

## MONTHLY PERFORMANCE AS AT 30/09/2024







Latest Unit Price	Return Since Inception	Return 1 Month	Monthly Currency Impact
<b>\$1.0429</b>	<b>4.29%</b>	<b>-0.88%</b>	<b>HEADWIND MODERATE (1-3%)</b>

### FUND OUTLINE

Fund Manager:

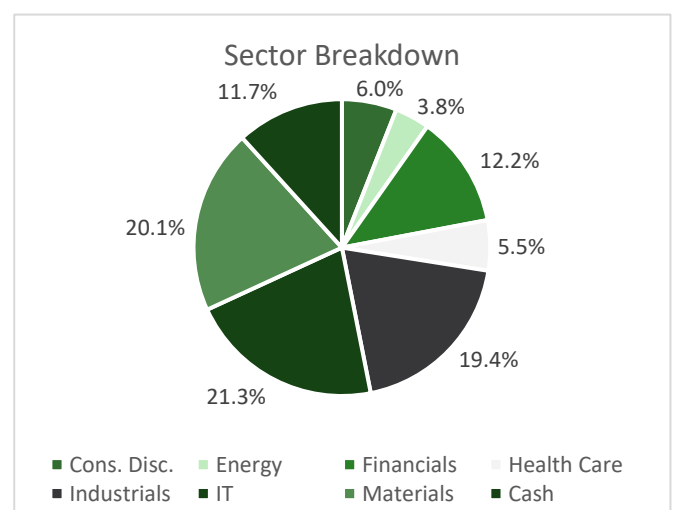
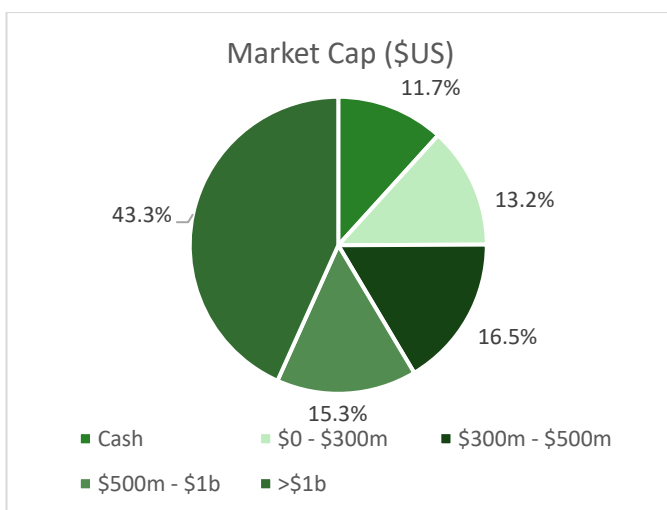
Declan McLenaghan (PM)

The Value Earth Fund is a wholesale fund investing in a portfolio of undervalued global companies that meet our minimum ESG criteria. Companies are located in developed economies around the world.

	Country Break Up	% of NAV
	Australia	17.5%
	Europe	13.8%
	Nordics	11.3%
	United States	25.2%
	UK	14.7%
	Israel	5.8%

	Total since inception*	6 Month	3 Month	1 Month
<b>VEF</b>	4.29%	-	4.29	-0.88%
<b>Benchmark**</b>	4.87%	-	4.87	-0.59%

\*Inception date 1 July 2024. \*\*MSCI World Small Cap in Australian Dollars



## MARKET UPDATE AND COMMENTARY

China has finally addressed its sluggish economic trends by implementing a series of measures aimed at revitalizing its lacklustre performance. The People’s Bank of China (PBoC) has reduced the critical 7-day repo reference rate by 20 basis points. In addition to this rate cut, the PBoC will lower the reserve requirement ratio by 50 basis points, a move expected to inject approximately AUD 200 billion in liquidity into the economy. These actions have driven the yield on Chinese 10-year government bonds (the risk-free rate) to below 2%. To further support the struggling housing market, the PBoC has decreased the minimum mortgage deposit from 25% to 15%. Whilst equity markets welcomed the stimulus packages, the reality is China is still not addressing its structural imbalances with an economy that has a bloated property market and deficient internal consumption levels. The economic experiment that is the Chinese economy has no precedents; the jury is still out on the sustainability of its economic structure. In Australia, the Consumer Price Index (CPI) recorded a headline rate of 2.7%, which appears artificially low due to household energy subsidies. A more telling measure, the trimmed mean inflation, stands at 3.4%, lower, yet still elevated. We do not anticipate any rate cuts until 2025.

### Value Earth Fund returned -0.88% in September.

After selling and receiving the proceeds of our Volue stake in August, we slowly began acquiring shares in a new company. The company is an Italian manufacturer and distributor of equipment and cables used in renewable energy distribution and transmission, offshore wind, telecommunications and data centres, and many others. This company has put ESG at the heart of their business strategy and plays an important role in facilitating the shift to renewable energy and grid electrification. The share price started rising after our initial purchase, and we will be disciplined in purchasing additional shares.

Elopak held their investor day in September, which outlined the tailwinds the EU Packaging and Packaging Waste Regulation will have and introduced a new target for Elopak to have 100% of their cartons recyclable. They discussed the ongoing growth opportunities from displacing plastic packaging and improving the environmental attributes of their existing carton packaging. Elopak also introduced new financial targets, which we view as ambitious but achievable. While it’s early days, we expect Elopak to remain an important contributor to the Value Earth Fund for years to come.

<b>Projected EPS Growth</b> 1-year forward (on a weighted basis)	8.8%
<b>Projected EPS Growth</b> 2-year forward (on a weighted basis)	21.7%

<b>Number of companies</b>	28
<b>Top 5 Holdings</b> % of NAV	31.5%
<b>Top 10 Holdings</b> % of NAV	50.5%
<b>Top 20 Holdings</b> % of NAV	77.9%
<b>Cash Position</b> % of NAV	11.7%

**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.