

PURE MICROCAP

VALUE FUND



MONTHLY PERFORMANCE AS AT 31/08/2018

| | | |
|--------------------------------------|---|--------------------------------|
| latest unit price \$1.0847 | return since inception (Oct 2017) 8.98% | return 1 month 0.29% |
|--------------------------------------|---|--------------------------------|



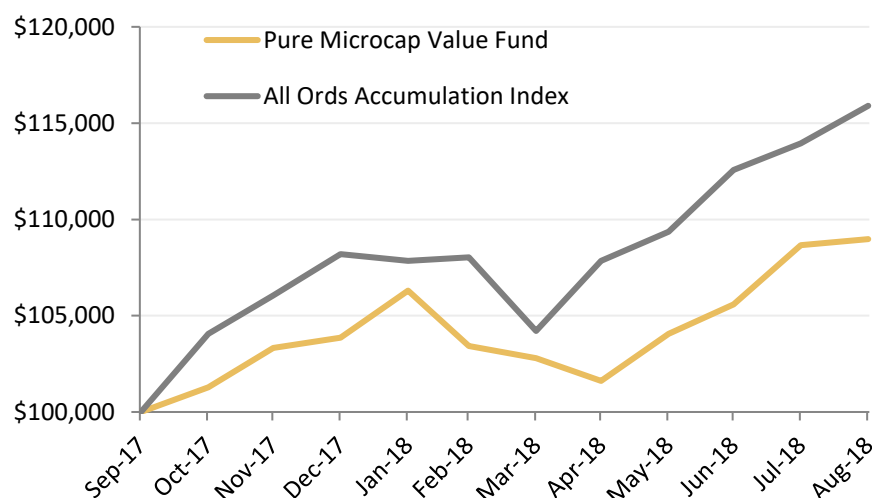
FUND OUTLINE

Fund Manager:

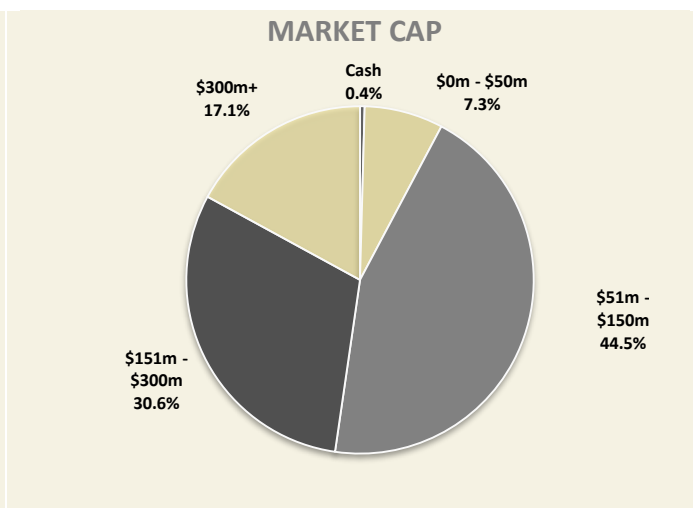
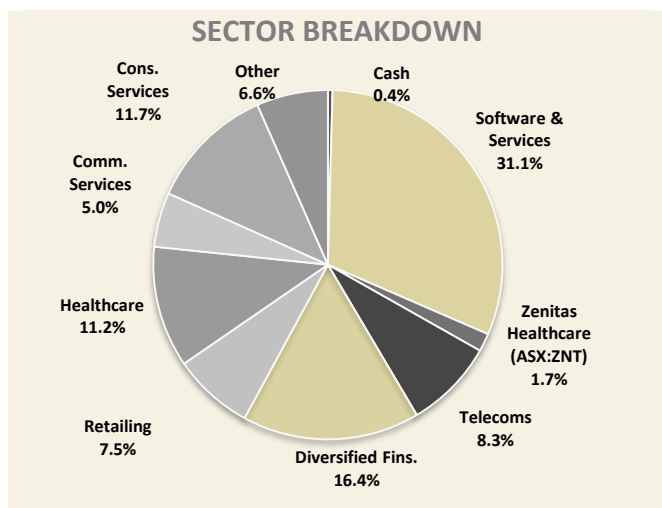
Carlos Gil (CIO)

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

VALUE OF \$100,000 INVESTED AT INCEPTION > **\$108,977**



| | 1 Month | 3 Month | 6 Month | Total since inception |
|-------------|--------------|--------------|--------------|-----------------------|
| PMVF | 0.29% | 4.74% | 5.37% | 8.98% |



PURE MICROCAP VALUE FUND



FY18 FUNDAMENTAL PERFORMANCE REPORT

Microequities Pure Microcap Value Fund returned 0.29% in August; this brings the total return net of fees to 8.98% for the Fund since inception in October 2017.

During the month, the majority of our businesses reported their FY18 results. Based on weightings at the end of August, these businesses reported a weighted FY18 earnings growth of 36.9%. This was above our forecast earnings growth of 32.8% in our last month's fund update. This result whilst commendable for the Fund has not yet translated into share price gains for a lot of our holdings. We remain comfortable that in the long term market prices will reflect the fundamentals of the portfolio as the earnings growth provide a better reflection of the underlying intrinsic value growth in the portfolio.

The earnings growth outlook for the portfolio remains strong with forecast growth of 22.5% and 21.2% in the next one and two years respectively.

| | FY18 weighted average earnings growth |
|--|--|
| 27 Companies reporting in August (85.8% weighting) | +36.9% |

During the month one of our investee companies, **Zenitas Healthcare (ASX: ZNT)** became the subject of an offer from private equity at \$1.46 per share, a +40.3% premium to the 3 month VWAP price. The offer price represents a sound return on investment for the Fund given the relatively short holding period.

| | |
|---|---------------|
| Projected EPS Growth 1 Year Forward (on a weighted basis) | +22.5% |
| Projected EPS Growth 2 Years Forward (on a weighted basis) | +21.2% |

| | |
|------------------------------------|--------------|
| Number of companies | 33 |
| Top 5 Holdings % of NAV | 32.4% |
| Top 10 Holdings % of NAV | 53.5% |
| Top 20 Holdings % of NAV | 84.7% |
| Cash Position % of NAV | 0.4% |

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.