

The Income and Growth Fund

Dear Investor,

We enclose the October 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 +0.9% in October 2022.

	1 Month	3 Month	6 Month	1 Year	3 Years	Since inception
Returns (%) p.a.	+0.9%	-2.4%	-2.7%	-4.2%	+15.5%	+14.4%
St Dev (Annualised %)				4.7%	14.0%	12.5%
Sortino Ratio						3.1
Sharpe Ratio						0.9

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

Fund overview as at 31 October 2022

Funds Under Management	\$151.9m
Since Inception Annualised Return After Fees (Foundation Class, Dist. Re-Invest)	+14.4%
Foundation Class Current Unit Price	\$1.2641
Total Distributions Paid After All Fees	38.1cpu
Number of Investments	29
Average Loan Size	\$5.1m
Weighted Average Portfolio Interest Rate	9.7%
Total Establishment and Arrangement Fees Paid to Investors (Gross)	\$3.6m

Current Portfolio Exposure

Fixed Income	66.8%
Equity/Warrants	13.9%
Cash	19.3%
Total	100.0%

PURE online application form

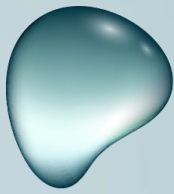


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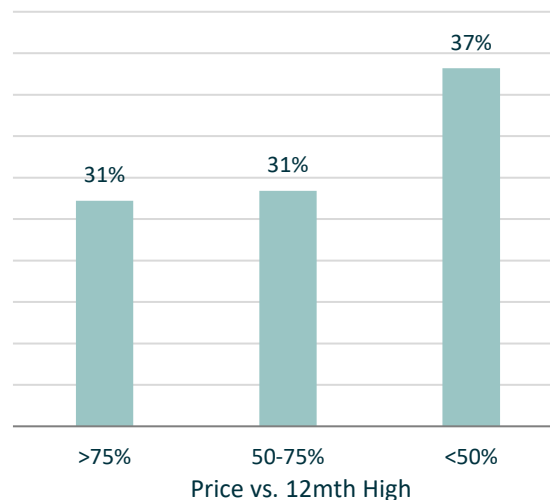


Portfolio Summary

Equities regained upward momentum in October, despite Central Banks continuing the aggressive removal of financial liquidity. The ASX Small Industrials Accumulation Index reclaimed 7.4% for the month, with astute investors finding value in a range of emerging 'wounded athlete' opportunities.

The selling of small caps has been largely indiscriminate in 2022. At the end of October 90% of small caps had suffered a share price decline. Of these, 31% have fallen over 50% from their highs, and a further 31% falling over 75%. To quote the illustrious Maverick from Top Gun, "This is what I call a target-rich environment."

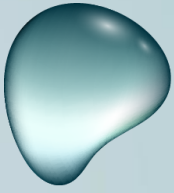
Small caps share price declines from 12-month highs



In many cases, these falls are dislocated from the underlying operating performance of the businesses themselves. Within the portfolio, for example, Swift (SW1), Xref (XF1), Mighty Craft (MCL) and Carbonxt (CG1), have all reported record operating performance, and expectations that this will continue, but their share prices have been savaged.

Australian leading growth indicators continue to weaken, but do not reflect calamitous levels. The Australian Market Composite PMI shrank to 49.8 in October, signalling that the private sector shrank for the first time since the January 2022 lockdowns, albeit modestly. With the RBA raising interest rates by 275 basis points year to date, and c.\$2 trillion of domestic mortgage debt, it's remarkable that we have not witnessed a more profound slowdown.

While interest rates keep rising, contrary to popular opinion, the consumer is yet to capitulate. Retail sales posted 18.6% growth on the Sept 21 quarter, albeit a period heavily impacted by the pandemic. Adding to the intrigue, discretionary spending was the category exhibiting the most growth, with households continuing to spend their pent-up pandemic savings. This resilience continues to defy the doomsday predictions of market pundits. The upcoming Black Friday, Cyber Monday, and Christmas Sales will be pivotal in determining Australia's 2022 exit velocity.



PURE
ASSET MANAGEMENT

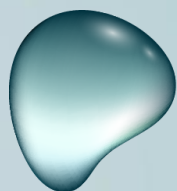
The Fund, posted +0.9% return for the month. The key positive contributors were two companies we believe have a bright future, Hydralyte (HPC) and Mighty Craft (MCL). The fund has increased its exposure to both positions during 2022, and it was pleasing to see ASX investors' thinking align with our own.

We thank you for your support.

Nick, Mike, Tim, Dan, Jonathan and Jean-Luc

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Monthly Returns – After Fees

The Income and Growth Fund – Foundation Class													
Year	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Fin YTD
FY19						2.4%	-1.8%	1.2%	0.3%	-1.0%	2.5%	1.7%	5.4%
FY20	2.6%	-1.4%	2.1%	1.4%	-0.8%	3.8%	2.8%	-2.2%	-3.8%	3.8%	5.7%	0.7%	15.0%
FY21	15.9%	8.8%	-1.0%	12.2%	0.7%	2.6%	-1.0%	-1.0%	-3.5%	2.1%	0.0%	0.8%	40.9%
FY22	3.4%	-3.2%	2.3%	1.2%	-2.2%	1.0%	-0.1%	-2.3%	1.6%	0.5%	-0.5%	-1.0%	0.5%
FY23	1.3%	-1.7%	-1.6%	0.9%									-1.2%

The Income and Growth Fund – Platform Class (APIR: PUA7226AU)													
Year	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Fin YTD
FY21	16.0%	8.9%	-0.9%	12.4%	0.7%	2.7%	-0.9%	-1.0%	-3.5%	2.1%	0.0%	0.8%	41.8%
FY22	3.4%	-3.2%	2.3%	1.2%	-2.2%	1.0%	-0.1%	-2.3%	1.6%	0.5%	-0.5%	-1.0%	0.5%
FY23	1.3%	-1.7%	-1.6%	0.9%									-1.2%

Unit Price Data Download

Please click on the link below to download the updated unit price data for each unit class.

[The Income and Growth Fund – unit price data to 31 October 2022](#)

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