

PERPETUAL PURE MICROCAP FUND – CLASS A

March 2017



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 MARCH 2017

	1 MTH %	3 MTHS %	6 MTHS %	1 YR %	2 YR %	3 YR %	SINCE INCEPTION % PA*
Perpetual Pure Microcap Fund – Class A	0.5%	1.1%	-1.8%	24.3%	27.4%	26.6%	30.7%
S&P/ASX Small Ordinaries Accumulation Index	2.7%	1.5%	-1.0%	13.7%	8.6%	6.4%	5.6%

*Inception date: 2 September 2013

Mitula is a 'vertical search' website operator that aggregates online classifieds, providing users with the ability to obtain search results from multiple advertisers with one search query. The current portfolio includes over 170 websites in 45 countries and offers four primary verticals: real estate, employment, vehicle sales and fashion. Mitula floated in July 2015 at 75c per share, and has grown visitation to its websites by 40% in the period post listing.

The share price came under pressure in late 2016 due to a disappointing quarterly earnings update. We believe this reflected a short term disruption as Mitula works through the integration of two acquisitions, and accordingly took advantage of the weakness to establish a position for the Fund.

The management team have a clear strategy to improve the monetisation of website visitation, which we believe will drive continued growth in earnings and value for shareholders. Mitula has a net cash balance sheet; an experienced management team and Board that own 40% of the business and an established, scalable platform that we think remains undervalued despite the recent share price appreciation.

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MORE INFORMATION

Adviser Services 1800 062 725
Investor Services 1800 022 033
Email investments@perpetual.com.au
www.perpetual.com.au