

## MONTHLY PERFORMANCE AS AT 31/03/2025






Latest Unit Price	Return Since Inception	Return 1 Month	Monthly Currency Impact
<b>\$1.0608</b>	<b>6.08%</b>	<b>-5.12%</b>	<b>TAILWIND MODERATE (1-3%)</b>

### FUND OUTLINE

Fund Manager:

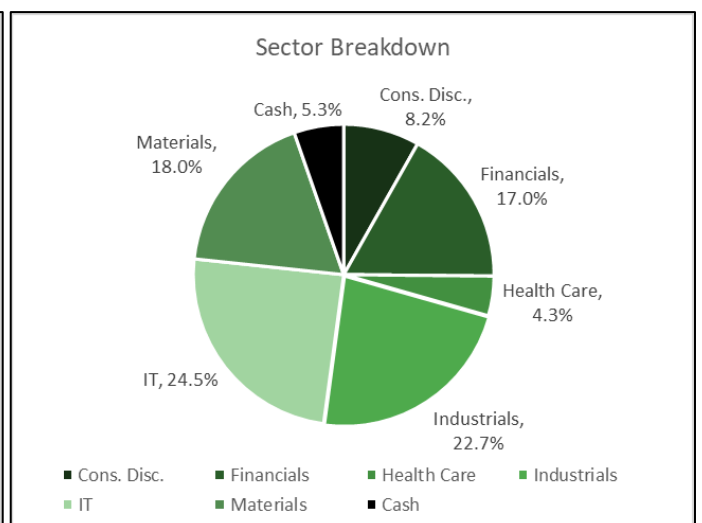
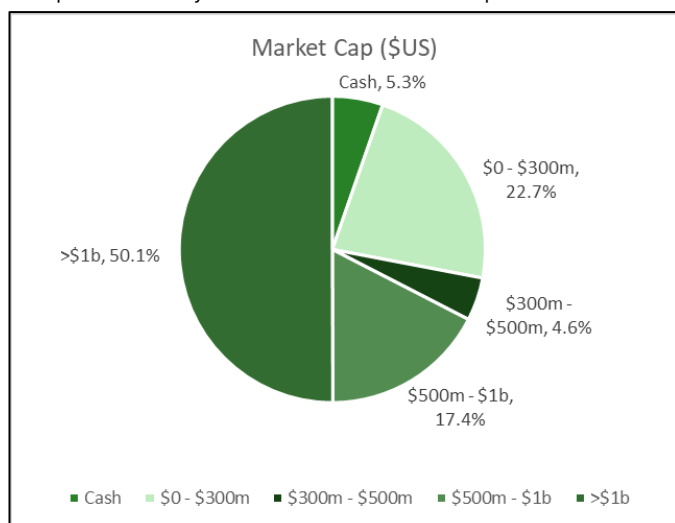
Declan McLenaghan (PM)

The Value Earth Fund is a wholesale fund investing in a portfolio of undervalued global companies that meet our minimum ESG criteria. Companies are located in developed economies around the world.

	Country Break Up	% of NAV
	Australia	15.4%
	Europe	14.5%
	Nordics	10.9%
	United States	28.3%
	UK	15.2%
	Other	10.4%

	Total since inception*	6 Month	3 Month	1 Month
<b>VEF</b>	6.08%	1.72%	-6.63%	-5.12%
<b>Benchmark**</b>	8.78%	3.73%	-4.71%	-4.20%

\*Inception date 1 July 2024. \*\*MSCI World Small Cap in Australian Dollars



# VALUE EARTH FUND



## MARKET UPDATE AND COMMENTARY

Australia's Consumer Price Index (CPI) for February fell from 2.7% to 2.4%, marking its lowest level since July 2021. Underlying CPI, which excludes volatile items such as energy and food, also declined from 2.9% to 2.7%. The decline reinforces the downward trajectory of inflationary pressures on the Australian economy. Given the hawkish rhetoric that came out of the minutes of the last RBA meeting, it would be very surprising if the RBA were to cut rates at the April meeting, but it certainly creates momentum for a May or even more likely July rate cut.

Globally, equity markets remain unsettled amid policy uncertainty from the new US Trump administration. Its push to address trade imbalances through a shifting tariff regime has created confusion among industries and businesses attempting to adapt to evolving trade policies. This uncertainty is expected to persist in the coming months as the administration leverages tariffs and the US's significant domestic market to reshape trade flows and generate revenue, potentially to fund future personal income tax cuts and narrow the sizeable fiscal deficit.

## Value Earth Fund returned -5.12% in March.

Spirax Group reported FY24 results in March, which were consistent with its most recent trading update. While some slowness is expected in Asia Pacific for Steam Thermal Solutions, Electric Thermal Solutions has turned the corner after a period of slower growth in recent years, with potential upside from a recovery in the semiconductor sector. The company expects to deliver revenue and earnings growth in 2025, and Spirax made good progress on its sustainability targets in 2024, while continuing to invest in their decarbonisation products, TargetZero and PoweringZero.

Our Italian cabling and distribution business held their capital markets day in March. The company announced updated financial targets out to 2029, targeting mid to high teens earnings growth over the period. This is underpinned by a sizeable backlog and the company has a history of outperforming their forecasts. They also announced a sizeable acquisition in the US, increasing their exposure to the US market and fibre products. This business is also supporting the shift to renewable energy and grid electrification, making them a good fit for the VEF portfolio. We view the valuation as attractive, supported by a long-term growth runway, and a management team that are capable and aligned.

<b>Projected EPS Growth</b> 1-year forward (on a weighted basis)	11.3%
<b>Projected EPS Growth</b> 2-year forward (on a weighted basis)	27.5%

<b>Number of companies</b>	29
<b>Top 5 Holdings</b> % of NAV	33.2%
<b>Top 10 Holdings</b> % of NAV	53.5%
<b>Top 20 Holdings</b> % of NAV	81.9%
<b>Cash Position</b> % of NAV	5.3%

**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.