

Investor Newsletter

Period to: 31 January 2022

Dear Investor,

We enclose the February 2022 update for the PURE Income and Growth Fund.

The PURE Income and Growth Fund is open for investment.

Foundation Class Portfolio Returns (After Fees)

The PURE Income and Growth Fund returned -0.1% in January 2022.

	1 Month	3 Month	6 Month	1 Year	2 Years	Since inception (Annualised)*
Returns (%)	-0.1%	-1.4%	-1.1%	+0.5%	+49.8%	+19.2%
St Dev (Annualised %)		4.5%	6.7%	7.2%	16.3%	13.5%
Sortino Ratio						4.8
Sharpe Ratio						1.3

*After fees and assuming reinvestment of all income distributions. Fund inception 21 December 2018.

Fund overview as at 31 January 2022

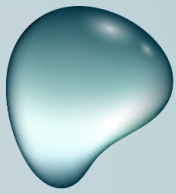
Funds Under Management	\$152.5
Inception Annualised Return After Fees (Foundation Class, Distribution Re-Invest)	+19.2%
Foundation Class Current Unit Price	\$1.3775
Total Distributions Paid After All Fees	30.6cpu
Number of Investments	24
Average Loan Size	\$5.0m
Weighted Average Portfolio Interest Rate	10.0%
Total Establishment and Arrangement Fees Paid to Investors (Gross)	\$2.5m

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Portfolio Summary

It was a sea of red for stock indices during the first month of the year, which was one of the worst January performances on record. Over recent times global asset valuations have been driven by the massive stimulus from central banks, resulting in a rapid rebound in economic activity, but also a near-unprecedented rise in inflation, due to Covid induced supply chain challenges.

With inflation persisting, and at risk of this feeding into a circular loop with wage inflation, the US Federal Reserve pivoted on its stance that higher inflation was temporary. This volte-face took share markets by surprise as it raised the possibility of the end of the *Fed-put* (i.e., the Fed's willingness to stimulate the economy, and asset prices, whenever there was a prevailing weakness).

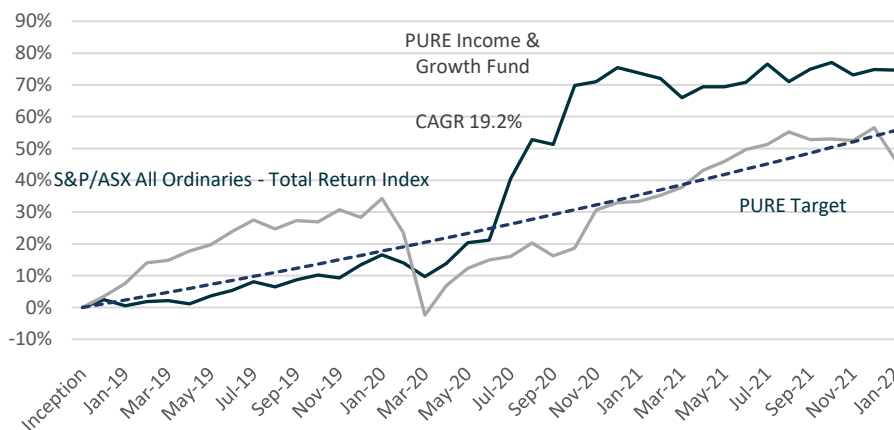
The glut of cheap money, which has underwritten the stock market for over a decade and more recently has led to excessive valuations for a raft of speculative investments including cryptocurrencies, NFT's, meme stocks, unprofitable (and even pre-revenue) tech companies and SPACs (special purpose acquisition companies).

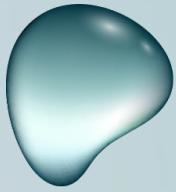
Adding to the wall of worry geopolitical tensions have increased. Never one to miss the opportunity to turn the West's problems into a crisis, Vladimir Putin has raised the spectre of an energy squeeze in Europe, seemingly as a bargaining chip in a land grab to expand his waterfront views of the Black Sea, through the invasion of Ukraine.

We wouldn't want to speculate on the direction of markets in the year ahead, but volatility is likely to be a feature as central banks tighten financial conditions. The party may not be over, but if stock markets are going to perform, it is earnings, rather than the valuation of earnings, that is going to need to do the heavy lifting for the foreseeable future.

As at 31 January, the Fund has just c. 16% of net assets invested in equities/warrants, and as such we consider it well placed to weather such an environment. Further to this, volatility can create a fruitful backdrop for the origination of new investments. The more companies that are unhappy with their cost of equity, the greater the opportunity for PURE's funding solution.

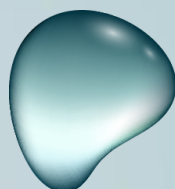
The Fund performed well against these convulsions in January with some good individual performances, a high cash weighting and the credit composition all contributing to the resilience.





Foundation Class Unit Performance History

Month	Unit Price	Return	Distribution re-invest unit price
Inception	1.0000		1.0000
Dec-18	1.0240	2.40%	1.0240
Jan-19	1.0058	-1.78%	1.0058
Feb-19	1.0181	1.22%	1.0181
Mar-19	1.0216	0.34%	1.0216
Apr-19	1.0112	-1.02%	1.0112
May-19	1.0362	2.47%	1.0362
Jun-19	1.0231	1.68%	1.0536
Jul-19	1.0494	2.57%	1.0807
Aug-19	1.0343	-1.44%	1.0651
Sep-19	1.0558	2.08%	1.0873
Oct-19	1.0704	1.38%	1.1023
Nov-19	1.0614	-0.84%	1.0930
Dec-19	1.0619	3.76%	1.1341
Jan-20	1.0912	2.76%	1.1654
Feb-20	1.0674	-2.18%	1.1400
Mar-20	1.0130	-3.77%	1.0971
Apr-20	1.0511	3.76%	1.1383
May-20	1.1112	5.72%	1.2034
Jun-20	1.1117	0.71%	1.2120
Jul-20	1.2883	15.89%	1.4045
Aug-20	1.4015	8.79%	1.5279
Sep-20	1.3868	-1.05%	1.5119
Oct-20	1.5114	12.24%	1.6975
Nov-20	1.5224	0.73%	1.7099
Dec-20	1.5169	2.61%	1.7545
Jan-21	1.5022	-0.97%	1.7375
Feb-21	1.4869	-1.02%	1.7198
Mar-21	1.3910	-3.52%	1.6592
Apr-21	1.4199	2.08%	1.6937
May-21	1.4199	0.00%	1.6937
Jun-21	1.3744	0.83%	1.7077
Jul-21	1.4211	3.40%	1.7658
Aug-21	1.3760	-3.17%	1.7097
Sep-21	1.3973	2.30%	1.7491
Oct-21	1.4143	1.22%	1.7704



Nov-21	1.3833	-2.19%	1.7316
Dec-21	1.3791	0.96%	1.7482
Jan-22	1.3775	-0.12%	1.7462

Platform Class Unit Performance History

Month	Unit Price	Return	Distribution re-invest unit price
Inception	1.0000		1.0000
Jul-20	1.1598	15.98%	1.1598
Aug-20	1.2635	8.94%	1.2635
Sep-20	1.2291	-0.86%	1.2526
Oct-20	1.382	12.44%	1.4084
Nov-20	1.3922	0.74%	1.4188
Dec-20	1.3911	2.66%	1.4566
Jan-21	1.3781	-0.93%	1.4430
Feb-21	1.3641	-1.02%	1.4284
Mar-21	1.2760	-3.53%	1.3779
Apr-21	1.3025	2.08%	1.4065
May-21	1.3025	0.00%	1.4065
Jun-21	1.2639	0.83%	1.4182
Jul-21	1.3068	3.39%	1.4663
Aug-21	1.2653	-3.18%	1.4197
Sep-21	1.2845	2.31%	1.4525
Oct-21	1.3001	1.21%	1.4701
Nov-21	1.2716	-2.19%	1.4379
Dec-21	1.2678	0.97%	1.4518
Jan-22	1.2664	-0.11%	1.4502

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