

# PURE MICROCAP

## VALUE FUND



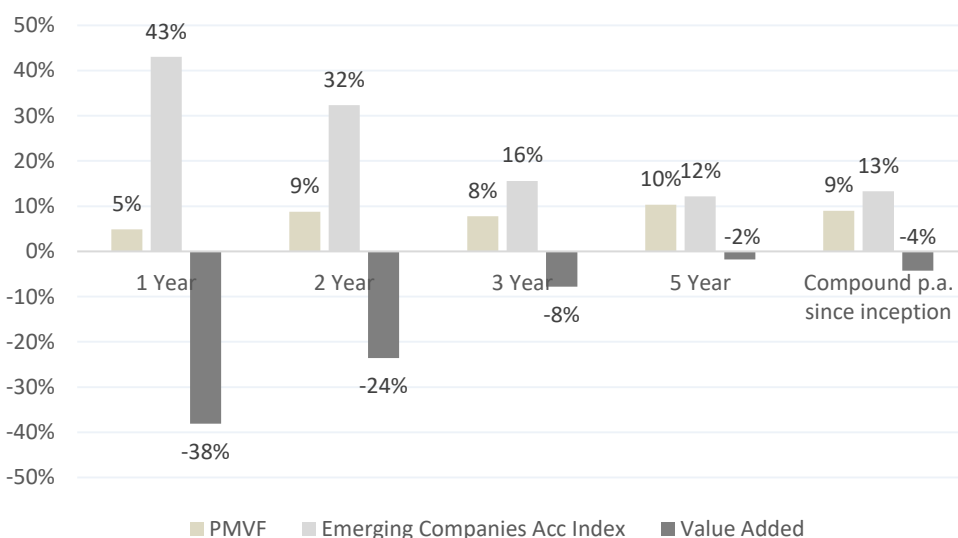
### MONTHLY PERFORMANCE AS AT 31/01/2026

latest unit price <b>\$1.5314</b>	return since inception (Oct 2017) <b>105.17%</b>	return 1 month <b>-5.29%</b>
--------------------------------------	---	---------------------------------

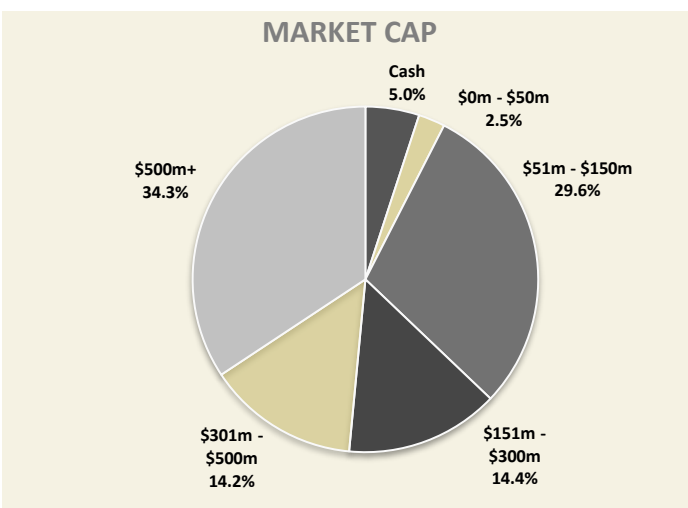
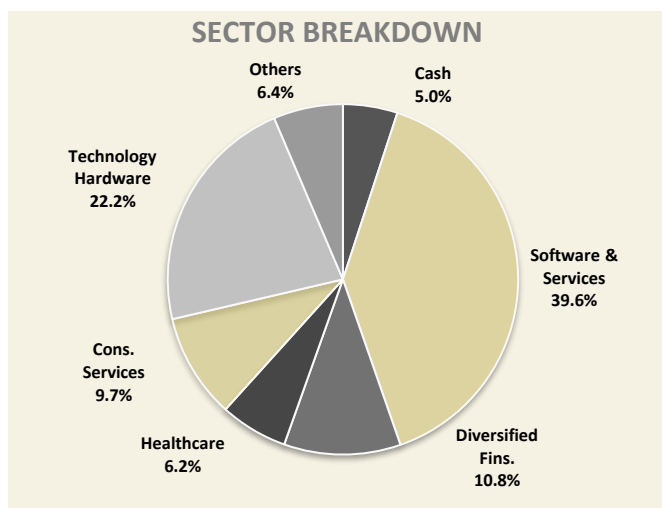
### VALUE OF \$1,000,000 INVESTED AT INCEPTION > **\$2,051,739**

#### FUND OUTLINE

The Pure Microcap Value Fund is a wholesale fund investing in a portfolio of undervalued, profitable and growing ASX microcap companies.



	Compound p.a. since inception	Total since inception	7 Year Annual Compound	5 Year Annual Compound	3 Year Annual Compound	1 Year	1 Month
<b>PMVF</b>	<b>9.01%</b>	<b>105.17%</b>	<b>12.63%</b>	<b>10.34%</b>	<b>7.78%</b>	<b>4.88%</b>	<b>-5.29%</b>



# PURE MICROCAP

## VALUE FUND



### MARKET UPDATE AND COMMENTARY

In last month's report, we noted that the RBA's February policy decision was finely balanced. Rising core inflation and a stubbornly strong labour market, underpinned by tight labour supply, were complicating the RBA's dovish policy stance. The two data prints released in January (quarterly inflation and employment numbers) have now decisively tilted the balance towards a rate increase at this week's meeting. We expect the RBA will yield to the data and take the prudent step of lifting rates by 25 basis points. In the United States, the economy is likely to surprise on the upside in 2026. Tariff revenues provide a potential pathway to income tax cuts, while rising real wages and household wealth are creating a supportive backdrop for the consumption-led economy. The US economy appears on track to deliver above-trend growth of around the mid-2% range. Also likely to surprise on the upside is the Chinese economy, which has demonstrated resilience in the face of US tariffs. Rising technological innovation, with R&D spending now accounting for approximately 2.8% of GDP (above the OECD average), is gradually shifting the structure of the Chinese economy. That said, China continues to face some formidable structural challenges.

**Microequities Pure Microcap Value Fund returned -5.29% in January; this brings the total return net of fees to 105.17% for the Fund since inception in October 2017.**

It may be confusing for some investors, but the month of January, which precedes the February reporting season, was fundamentally positive for the Fund. Several portfolio companies provided positive trading updates which were encouraging. This naturally raises the question: if the month was fundamentally positive, why was performance negative? The negative monthly performance is best explained by weak sentiment and adverse market pricing across ASX-listed technology companies, which have experienced a broad market decline over the past six months. This has been most pronounced in the largest technology names which have fallen by approximately 40% to 50% over that period. Whilst we don't own any of those large tech names, this negative sentiment has also impacted the market pricing of our small cap technology holdings, which account for approximately 62% of the Fund's assets. The Fund also does not invest in mining or oil & gas companies which have performed strongly in 2025 with the Small Ords Resources Accumulation Index rising 73% and a further 12.5% in January alone. In terms of company news, our enterprise health software business was awarded a minimum \$35m contract, its 3<sup>rd</sup> such contract in this sector. We also sold our small holding in **Humm Group (ASX:HUM)**, noting corporate governance concerns. A consumer services company noted 2025 earnings will be at the top end of guidance and trading so far early in 2026 continues to be strong. On the negative side, a software business was notified that a key contract will not proceed, and the customer will stay with its incumbent provider.

MICROEQUITIES ASSET MANAGEMENT | CAR 462438 OF AFSL 287526 | +61 (2) 9009 2900 | INVEST@MICROEQUITIES.COM.AU

<b>Projected EPS Growth</b>	
1 Year Forward (on a weighted basis)	<b>+33.1%</b>
<b>Projected EPS Growth</b>	
2 Years Forward (on a weighted basis)	<b>+20.9%</b>

<b>Number of companies</b>	<b>44</b>
<b>Top 5 Holdings</b> % of NAV	<b>46.9%</b>
<b>Top 10 Holdings</b> % of NAV	<b>63.6%</b>
<b>Top 20 Holdings</b> % of NAV	<b>81.8%</b>
<b>Cash Position</b> % of NAV	<b>5.0%</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.