

PURE MICROCAP VALUE FUND



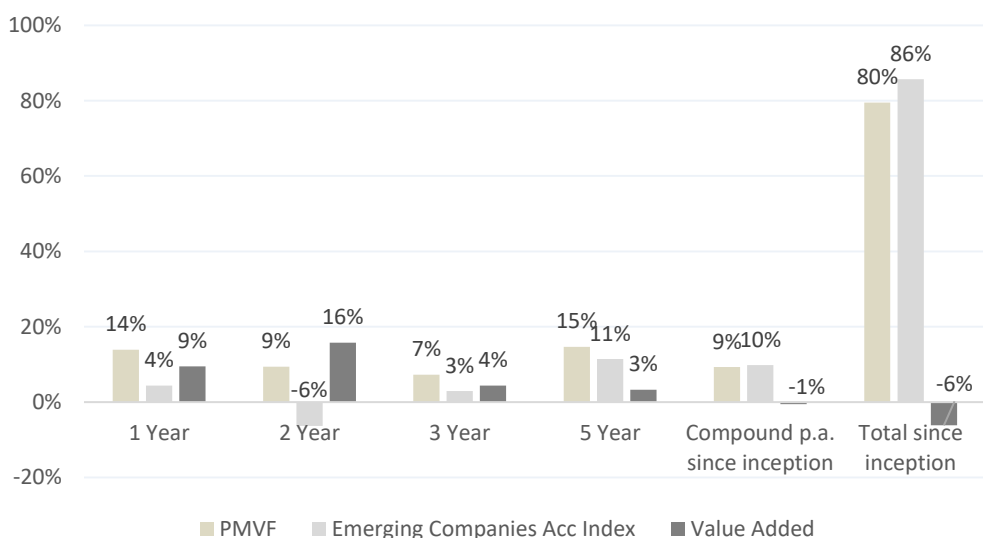
MONTHLY PERFORMANCE AS AT 30/04/2024

latest unit price \$1.4475	return since inception (Oct 2017) 79.50%	return 1 month -1.36%
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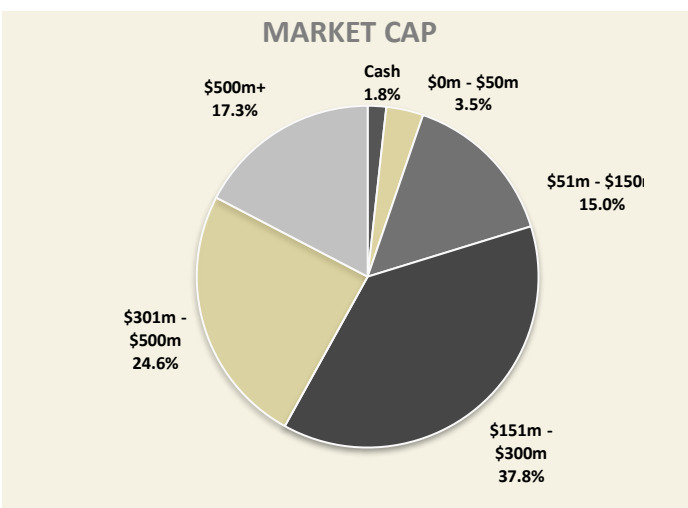
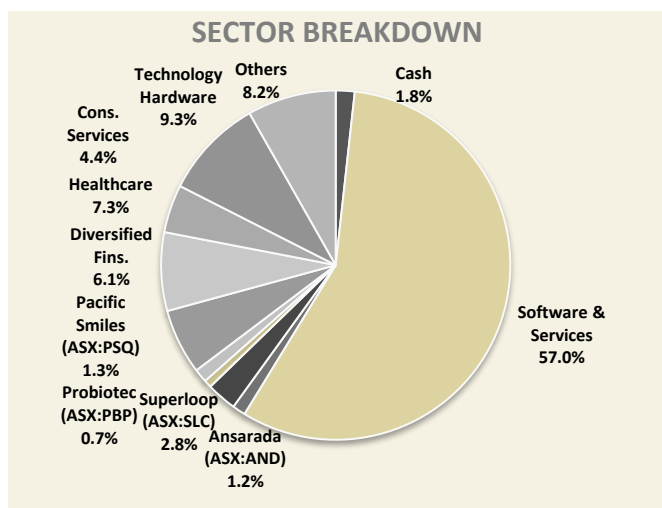
VALUE OF \$100,000 INVESTED AT INCEPTION > **\$179,495**

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	5 Year Annual Compound	3 Year Annual Compound	2 Year Annual Compound	1 Year	1 Month
PMVF	9.29%	79.50%	14.68%	7.31%	9.40%	13.90%	-1.36%



PURE MICROCAP

VALUE FUND



MARKET UPDATE AND COMMENTARY

In last month's update we stated that the Fed, due to the strength of the US economy, has the luxury of time. It does not need to rush into cutting rates. The data points issued during this month, suggest that the Fed will not be cutting rates anytime over the next few months. The CPI for March rose 0.5%, taking the annual CPI to 3.5% whilst core CPI (which excludes food and energy prices) rose to 3.8%. Core CPI has increased at a pace of 4.2% in the first quarter of the year, undermining the downward trend required for any short-term rates cuts. In late April, the core PCE (personal consumption expenditures), the Fed's favourite inflation measure, for March was released showing an increase 0.3% with the annualised rate running at 2.8%. Whilst the trend on core PCE continues to be downward, strong consumption together with core CPI is unlikely to persuade the Fed to move on rates anytime soon. Financial markets will need absorb a "higher for longer" regime. Positively, economic momentum continues to support a strong labour market, and the bedrock of the US economy, personal consumption, shows no signs of letting up. In China, first quarter GDP rose at annual pace of +5.3% driven by capital investment and industrial production, a slightly faster rate than the previous quarter.

Microequities Pure Microcap Value Fund returned -1.36% in April; this brings the total return net of fees to 79.50% for the Fund since inception in October 2017.

Dental services business **Pacific Smiles (ASX:PSQ)** previously announced it had received a non-binding offer from private equity group Genesis Capital at \$1.40, representing a 17% premium. Last month, Genesis increased its offer to \$1.75 or 45% premium to the last undisturbed price. In April, PSQ entered into a scheme of arrangement with another private equity outfit, Crescent Capital at \$1.90 cash or 59% premium to the undisturbed price. Crescent Capital owns a similar dental services organisation called National Dental Care. We await to see whether Genesis Capital returns with a counteroffer and note they still hold a 19.9% stake in PSQ purchased at \$1.40.

Consumer services company announced late in the month a strong trading update with 9 months to date revenue up 22% and EBITDA up 46%. This trading momentum comes on the back of return of overseas visitors into Australia and NZ after the closed borders during Covid. In the same announcement, the company is also undertaking a strategic review with advisers appointed, and potential sale of the business is one of the options being considered. We note the strategic review is supported by the 2 largest shareholders holding a combined 38% of the register.

Projected EPS Growth	
1 Year Forward (on a weighted basis)	+23.4%
Projected EPS Growth	
2 Years Forward (on a weighted basis)	+21.8%

Number of companies	42
Top 5 Holdings % of NAV	48.4%
Top 10 Holdings % of NAV	65.7%
Top 20 Holdings % of NAV	82.8%
Cash Position % of NAV	1.8%

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.