

# PURE MICROCAP

## VALUE FUND



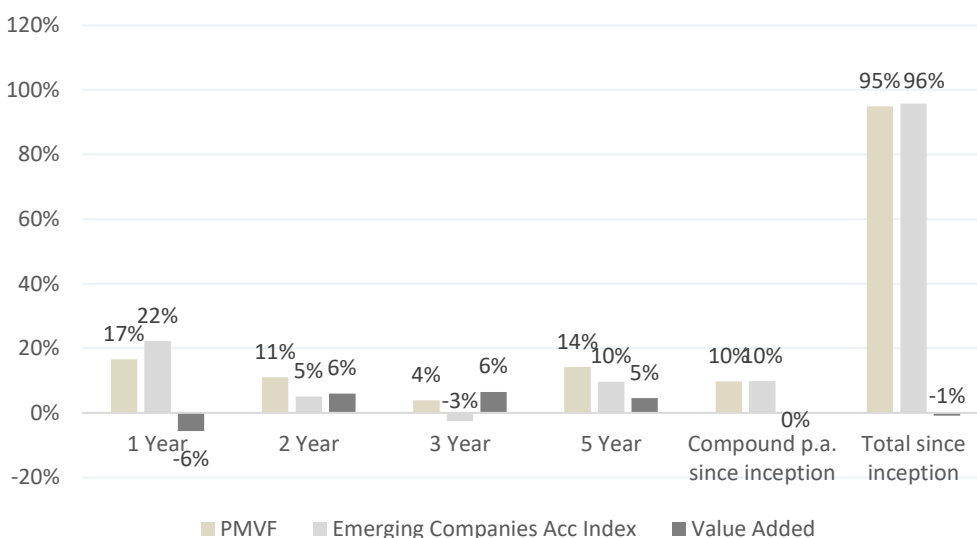
### MONTHLY PERFORMANCE AS AT 30/11/2024

latest unit price <b>\$1.4727</b>	return since inception (Oct 2017) <b>94.89%</b>	return 1 month <b>5.10%</b>
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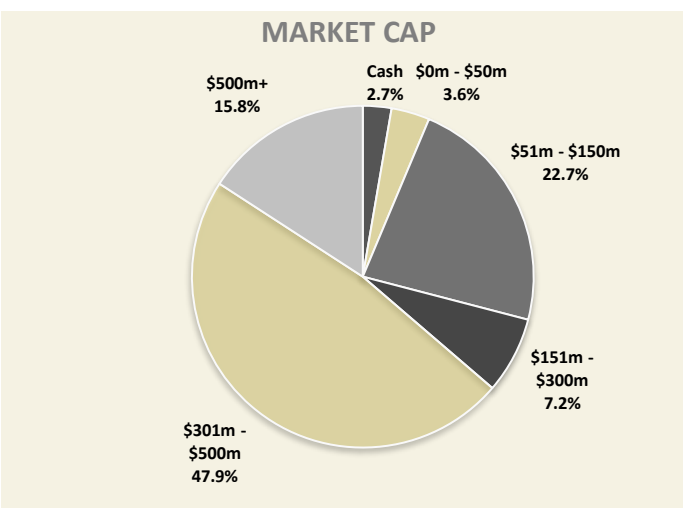
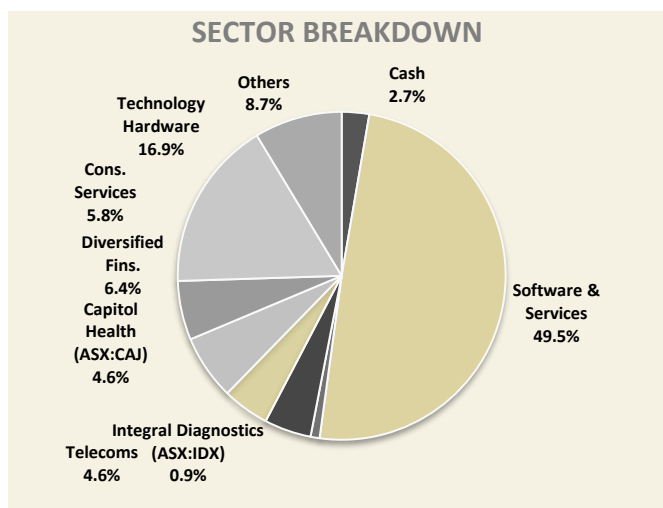
### VALUE OF \$100,000 INVESTED AT INCEPTION > **\$194,894**

#### 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	7 Year Annual Compound	5 Year Annual Compound	3 Year Annual Compound	1 Year	1 Month
<b>PMVF</b>	<b>9.76%</b>	<b>94.89%</b>	<b>9.49%</b>	<b>14.23%</b>	<b>3.94%</b>	<b>16.62%</b>	<b>5.10%</b>



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## MARKET UPDATE AND COMMENTARY

Australia's underlying inflation remains sticky and uncomfortably above the Reserve Bank of Australia's (RBA) 2–3% target band. The October CPI figure, published by the RBA in late November, showed headline inflation falling to 2.1%. However, trimmed mean inflation, which reduces the impact of irregular or temporary price changes and provides a better measure of underlying inflation, rose from 3.2% to 3.5%. This increase in the underlying inflation rate cements the RBA cash rate at 4.35%, likely extending well into 2025. Australia's labour market remains tight, with wage growth uncomfortably high at 3.7% on an annual basis. In a late November data print, Eurozone inflation rose slightly to 2.3% (in line with expectations), while underlying inflation (excluding volatile energy and food prices) remained stable at 2.7%. The headline figure of 2.3% is slightly above the European Central Bank's (ECB) 2% target. These numbers may lead the ECB at its December meeting to favour a 25-basis-point interest rate cut instead of 50 basis points, though some argue that the 2% target itself is too conservative. In the United States, the election of Donald Trump triggered a broad-based rally in U.S. equity prices, driven by his campaign's "pro-growth" economic agenda.

**Microequities Pure Microcap Value Fund returned 5.10% in November; this brings the total return net of fees to 94.89% for the Fund since inception in October 2017.**

The Fund exited its investment in dental operator **Pacific Smiles (ASX:PSQ)** during the month after Genesis which had lobbed a takeover for the company improved its offer and declared it best and final. We sold at prices close to the offer price and redeployed the cash in other opportunities.

We added three new positions to the Fund, the first is a small holding in a multidisciplinary engineering and industrial asset services business. It has a number of positive end market exposures to defence spending, energy and water infrastructure investment. It has a strong balance sheet, improving margins, sub 10x price to earnings ratio and over 5% dividend yield. The second new investment is in the payments infrastructure segment with positive exposure to growing usage of debit cards and new faster payment methods. It has a solid balance sheet, highly predictable revenue stream, long client tenure and opportunities to supplement organic growth with potential acquisitions. We acquired our position at circa 13x PE and 4% net dividend yield. The third new position is in financial services. A change in management, removal of previous regulatory issues and setting of mid-term guidance suggests significant upside from the current share price.

<b>Projected EPS Growth</b>	
1 Year Forward (on a weighted basis)	<b>+17.6%</b>
<b>Projected EPS Growth</b>	
2 Years Forward (on a weighted basis)	<b>+18.2%</b>

<b>Number of companies</b>	<b>44</b>
<b>Top 5 Holdings</b> % of NAV	<b>50.4%</b>
<b>Top 10 Holdings</b> % of NAV	<b>67.1%</b>
<b>Top 20 Holdings</b> % of NAV	<b>83.3%</b>
<b>Cash Position</b> % of NAV	<b>2.7%</b>

**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.