

Investor Newsletter

May 2021

Dear Investor,

We enclose the May 2021 update for the PURE Income and Growth Fund. An overview of our returns and portfolio comments are detailed below.

After closing to new applications from November 2020, we are pleased to report the PURE Income and Growth Fund is again open for investment.

[PURE Application Portal](#)

The deal pipeline remains exciting, with multiple transactions moving towards close over the coming weeks.

Foundation Class Portfolio Returns (After Fees)

The PURE Income and Growth Fund returned 2.1% in April 2021.

PURE ASSET MANAGEMENT	1 Month	3 Month	6 Month	1 Year	Since inception (Annualised)
Returns (%)	+2.1%	-2.5%	-0.2%	+48.8%	+24.4%
St Dev (Annualised %)		7.9%	7.2%	19.8%	14.7%
Sortino Ratio					6.4
Sharpe Ratio					1.5

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

The Fund overview as at 30 April 2021 is shown below:

Funds Under Management	\$118.4m
Since Inception Return After Fees – (Foundation Class, Distribution Re-Invest)	+69.4%
Since Inception Annualised Return After Fees (Foundation Class, Distribution Re-Invest)	+24.4%
Foundation Class Current Unit Price	1.4199
Total Distributions Paid After All Fees (Ex Mar 2021 Distribution)	+22.1 cpu
Total Committed Capital	>\$140m
Number of Investments	18
Average Loan Size	\$3.6m
Weighted Average Portfolio Interest Rate	10.4%
Total Establishment and Arrangement Fees Paid to Investors (Gross)	\$1.5m

Portfolio Summary

After a frustrating March quarter for the Fund, it was pleasing to see positive performance return in April. Rising bond yields, increased volatility, and a powerful rotation from growth to value have proved a difficult operating environment year to date.

The month's positive performance was primarily attributable to the agreed restructure of LAW Finance (see April newsletter), along with a rebound in the equity prices of Mighty Craft and Xref.

We appreciate the fact that stocks don't go up in straight line. While the consolidation period has been disappointing, it has rebased the warrant/equity exposure within our portfolio. Much akin to early 2020, we believe this dynamic has set the Fund up for a strong run into year-end:

Value of Fixed Interest (deployed + accrued interest)	\$62.6m	52.9%
Value of Fixed Interest (at term sheet)	\$21.8m	18.4%
Value of Derivatives	\$12.5m	10.6%
Value of Listed Equity	\$4.6m	3.9%
Other (ancillary fees, income and other settlements)	\$0.35m	0.3%
Cash	\$16.6m	14.0%
Gross Asset Value	\$118.4m	100.0%

PURE Resources Fund

We're pleased to report the PURE Resources is now live as of 1 May 2021. The Fund is in diligence on multiple transactions, with the expectation of moving to binding terms over the coming weeks. We remain highly encouraged by the deal flow on offer, and believe we are embarking on a highly profitable niche.

Online applications can be made through Automic, the unit registry provider for the PURE Resources Fund. Please see the relevant link below:

<https://investor.automic.com.au/#/w/PRF>

For any assistance with the online application, please contact Jean-Luc Corelli (jl@puream.com.au or 0405 557 824).

Income & Growth Fund Deal Flow

After a period carrying more cash than targeted, the PURE Income and Growth Fund has re-opened in response to a significant deal pipeline. The Investment Team is in the final stages of multiple transactions, importantly with metrics comparable to the balance of the portfolio. One trend has been the emergence of multiple highly attractive private / pre-IPO opportunities. We continue to monitor this space and expect portfolio capacity to become available as Orbx, Hydralyte and FiscalNote IPO over the coming quarter.

We thank you for your support.

Nick, Mike, Tim, Dan and Jean-Luc

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

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

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