

# DEEP VALUE FUND



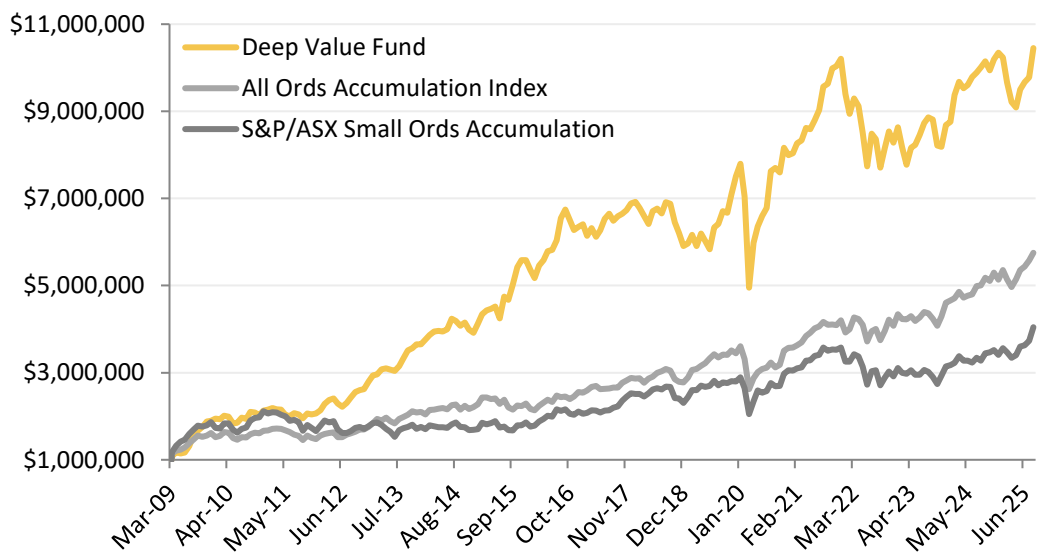
## MONTHLY PERFORMANCE AS AT 31/08/2025

latest unit price <b>\$4.9227</b>	return since inception (March 2009) <b>945.12%</b>	return 1 month <b>6.88%</b>
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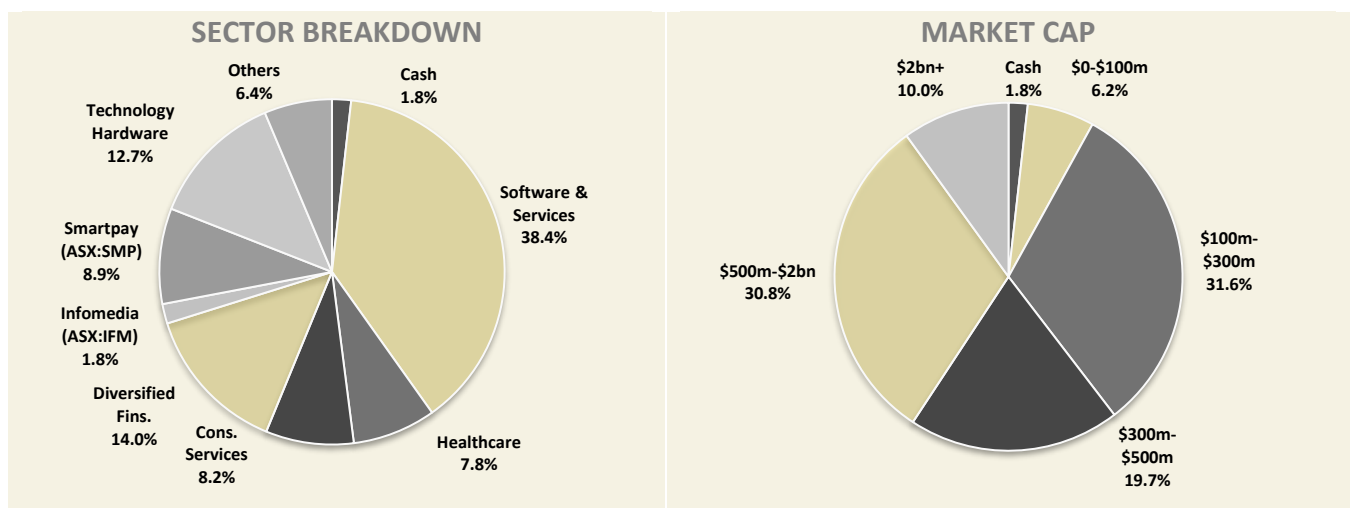
### FUND OUTLINE

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 \$1,000,000 INVESTED AT INCEPTION > **\$10,451,237**



	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	15.28%	945.12%	11.90%	10.01%	8.39%	6.50%	7.72%	4.41%	6.88%



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## MARKET UPDATE AND COMMENTARY

Australia's July CPI print was markedly higher than June's, with the headline number rising to +2.8% (vs June's +1.9%). Core inflation, which removes volatile items such as energy, also increased to +3.2% from +2.5% a month earlier. A key contributor to the jump in inflation was the removal of the Commonwealth Energy Bill Relief Fund, which saw energy prices surge +13% in July. Another pressure point was rents, which rose +3.9% over the twelve months to July. The stronger inflation numbers effectively rule out an RBA rate cut at next month's meeting. The prospect of a possible cut in November will hinge on the trajectory of labour market conditions and CPI data in the coming months. Internationally, the US economy roared back to growth during the second quarter, with GDP rising at an annualised rate of +3.3%, significantly driven by business investment which grew at annual pace of +5.7%. The strong GDP number follows 1Q25 contraction in the US economy of 0.2% and lend argument to the US goldilocks scenario with broad economic expansion, a strong labour market and declining inflation.

**Microequities Deep Value Fund returned 6.88% in August; this brings the total return net of fees to 945.12% for the Fund since inception in March 2009.**

Automotive software company **Infomedia Ltd (ASX:IFM)** agreed to a takeover by private equity group **TPG Capital** at a **+30% premium to the undisturbed last share price** and a **+41% premium to the three-month VWAP**. Infomedia currently represents 1.8% of the total assets of the Deep Value Fund. We deem there is a strong likelihood of further M&A activity within the fund before the end of calendar year 2025.

**August 2025 marked one of the strongest reporting seasons on record for the Deep Value Fund**, with broad-based quality growth in both revenue and earnings across many of our investee companies. The portfolio delivered an impressive **weighted average EPS growth of 35.5%**, across **38 of the 40 companies** that reported their FY25 results during the recent reporting season period, representing **98.7% of the Fund's total assets**. We are highly encouraged by the earnings momentum heading into FY26.

	<b>FY25 EPS Growth (weighted average)</b>
<b>38 companies of the total 40 companies reported FY25 financials in the period March to August 2025. (The 38 companies represent 98.7% of the non-cash assets of the Deep Value Fund)</b>	<b>+35.5%</b>

<b>Projected EPS Growth</b>	
1 Year Forward (on a weighted basis)	<b>+25.7%</b>
<b>Projected EPS Growth</b>	
2 Years Forward (on a weighted basis)	<b>+25.3%</b>

<b>Number of companies</b>	<b>40</b>
<b>Top 5 Holdings</b> % of NAV	<b>45.0%</b>
<b>Top 10 Holdings</b> % of NAV	<b>64.7%</b>
<b>Top 20 Holdings</b> % of NAV	<b>85.6%</b>
<b>Cash Position</b> % of NAV	<b>1.8%</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.