

PURE MICROCAP

VALUE FUND



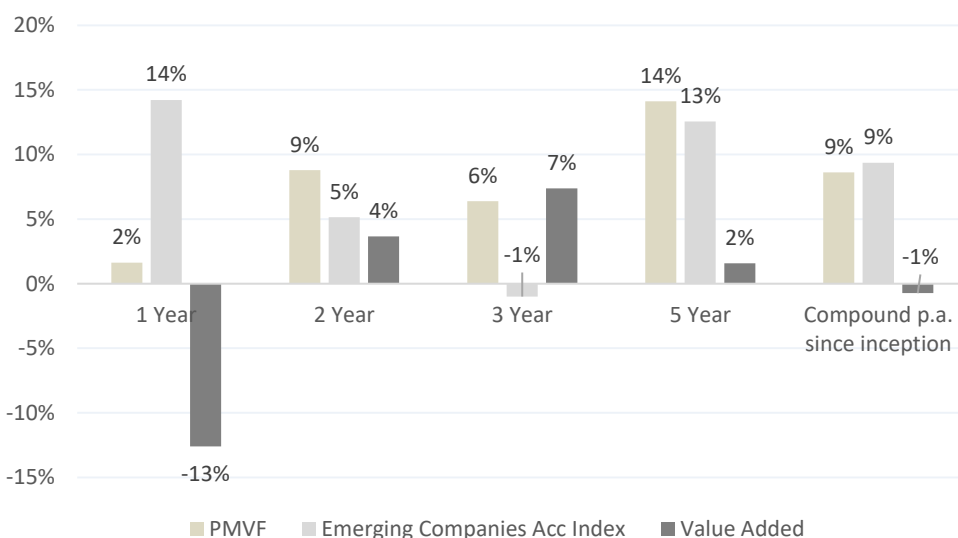
MONTHLY PERFORMANCE AS AT 28/02/2025

latest unit price \$1.3953	return since inception (Oct 2017) 84.65%	return 1 month -5.61%
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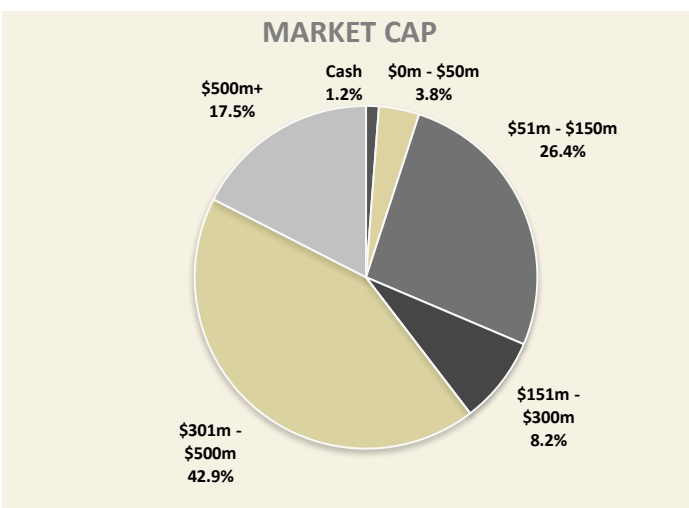
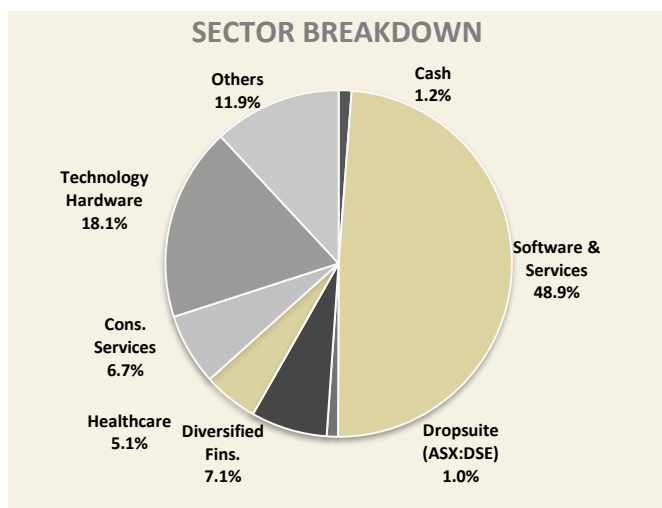
VALUE OF \$100,000 INVESTED AT INCEPTION > **\$184,651**

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
PMVF	8.62%	84.65%	8.63%	14.13%	6.39%	1.63%	-5.61%



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MARKET UPDATE AND COMMENTARY

World equity markets were volatile throughout the month as investors grappled with distinguishing between the Trump administration's tactical rhetoric on tariffs, trade deals and the substantive policy measures that will ultimately be enacted. Concerns are also mounting over the new U.S. administration's DOGE cost-cutting program and the potential economic fallout. While U.S. job growth remains at relatively healthy levels, the full impact of these cost-cutting initiatives will take months to wash through the data. In China, anticipation is building ahead of the government's annual policy-making event, the "Two Sessions," set for March 5th. The event is expected to unveil further stimulus and support measures for the slowing Chinese economy. Notably, the government is likely to revise its inflation target to around 2%, the lowest in years. However, significant stimulus measures remain unlikely, as trade negotiations with the U.S. are still ongoing. While consumption growth in China has been slowing, some level of stimulus may be necessary, which could require the government to ease its strict fiscal deficit limit of 3% of GDP. Domestically, the RBA cut rates by 25 basis points, relieving some pressures in strained household budgets.

Microequities Pure Microcap Value Fund returned -5.61% in February; this brings the total return net of fees to 84.65% for the Fund since inception in October 2017.

It was overall a solid reporting season for the Fund constituent companies, but it was overshadowed by two large holdings that disappointed with sluggish results that saw large share price declines of 11% and 32% respectively. The first was a B2B software business, reported mid-single-digit revenue growth instead of the expected low-teens growth. This shortfall was primarily due to elongated contract closures. However, with a robust near-term pipeline and expected deal signing in 2H25, the company will deliver a stronger second half of FY25, setting the stage for return to double digit growth in FY26. We continue to view this business as one of the most undervalued technology assets on the ASX and remain fully committed to our investment. A second business in the healthcare services sector reported 8% revenue and EBITDA growth but market participants were expecting better margin expansion. A blowout of costs in its regional clinical sites due to staff shortage and contractual terms were the reasons behind the lack of operating leverage. 2H25 will likely continue to be challenging for this company but FY26 sees the benefits of a substantial cost reduction program from a recent industry merger, increased government funding for the sector and benefits of deregulation on revenue growth. Our largest weighted investment made a long awaited US acquisition which now gives the business 5 regional growth markets. Its share price was down during the month on the back of the capital raising, having risen substantially intra-month when the deal and its strong 1H25 results were announced.

Projected EPS Growth	
1 Year Forward (on a weighted basis)	+15.1%
Projected EPS Growth	
2 Years Forward (on a weighted basis)	+19.7%

Number of companies	44
Top 5 Holdings % of NAV	49.3%
Top 10 Holdings % of NAV	66.3%
Top 20 Holdings % of NAV	84.3%
Cash Position % of NAV	1.2%

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.