

PURE MICROCAP

VALUE FUND



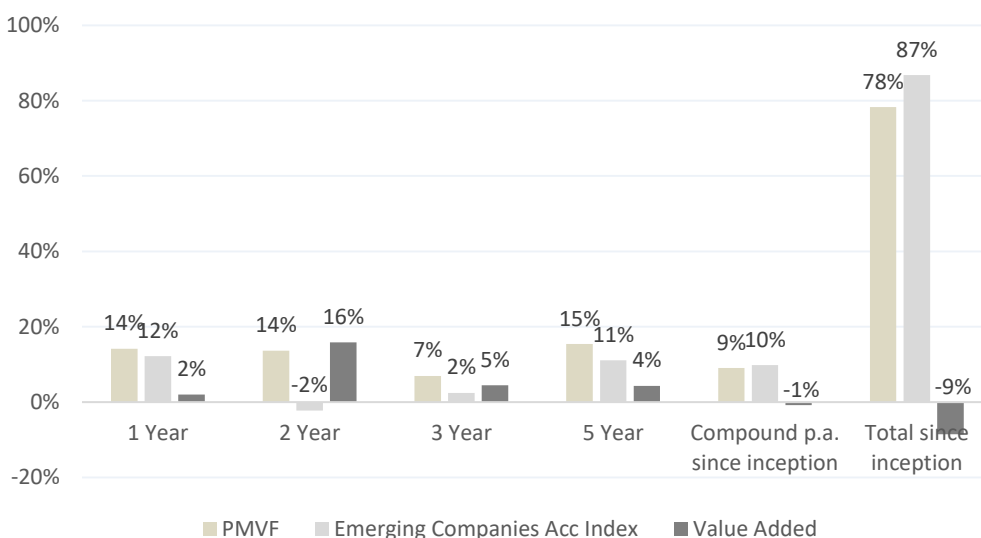
MONTHLY PERFORMANCE AS AT 31/05/2024

latest unit price \$1.4380	return since inception (Oct 2017) 78.32%	return 1 month -0.66%
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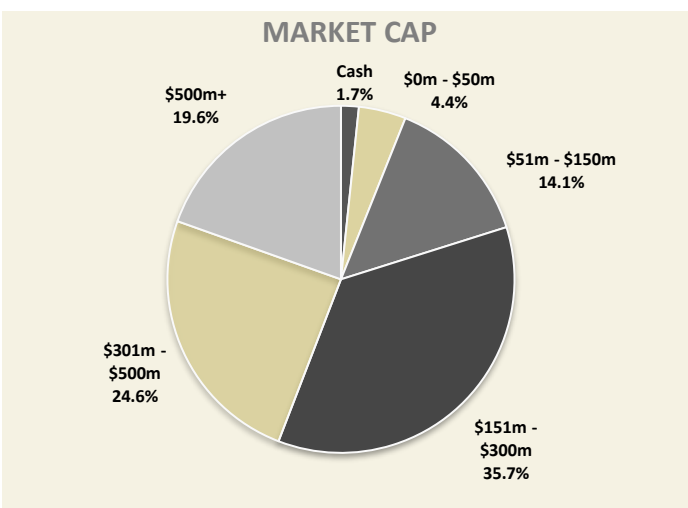
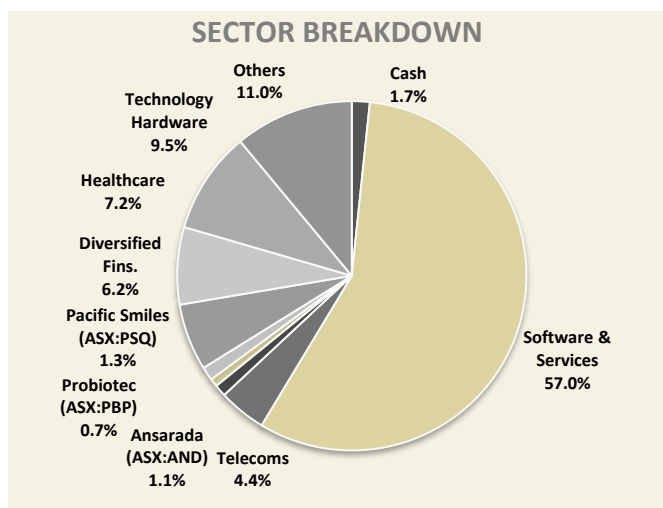
VALUE OF \$100,000 INVESTED AT INCEPTION > **\$178,317**

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	9.06%	78.32%	15.44%	6.95%	13.65%	14.19%	-0.66%



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MARKET UPDATE AND COMMENTARY

Australia's headline CPI number for March ticked up to 3.6% from 3.5%. Core inflation (removing volatile price items such as fruit and vegetables, energy) remained unchanged at 4.1%. Monthly inflation numbers can be volatile, and this data print is unlikely to change RBA's thinking and remains within the forecast range. We expect the RBA to keep rates unchanged at its next meeting. Over in Europe, Germany, the biggest economy in the European Union, clawed back to economic growth in the first quarter of 2024 with its GDP expanding at +0.2%, after declining in the last quarter of 2023. The data print follows a similar pattern to the UK which also returned to economic growth during its first quarter, with its GDP expanding by 0.6% for the first three months of 2024. The overall picture for Europe is one of a slowly improving economy after a 2023 that would best be categorised as a stagnant economic performance.

Microequities Pure Microcap Value Fund returned -0.66% in May; this brings the total return net of fees to 78.32% for the Fund since inception in October 2017.

Payment terminal provider **Smartpay (ASX:SMP)** announced its FY24 results during the month. Revenue of NZ\$96.5m was up 24% and normalised EBITDA of NZ\$21.3m was 18% higher. In terms of terminal numbers, Smartpay ended at circa 48k v 46k last year with a marked slowdown in new terminals added throughout the year. Earlier in 1H24, it noted intense competition from Lightspeed POS forcing some of its customers to move to a bundled POS and payment terminal solution, impacting circa 300 of SMP's terminals. In 2H24, the company lost a low margin enterprise customer with a large number of terminals. Neither of these two events substantially change our investment outlook. More importantly, SMP signed a contract with Cuscal for it to be the payment processor partner in NZ for Smartpay to convert its current rental fleet of 30k payment terminals to a clip of ticket revenue model. The company is expected to launch this to its existing customers during 2024.

International FX remittance company **OFX Limited (ASX:OFX)** released FY24 results during the month. Net operating income (NOI) was up 6.3% to \$227.5m with underlying EBITDA at \$64.6m, up 3.4%. Highlights of the result was the strong free cash flow generation, reduction in net debt positioning the business for another accretive acquisition and launch of the new business corporate platform incorporating new products such as cards, invoicing, expense management and accounts payable/receivable integrations.

Projected EPS Growth	
1 Year Forward (on a weighted basis)	+23.2%
Projected EPS Growth	
2 Years Forward (on a weighted basis)	+20.4%

Number of companies	43
Top 5 Holdings % of NAV	48.3%
Top 10 Holdings % of NAV	65.6%
Top 20 Holdings % of NAV	83.2%
Cash Position % of NAV	1.7%

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.