

DEEP VALUE MICROCAP FUND UPDATE, MARCH 2010 PERFORMANCE UPDATE

Dear Investor,

Markets and Economy

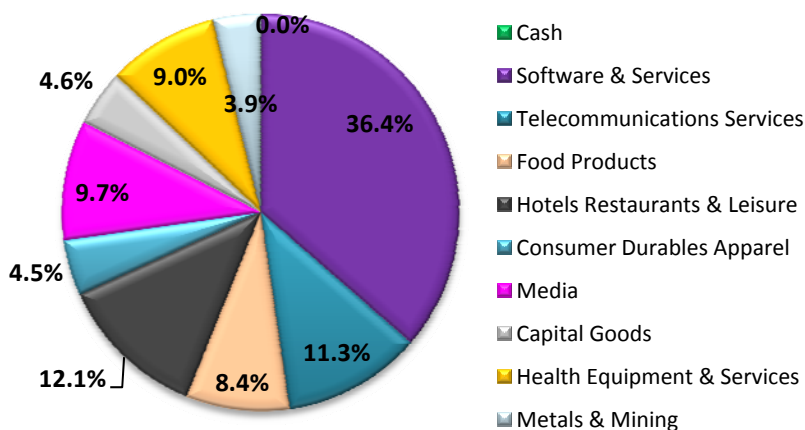
Whether you're a CEO deciding on whether to commit to a large capital spending project, a small business owner deciding on hiring more staff, or a Mum and Dad deciding on whether to buy a new refrigerator, the decisions of all those economic agents will ultimately be governed by confidence. The degree of confidence we have about the future, the confidence in the future state of the economy, the confidence in our business or our confidence in our own employment security. Confidence drives and ultimately determines economic activity, it fuels expansions and recessions. The confidence pendulum has well and truly swung in the land of the greenback. The US economy may not yet be showing employment growth, its housing market remains depressed but the pickup in business activity is tangible, and it has all been driven by a surge in confidence. Americans are feeling more confident about their future. That upswing in America's confidence, will ultimately translate to reignited capital spending by firms, job growth, and yes, greater consumer consumption. Not that the US is or has been driving the current world recovery, but we welcome its arrival at the table.

Tomorrow the US will publish its monthly employment data, the consensus forecasts amongst economists is that US economy will have added 200,000 nonfarm jobs during the month of March. If the consensus is met, it will mean the highest employment growth month in the US since the GFC. The tide is turning.

Microequities Deep Value Microcap Fund returned a positive 4.00% versus the All Ordinaries 5.2% in March; this brings the total return net of fees to 101.1% for the Fund compared to 57.25% for the All Ordinaries since inception in March 2009.

The fund continues to build positions in its recently added entrants (both in the Software & Services sectors). We have also begun taking a new position in a software provider. After a process of due diligence, we have valued the company at a 70% premium to its current market price. The company has an attractive exposure to an industry sector that is undergoing a structural change which will drive demand over the medium term. With no debt on its balance sheet, and a competitive product offering, we believe that the company will deliver strong gains to our Deep Value Microcap Fund investors.

The Fund's cash position was purposely drawn down, following strong net investment inflow commitments which will see the Fund's cash position significantly raised in April. The strong investment inflow is timely as new additions to our portfolio are particularly attractively priced.



*Deep Value Portfolio as of 31st of March 2010

Latest Unit Price	
	\$2.0110
Latest Fund Performance as at 31/03/2010	
1 Month	+4.00%
3 Month	+6.05%
6 Month	+20.85%
12 Month	+88.35%
Since Inception	+101.10%
	(Net of Fees)