

# THE PERPETUAL PURE MICROCAP FUND – CLASS A

June 2015

Our Fund only invests in profitable, well-capitalised and well-managed businesses. By conducting our own in depth, bottom up analysis we seek the best opportunities for our investors. Many of these companies often have little or no research published on them, which leads to them being overlooked and/or mispriced. As investors, we look to capitalise on these market inefficiencies. It is worth noting that our Fund will not speculate in unprofitable businesses.

## PERFORMANCE SUMMARY (AFTER FEES) AS AT 31 MAY 2015

	1 MONTH %	3 MONTHS %	6 MONTHS %	1 YR %	SINCE INCEPTION %PA*
Perpetual Pure Microcap Fund – Class A	2.5	6.1	16.7	30.5	35.6
S&P/ASX Small Ordinaries Accumulation Index	2.3	2.0	12.2	7.7	4.1

\*Inception date: 2 September 2013

**PRO MEDICUS LIMITED (PME)** is a software company providing technical solutions for radiologists across Australia, the United States and to a lesser extent, Europe. The company's earlier years as a listed entity were focussed on radiology information systems, or RIS products. These can be thought of as a management tool for radiology providers, much like a practice management system for accountants. Whilst Pro Medicus retains a strong foothold in this market, particularly here in Australia, the acquisition of Visage Imaging in 2009 has seen the company evolve in to a leading provider of Picture Archive Communication Systems (PACS) products on a global scale.

In very simple terms, PACS refers to the collection, storage, and viewing of scans (eg. CT, MRI) by radiologists. The Visage product is unique in that its pixel streaming technology allows scans to be read almost anywhere, at any time. The technology also reduces file storage and bandwidth requirements when compared to competing products. Visage's accessibility and image load speed are often crucial for time dependent cases.

The past twelve months have seen Pro Medicus convert a large number of opportunities from their prospective PACS pipeline to minimum contracted volumes (on a pay per view basis, with some scope for upside). Pleasingly these wins have come across many different sub segments of the US radiology market, validating the company's belief that the product has a wide range of uses.

To date, the earnings impact has been delayed, however as previously announced contracts ramp up we expect significant earnings growth into FY16 and FY17. Recent high profile wins have also driven increased awareness of the Pro Medicus offer, further boosting the sales pipeline. Successful conversion of these opportunities would offer meaningful earnings upside over the medium term.

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### MORE INFORMATION

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