

PURE MICROCAP

VALUE FUND



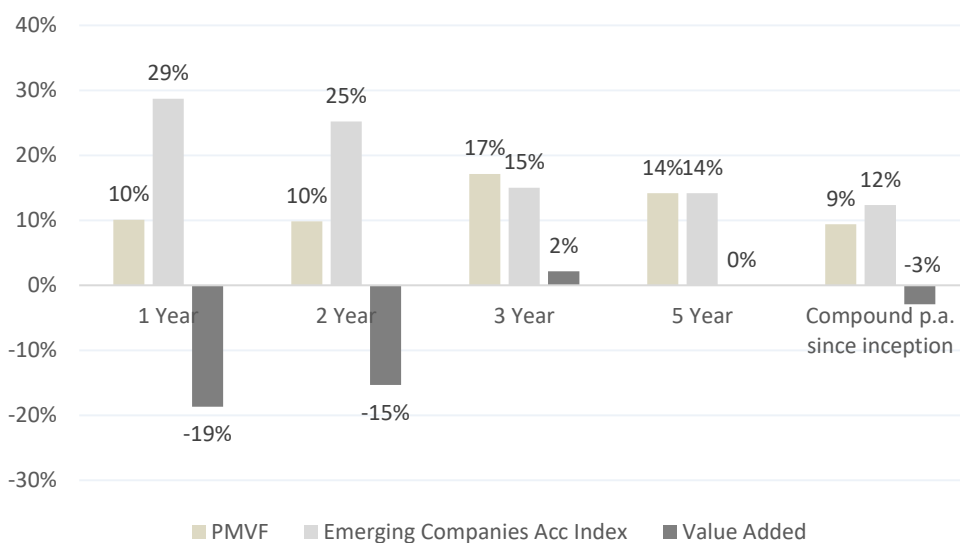
MONTHLY PERFORMANCE AS AT 30/09/2025

latest unit price \$1.5315	return since inception (Oct 2017) 105.19%	return 1 month -0.44%
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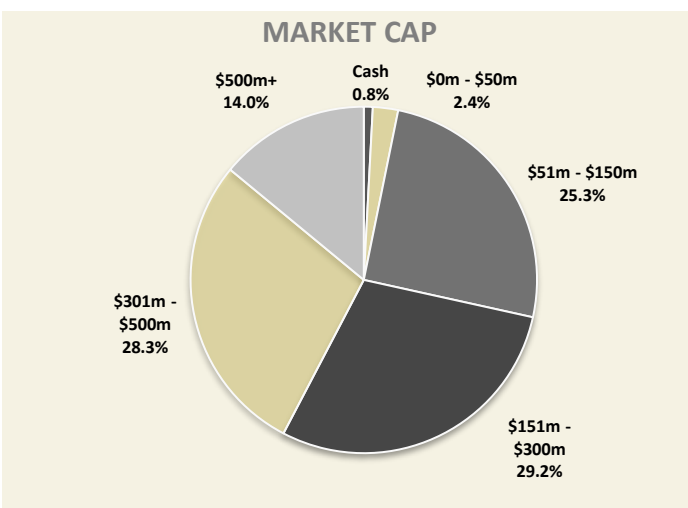
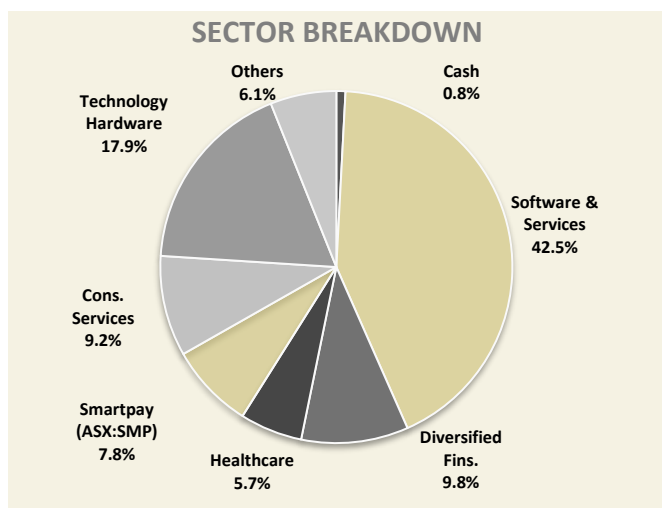
VALUE OF \$1,000,000 INVESTED AT INCEPTION > **\$2,051,873**

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	9.40%	105.19%	10.01%	14.18%	17.15%	10.07%	-0.44%



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MARKET UPDATE AND COMMENTARY

Australia's August CPI print once again surprised to the upside, with headline inflation rising to 3.0%. For context, Australia's CPI was 1.9% in June before accelerating to 2.8% in July. The August increase caught most economists off guard. While some observers may view these figures as effectively removing the prospect of further rate cuts in 2025, we see the picture as more nuanced. Core inflation, which excludes volatile components such as energy, eased back to 2.6%. A key driver of the recent lift in headline CPI was the expiry of the Commonwealth Energy Bill Relief Fund, which is not a structural driver but a result of temporary political policy initiatives. In our view, the RBA is likely to remain on hold in November while it awaits further data, with any decision deferred until its February 2026 meeting. However, the November pause is not a lay-down misère. US economic growth for 2QFY25 bounced back to an annual pace of 3.8%, registering the fastest growth rate in 2 years. The economy was again driven by stoic consumer spending which rose 2.6% over the past 12 months.

Microequities Pure Microcap Value Fund returned -0.44% in September; this brings the total return net of fees to 105.19% for the Fund since inception in October 2017.

September month saw the investment management team meet with the constituent companies within the Fund, to discuss business outlook and longer-term strategic direction. We see significant earnings growth across the companies in the Fund with strong valuation support:

- Largest holding is in technology hardware-enabled services. The company now operates across multiple jurisdictions and we expect FY26 EBITDA to grow 46%. Trading on just 12.8x FY26F EBITDA for a global growth business, we think it's simply too cheap.
- 2nd largest holding is in IT services. Revenue and EBITDA are forecast to grow 28%. The company also has circa \$30m net cash (net of debt, all earnouts and most recent acquisition) to pursue further acquisitions. Current enterprise value to FY26F EBITDA of 6.3x is a fraction of the typical takeover multiple of 12-14x EBITDA in this sector by large multi-national IT firms, which we believe is the end game for this business.
- 3rd largest holding is **Smartpay (ASX:SMP)**. If the current takeover is approved by shareholders in October, the Fund expects to receive its proceeds in early November. There is circa 4% upside from here to the takeover price with 5 weeks to receiving the cash.
- 4th largest holding is in enterprise software. The company is trading at circa 2.3x FY26 forecast revenue and 15.4x cash EBITDA multiple. We are awaiting imminent decisions on a number of large tenders, which if won by this company will underwrite organic growth in FY27 and FY28 and we would expect a significant re-rating in the share price. Year to date the share price is down almost 30%.

Projected EPS Growth	
1 Year Forward (on a weighted basis)	+27.1%
Projected EPS Growth	
2 Years Forward (on a weighted basis)	+19.5%

Number of companies	43
Top 5 Holdings % of NAV	46.3%
Top 10 Holdings % of NAV	67.6%
Top 20 Holdings % of NAV	86.3%
Cash Position % of NAV	0.8%

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.