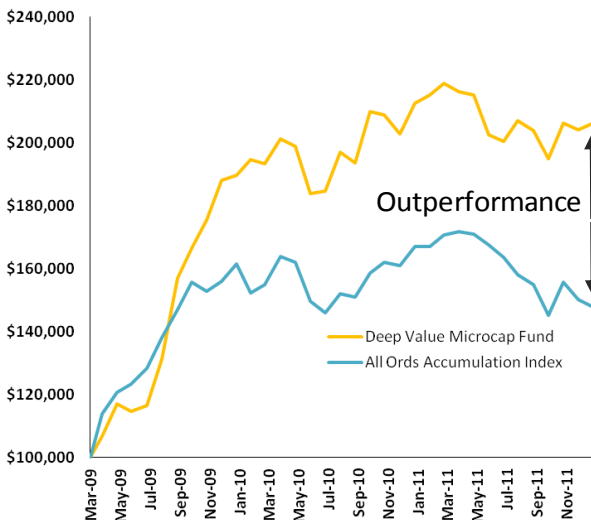


DEEP VALUE MICROCAP FUND UPDATE, DECEMBER 2011 PERFORMANCE UPDATE

Dear Investor,

Microequities Deep Value Microcap Fund continuing to outperform

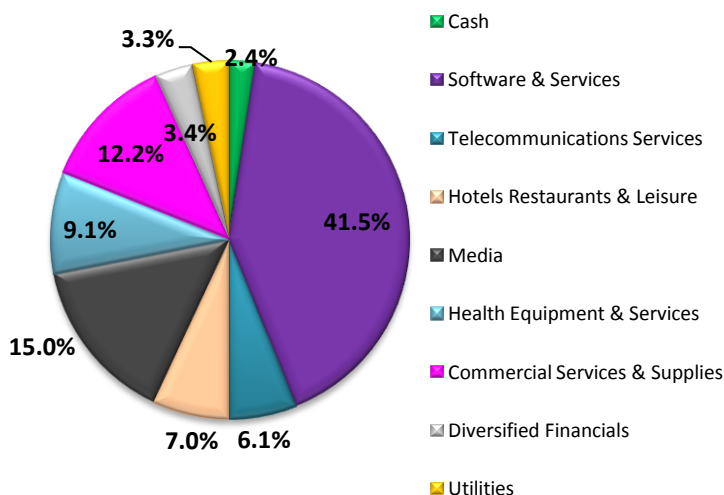
2011 will not go down as a stellar year. The All Ordinaries Accumulation Index (which includes dividend income) finished the year with a total return of -11.43% (versus +3.43% in 2010). Our Deep Value Microcap Fund returned -2.95% for the year. Of course none of our investors (which include me) will be happy with an absolute negative return, and I take little pride in stating we outperformed our benchmark by almost +8.5%. However, it is important that investors understand that owning equity necessitates a long term commitment, the stock market goes up over the long term, but it can also decline over the short to medium term. The fact that we have preserved most of our wealth during a very difficult period means our Fund is in an excellent position to capitalize on the opportunities before us and generate long term wealth for our investors. Our asset class (Microcaps) tends to do worse in a falling market than a rising market, that is, when the market falls funds like ours tend to fall more than the market. The fact that we have preserved most of the value reflects the effectiveness of our investment ethos and our acute attention to value investing.



We are coming close to our 3rd year anniversary for the Fund and this month our outperformance gap of over the All Ordinaries has risen to its largest ever margin (58.45%) since inception.

Microequities Deep Value Microcap Fund returned a positive +1.08% versus the All Ordinaries Accumulation Index negative -1.57% in November; this brings the total return net of fees to 106.27% for the Fund compared to 47.82% for the All Ords Accumulation since inception in March 2009.

Written by Carlos Gil, Chief Investment Officer.



Latest Unit Price			
\$1.8197			
Latest Fund Performance as at December 31, 2011			
	FUND	AOAI*	OP*
1 Month	+1.08%	-1.57%	+2.65%
3 Month	+5.80%	+1.86%	+3.94%
6 Month	+2.99%	-9.63%	+12.61%
12 Month	-2.95%	-11.43%	+8.47%
2 yrs comp pa	+4.30%	-4.35%	+8.64%
Inception	+106.27%	+47.82%	+58.45%

(Returns are calculated after all fees and expenses and reinvestment of distributions. Inception of Fund March 2009) *AOAI: All Ordinaries Accumulation Index. *OP: Out-performance.
Past performance is not indicative of future performance.

*Deep Value Portfolio as of 31st of December 2011