

# PURE MICROCAP VALUE FUND



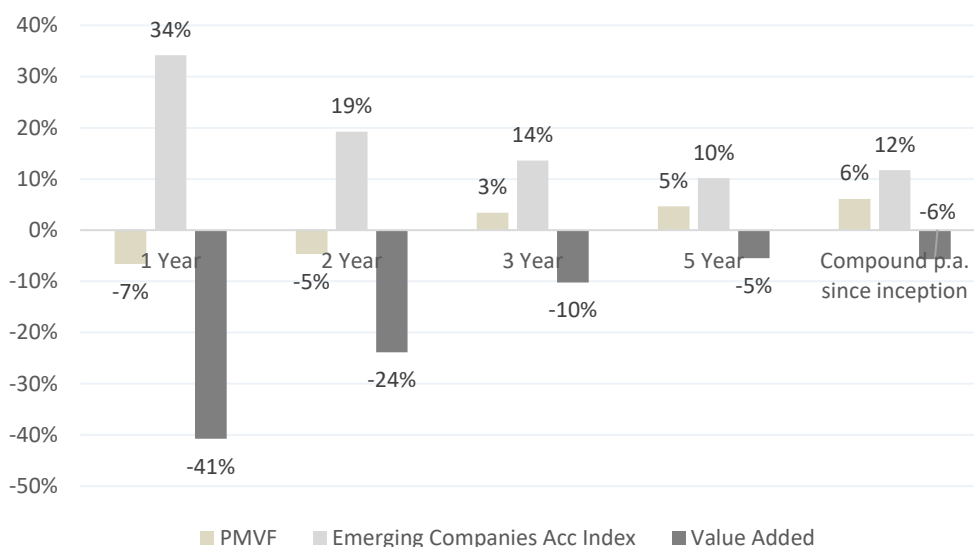
## MONTHLY PERFORMANCE AS AT 31/03/2026

latest unit price <b>\$1.2350</b>	return since inception (Oct 2017) <b>65.46%</b>	return 1 month <b>-11.37%</b>
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VALUE OF \$1,000,000 INVESTED AT INCEPTION > **\$1,654,628**

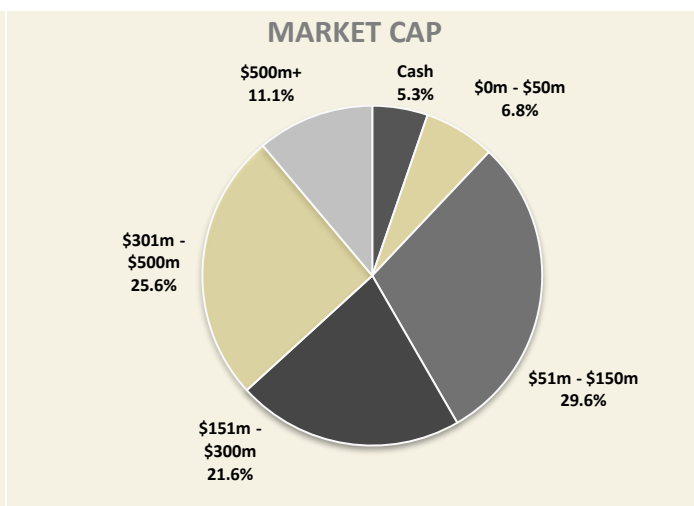
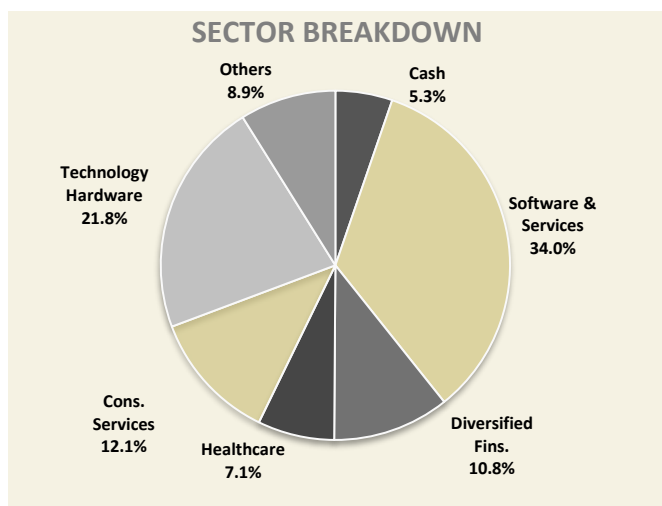
### FUND OUTLINE

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
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PMVF	6.10%	65.46%	9.42%	4.68%	3.42%	-6.58%	-11.37%
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## MARKET UPDATE AND COMMENTARY

Financial markets became understandably absorbed with the military escalation in the Middle East and its consequent impact on LNG and oil markets. The widening conflict and Iran's hold on the strategic important Strait of Hormuz has alarmed energy markets, with disrupted supply lines causing a sharp increase across LNG and oil prices. The military conflict remains highly fluid and is likely to continue to escalate. Some significant LNG production infrastructure has been damaged, with 17% of Qatar's LNG export capacity impaired. The damage to oil and LNG infrastructure in the region is likely to have lasting impact on energy supplies. We expect energy prices to rise further and remain at relatively high levels for a prolonged period. The increase in energy prices will reverberate across the global economy with likely price increases across many inputs leading to price inflation. Peculiarly, we think, this will likely lead the RBA to pause on any further imminent rate rises, given the ultimate cost of living impact of the Middle East conflict. In domestic developments, Australia's headline CPI for the month of February came in at 3.7% down from January's 3.8%, while trimmed mean inflation remained unchanged at 3.3%.

**Microequities Pure Microcap Value Fund returned -11.37% in March; this brings the total return net of fees to 65.46% for the Fund since inception in October 2017.**

The negative monthly performance was entirely due to the market reaction to the Middle East war and oil crisis as well as ongoing concerns about AI disruption to enterprise software companies and their long term viability.

The investment team met with portfolio companies during the month to assess their outlook. Our top weighted holding shows no signs of slowdown in its core market as well as new expansion markets. We would expect this company to deliver 20% per annum organic growth in revenue and earnings for a number of years to come.

Only during times of peak pessimism does the market allow us to buy businesses we want to own at stupidly low prices. One company that we have been adding to the position during the month is in consumer services. We think this company will generate c.\$20m NPAT in the coming year, placing it on c.4x PE ratio. It pays a dividend, is buying back shares, holds over \$20m of cash and no debt and similar companies in the private space trade at more than 4x the multiple of this company. We saw one of our commercial services companies report its financial results during March showing 17% revenue and 75% NPAT growth. Our discussions with management centred on a number of structural growth drivers that should see the business continue to grow substantially. The investment team is finding no shortage of opportunities and is selectively adding to companies playing in affordable housing, specialised commercial construction, industrial applications business as well as the ones referenced above.

<b>Projected EPS Growth</b>	
1 Year Forward (on a weighted basis)	<b>+22.9%</b>
<b>Projected EPS Growth</b>	
2 Years Forward (on a weighted basis)	<b>+19.1%</b>

<b>Number of companies</b>	<b>43</b>
<b>Top 5 Holdings</b> % of NAV	<b>44.7%</b>
<b>Top 10 Holdings</b> % of NAV	<b>62.1%</b>
<b>Top 20 Holdings</b> % of NAV	<b>80.2%</b>
<b>Cash Position</b> % of NAV	<b>5.3%</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.