

PURE MICROCAP

VALUE FUND



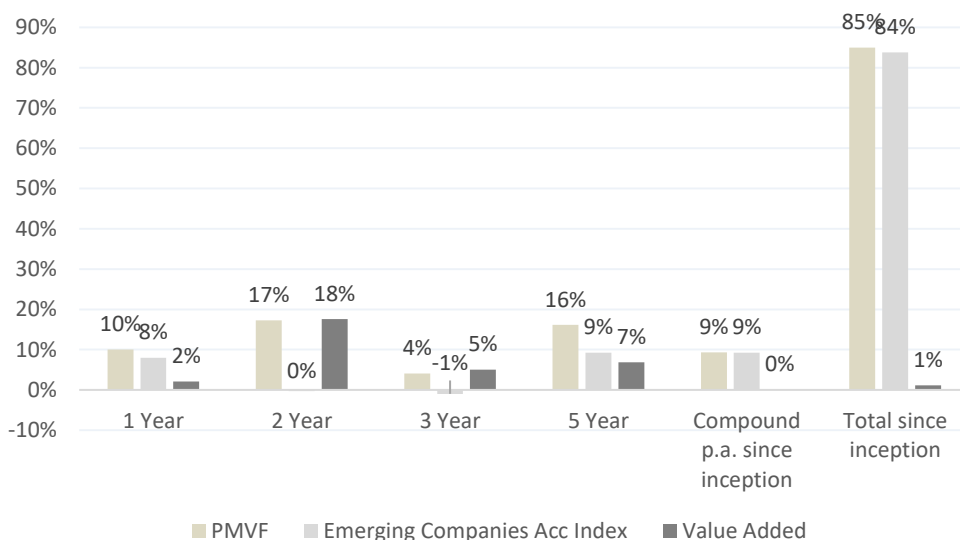
MONTHLY PERFORMANCE AS AT 31/08/2024

latest unit price \$1.3977	return since inception (Oct 2017) 84.97%	return 1 month 0.17%
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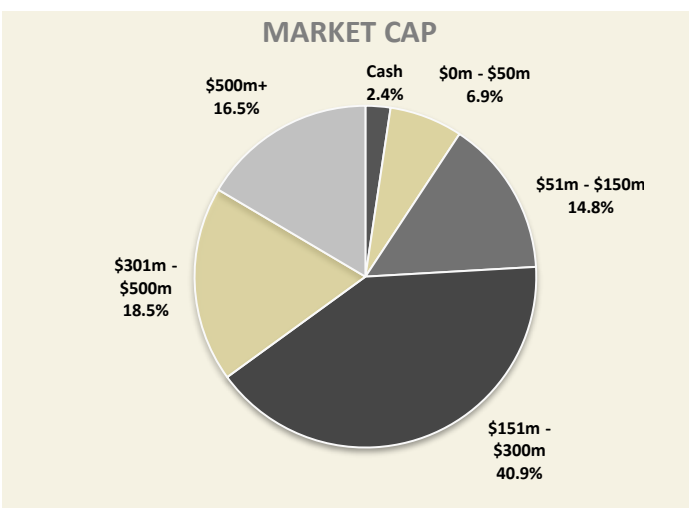
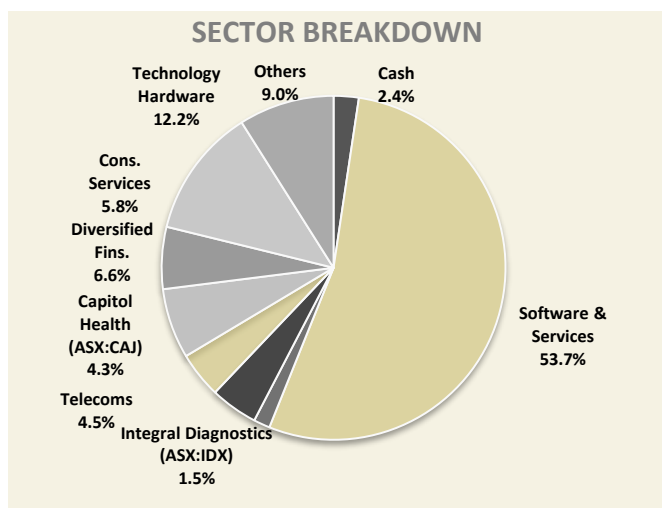
VALUE OF \$100,000 INVESTED AT INCEPTION > **\$184,968**

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	9.30%	84.97%	16.12%	4.09%	17.26%	10.04%	0.17%



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MARKET UPDATE AND COMMENTARY

The US Federal Reserve's preferred measure of inflation, the Personal Consumption Expenditure Price Index (PCE), remained unchanged at 2.5%, slightly below the market expectation of 2.6%. This stable figure paves the way for the Fed to consider a rate cut at the next meeting on the 17th of September. This data point follows comments made earlier this month by Federal Reserve Chairman Jerome Powell, who noted that “the time has come for policy to adjust,” reflecting growing confidence that the US economy is moving toward the Fed’s inflation target of 2%. This shift marks a significant moment in US monetary policy, after a period during which the central bank raised rates to their highest levels in over 20 years. In another indication of the US economy's remarkable soft landing, consumer spending for July increased by a solid 0.5%, a robust figure suggesting that the Fed is unlikely to cut rates by more than 25 basis points at its upcoming meeting. Meanwhile, domestically, Australia is unlikely to see a rate cut in 2024, as persistent wage increases continue to stoke inflation, which is more structural in nature and therefore harder to reduce.

Microequities Pure Microcap Value Fund returned 0.17% in August; this brings the total return net of fees to 84.97% for the Fund since inception in October 2017.

The May to August reporting season saw 36 out of 41 portfolio companies report their FY24 financial results accounting for 87.2% of the net asset value of the Fund (inclusive of 2.4% cash holding). **Excluding cash and those that did not report during the period, the weighted earnings growth was 15.7%.**

	FY24 Earnings Growth Weighted Average
36 companies of the total 41 companies reported FY24 financials in the period May to August 2024. (The 36 companies represent 87.2% of the NAV)	+15.7%

The largest weighted positions in the Fund to report their results included:

- Enterprise software company grew revenue and EBITDA by 10.2% and 11.5% respectively organically. This was at the lower end of their guidance range with new contract win delays pushed out to FY25. The outlook is for low to mid-teens revenue growth and modestly improved margins.
- Technology hardware company reported 21% revenue and EBITDA growth. The company is now established in 4 geographies with significant growth prospects and looking to enter more markets in FY25.
- IT services company reported 36% revenue growth and 21% EBITDA growth. The company has already provided guidance for the year ahead of 20% revenue and 18% EBITDA growth. Balance sheet remains in a net cash for potential acquisitions.

Projected EPS Growth 1 Year Forward (on a weighted basis)	+15.8%
Projected EPS Growth 2 Years Forward (on a weighted basis)	+22.6%

Number of companies	41
Top 5 Holdings % of NAV	49.6%
Top 10 Holdings % of NAV	67.5%
Top 20 Holdings % of NAV	84.1%
Cash Position % of NAV	2.4%

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.