

PURE MICROCAP

VALUE FUND



MONTHLY PERFORMANCE AS AT 30/04/2019

| | | |
|--------------------------------------|--|--------------------------------|
| latest unit price \$0.9008 | return since inception (Oct 2017) -9.50% | return 1 month 2.71% |
|--------------------------------------|--|--------------------------------|



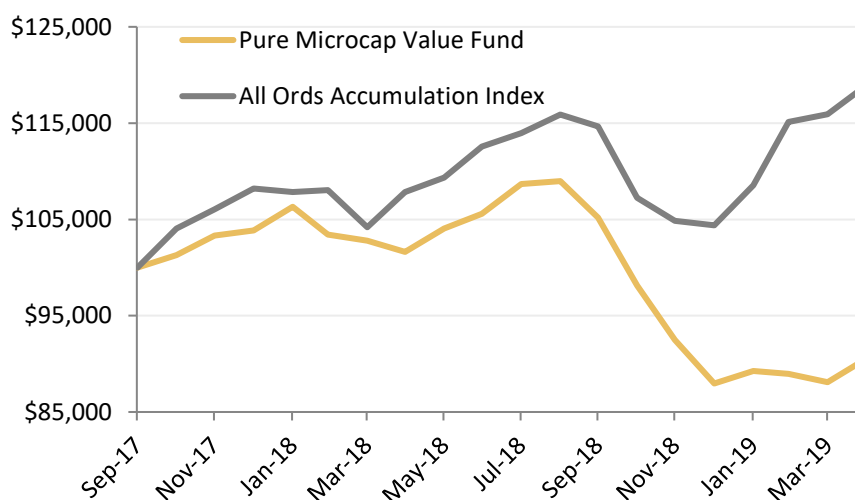
FUND OUTLINE

Fund Manager:

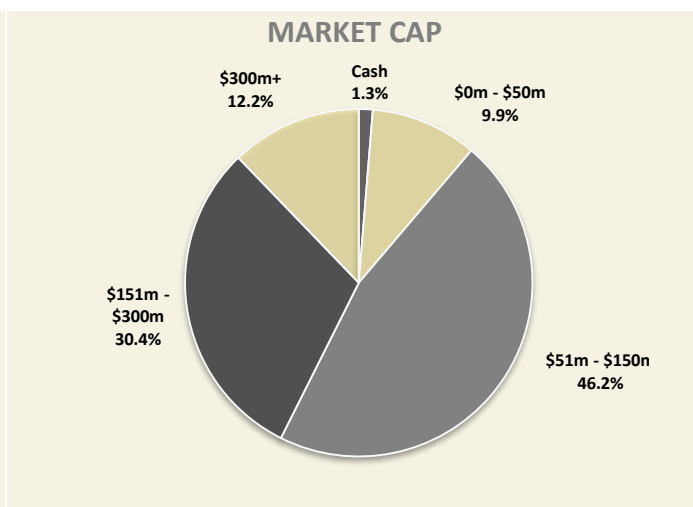
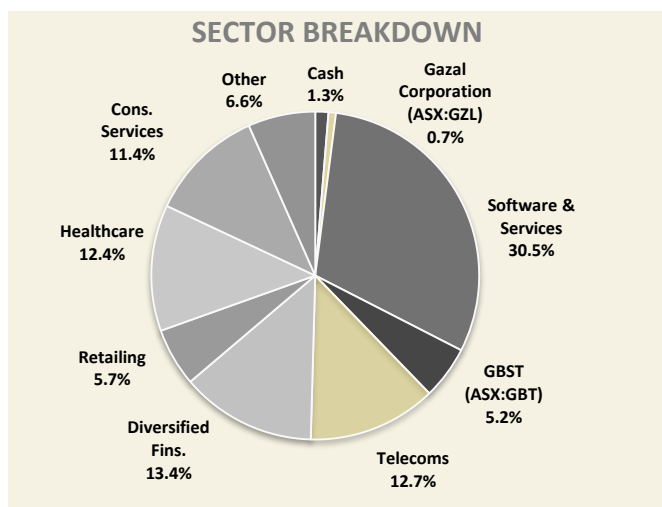
Carlos Gil (CIO)

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 > **\$90,502**



| | Compound p.a. since inception | Total since inception | 1 Year | 6 Month | 1 Month |
|-------------|-------------------------------|-----------------------|----------------|---------------|--------------|
| PMVF | -6.11% | -9.50% | -10.94% | -7.77% | 2.71% |



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MARKET UPDATE AND COMMENTARY

The world's two largest economies have started 2019 with strong momentum. The US economy powered back to strong growth in the 1st quarter of 2019, with GDP rising at an adjusted annual rate of 3.2%. The 1st quarter number marks a significant improvement on the 4th quarter 2018 GDP number of 2.2%. Whilst the headline number looks strong, there is a caveat; the key consumer spending segment of the economy which makes up circa 70% of the US economy slowed to 1.2%, down from 2.5% in the previous quarter. Following the positive momentum in the US was China's GDP figures, which expanded at an annual pace of 6.4% during the first three months of 2019. The improvement in the Chinese economy follows concerted efforts by the government to stimulate the economy. Economic growth was powered by a sharp increase in investment and industrial production which surged 8.5% year on year. Other economic data suggests that the Chinese economy will improve the pace of expansion over the rest of 2019.

Microequities Pure Microcap Value Fund returned 2.71% in April; this brings the total return net of fees to -9.50% for the Fund since inception in October 2017.

The Fund has begun purchasing a small stake in an education business. The lack of liquidity, high management ownership and small market capitalisation means this business is under the radar of most institutional investors. We are well acquainted with management, having watched the evolution of the business since IPO. We are also well acquainted with the sector they operate in, as the Fund currently owns another education business. We believe this will prove to be a sound investment for the Fund over time.

A number of our companies in the Fund released noteworthy announcements during the month. A financial services business secured increased funding to grow its used car loan book. Our investment in financial software company **GBST Holdings (ASX:GBT)** announced receipt of an indicative takeover offer from competitor **Bravura Solutions (ASX:BVS)**. GBST is currently 5.2% of the Fund. Our holding in a consumer services business made bolt on acquisitions in NZ.

The investment management team is looking forward to the month of May where we will be catching up with several of our investee companies at investment conferences. We expect trading updates to be provided by a few companies in the Fund.

| | |
|--|---------------|
| Projected EPS Growth | |
| 1 Year Forward (on a weighted basis) | +12.5% |
| Projected EPS Growth | |
| 2 Years Forward (on a weighted basis) | +27.7% |

| | |
|------------------------------------|--------------|
| Number of companies | 34 |
| Top 5 Holdings % of NAV | 37.1% |
| Top 10 Holdings % of NAV | 59.4% |
| Top 20 Holdings % of NAV | 85.4% |
| Cash Position % of NAV | 1.3% |

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.