

PURE Resources Fund

Dear Investor,

We enclose the August 2022 update for the PURE Resources Fund.

The PURE Resources Fund is open for investment.

Foundation Class Portfolio Returns (After Fees)

The PURE Resources Fund returned +1.6% in July 2022.

	1 Month	3 Month	6 Month	9 Month	1 Year	Since inception (Annualised)*
Returns (%)	+1.6%	+1.8%	+10.5%	+13.2%	+15.2%	+12.2%
St Dev (Annualised %)					6.4%	6.0%

After fees and assuming reinvestment of all income distributions. Fund inception 30 April 2021.

Fund overview as at 31 July 2022

Funds Under Management	\$72.9m
Since Inception Annualised Return After Fees (Foundation Class, Dist. Re-Invest)	+12.2%
Foundation Class Current Unit Price	\$1.1258
Total Distributions Paid After All Fees	2.7cpu
Number of Investments	8
Average Loan Size	\$6.5m
Weighted Average Portfolio Interest Rate	10.7%
Total Establishment and Arrangement Fees Paid to Investors (Gross)	\$1.0m

Current Portfolio Exposure

Fixed Income	70.4%
Equity/Warrants	10.3%
Cash	19.3%
Total	100.0%

PURE online application form

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PURE Asset Management Pty Ltd | ABN 46 616 178 771 | AFSL 520396

Portfolio Summary

The portfolio returned to its growth trajectory in July, with the NAV lifting +1.6%. CYTD performance continues to be strongly positive, up +10.7%, a genuine stand-out in this market. We are also pleased to report our second distribution from the Resources Fund was paid this week, with distributions to unit holders of ~1.5cpu. This brings to total distribution to ~2.7cpu for FY22. We anticipate moving from semi-annual to quarterly distributions over the next six months, pending liquidity.

While global share markets rebounded in July following selloffs over the first half of the year, we see further clouds on the horizon. This comes, namely, as the broader direction of earnings heads further south.

We are more optimistic about the coming months for the Resources Fund. For now, our investment model is working as we designed it: generating equity growth, while preserving capital and paying income. Our sectoral exposure to energy and critical minerals is providing plenty of comfort. In addition, we see compelling catalysts in the near term, as all of our listed company exposure moves from developer to producer stage between now and June 2023. While we are pleased with our first year performance, we are genuinely excited about what's coming for year two.

We are actively raising funds

Market conditions have become extremely conducive to PURE's hybrid investment strategy. As such, and with cash near fully deployed, the PURE Resources Fund is actively embarking on a fundraising campaign to capitalise on the opportunity being presented. If you would like to invest with the PURE team, please access the online application form via the Olivia123 link below:



The greatest compliment our investors can give is the referral of friends, family and associates. If you know of other investors who are seeking additional investment opportunities, please feel free to contact us at any time.

Chart of the month

An often overlooked, but critical issue of the projected transition to global electrification, is how does this actually happen? Batteries, and conductive infrastructure won't automatically appear. As the Resources industry has been banging on about for the past decade: if you want to go electric, you must be prepared to dig. Australia is in a good position to benefit.

The International Energy Agency (IEA) released a report in early August outlining in relatively simple terms what is required from a materials perspective to achieve anything near the targets that have been adopted. It's fair to say, it's an enormous challenge.

As high-nickel chemistries are the current dominant cathode for EVs, by 2030, nickel is facing the largest absolute demand increase of all time, and this is likely to be underpinned by battery demand for decades.

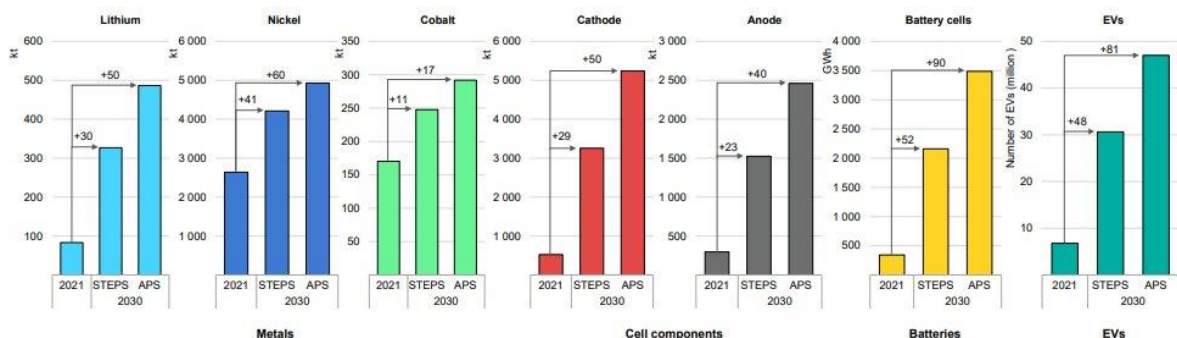
More broadly, in order to hit projected demand, we need 50 more lithium mines, 60 more nickel mines, and 17 more cobalt mines by 2030, to meet countries' announced emission pledges (assuming current average annual production).

Given the challenges with permitting, and the long lead times this creates for mine development, not to mention financing challenges, the requirement to develop more mines is today, not in 2025 or 2029.

In our portfolio, our predominant exposure to this theme is G6Metals (G6M.ASX), which is re-starting the Dolphin Tungsten mine in Tasmania (PURE, \$10m loan, first ranking security, 97% warrant coverage). With its application in a variety of industries, not just electrified ones, expected demand for tungsten from a reliable, allied, Tier 1 jurisdiction is very favourable.

Number of Mines required to meet projected electrification demands by 2030

Number of mines to produce required levels of metals, anode/cathode production plants, battery gigafactories and EV plants required to meet projected demand in 2030 relative to 2021



Source: International Energy Agency



PURE
RESOURCES

Website

After much blood, sweat, tears and word-smithing, PURE is pleased to share its revamped website.

Please take a moment to let us know your experience of the site, including the fund summary and investee company videos. Feedback, as they say, is a gift.

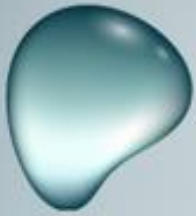
<https://www.puream.com.au>

We thank you for your support.

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

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Monthly Returns – After Fees

PURE Resources Fund – Foundation Class													
Year	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Fin YTD
FY21											0.0%	0.0%	0.0%
FY22	0.2%	-0.1%	2.8%	-0.8%	2.2%	0.1%	0.1%	1.1%	4.9%	2.3%	2.6%	-2.3%	13.7%
FY23	1.6%												1.6%

PURE Resources Fund – Platform Class (APIR: PUA1097AU)													
Year	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Fin YTD
FY22		-0.1%	2.7%	-0.8%	2.2%	0.1%	0.2%	1.1%	4.9%	2.3%	2.6%	-2.3%	13.4%
FY23	1.6%												1.6%

Unit Price Data Download

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

[PURE Resources Fund – unit price data to 31 July 2022](#)

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