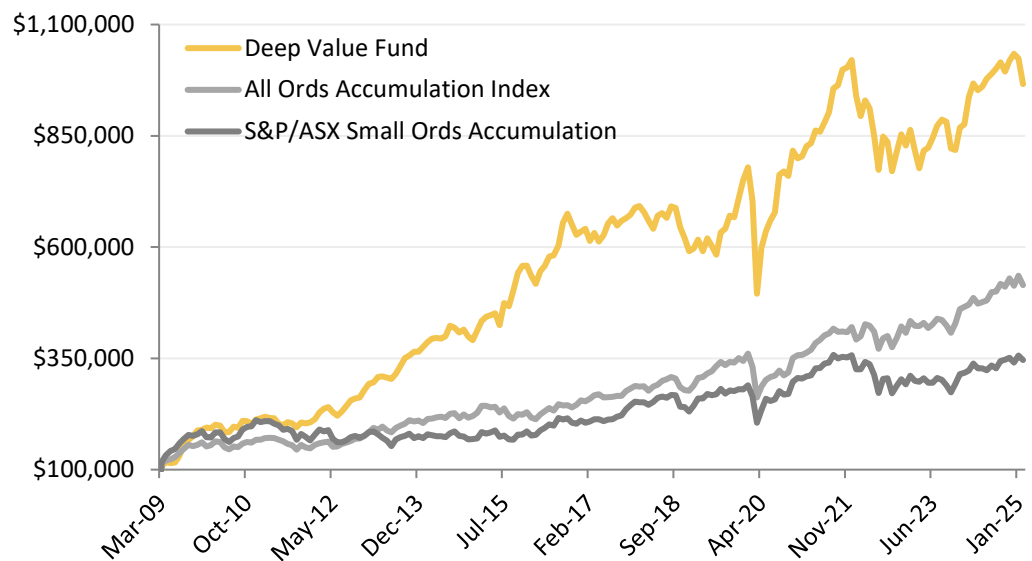
MONTHLY PERFORMANCE AS AT 28/02/2025

latest unit price \$4.8580	return since inception (March 2009) 866.43%	return 1 month -5.60%
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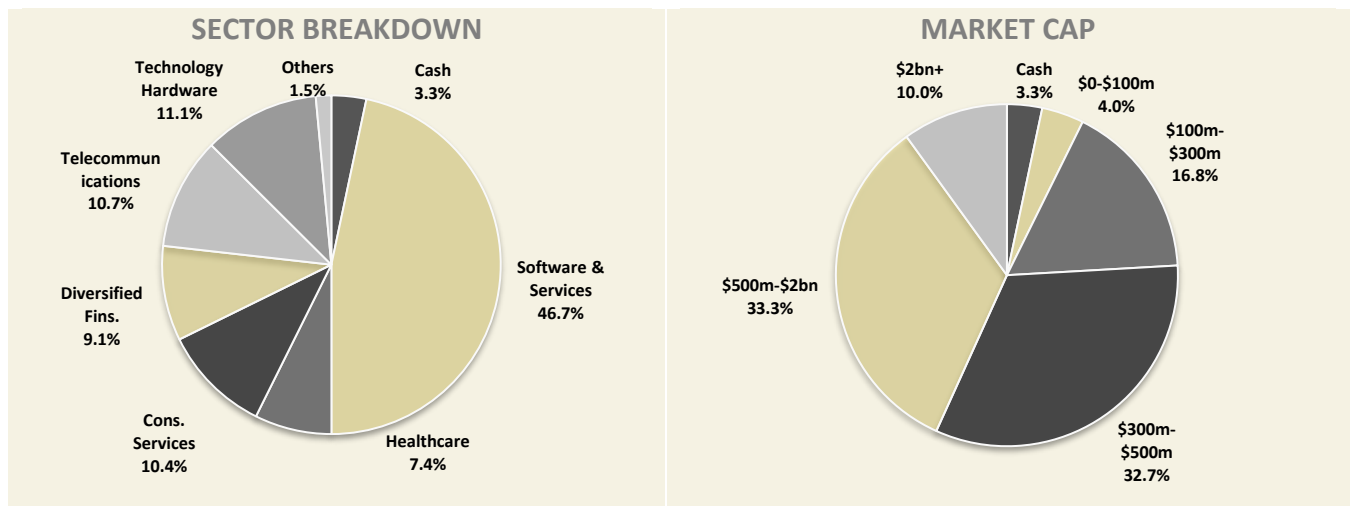
FUND OUTLINE

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 > **\$966,426**



	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	15.23%	866.43%	11.32%	10.37%	8.33%	6.52%	2.62%	3.11%	-5.60%



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MARKET UPDATE AND COMMENTARY

World equity markets were volatile throughout the month as investors grappled with distinguishing between the Trump administration's tactical rhetoric on tariffs, trade deals and the substantive policy measures that will ultimately be enacted. Concerns are also mounting over the new U.S. administration's DOGE cost-cutting program and the potential economic fallout. While U.S. job growth remains at relatively healthy levels, the full impact of these cost-cutting initiatives will take months to wash through the data. In China, anticipation is building ahead of the government's annual policy-making event, the "Two Sessions," set for March 5th. The event is expected to unveil further stimulus and support measures for the slowing Chinese economy. Notably, the government is likely to revise its inflation target to around 2%, the lowest in years. However, significant stimulus measures remain unlikely, as trade negotiations with the U.S. are still ongoing. While consumption growth in China has been slowing, some level of stimulus may be necessary, which could require the government to ease its strict fiscal deficit limit of 3% of GDP. Domestically, the RBA cut rates by 25 basis points, relieving some pressures in strained household budgets.

Microequities Deep Value Fund returned -5.60% in February; this brings the total return net of fees to 866.43% for the Fund since inception in March 2009.

It was a strong reporting season for the Deep Value Fund's constituents but overshadowed by broader equity market weakness, driven by concerns over impending tariffs from the new U.S. administration. Despite this, the portfolio's reporting season was very solid with the portfolio tracking to deliver weighted EPS growth for FY25 of +20%. The one exception was one of our largest investee companies, a B2B software firm which reported mid-single-digit revenue growth instead of the expected low-teens growth. This shortfall was primarily due to elongated contract closures. However, with a robust near-term pipeline and high conviction in future deals, the company is well-positioned for a stronger second half of FY25, setting the stage for continued momentum into FY26. We continue to view this business as one of the most undervalued technology companies on the ASX and remain fully committed to our investment. Beyond the intensity of reporting season, the investment management team focused on tactically recalibrating the portfolio. We selectively trimmed weightings in certain investee companies to capture more compelling opportunities elsewhere. We are very pleased with the portfolio's current composition, which we believe is well-positioned to deliver strong medium to long term returns.

Projected EPS Growth	
1 Year Forward (on a weighted basis)	+25.2%
Projected EPS Growth	
2 Years Forward (on a weighted basis)	+27.3%

Number of companies	35
Top 5 Holdings % of NAV	48.8%
Top 10 Holdings % of NAV	69.7%
Top 20 Holdings % of NAV	90.1%
Cash Position % of NAV	3.3%

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.