

# Investor Newsletter

Period to: 30 April 2022

Dear Investor,

We enclose the May 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 2.3% in April 2022.

	1 Month	3 Month	6 Month	1 Year	Since inception (Annualised)*
<b>Returns (%)</b>	+2.3%	+8.6%	+11.2%	+13.4%	+13.4%
<b>St Dev (Annualised %)</b>		5.5%	5.7%	5.5%	5.5%

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

### Fund overview as at 30 April 2022

<b>Funds Under Management</b>	\$69.3m
<b>Since Inception Return After Fees – (Foundation Class, Distribution Re-Invest)</b>	+13.4%
<b>Foundation Class Current Unit Price</b>	1.1206
<b>Total Distributions Paid After All Fees (Foundation Class)</b>	1.2cpu
<b>Number of Investments</b>	7
<b>Average Loan Size (post-deployment against current binding commercial terms)</b>	\$6.3m
<b>Weighted Average Portfolio Interest Rate (post-deployment)</b>	10.7%
<b>Total Establishment /Arrangement Fees Paid into the Fund (Gross)</b>	\$0.9m

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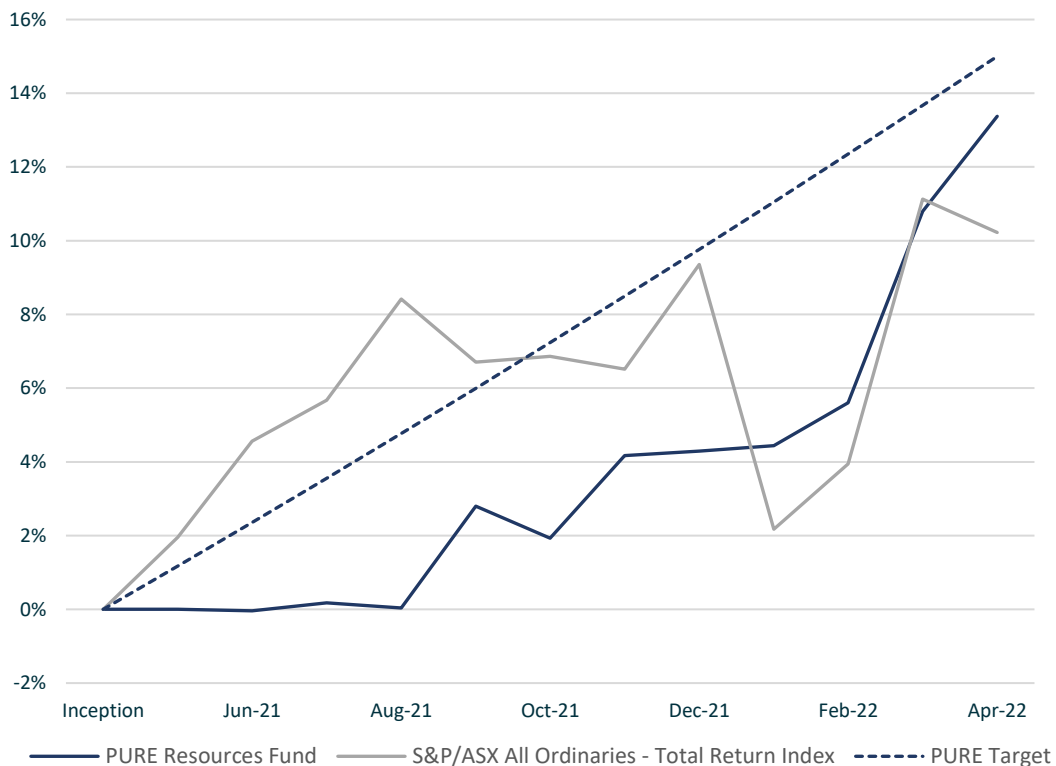
## Portfolio Summary

The Fund returned +2.3% for the month of April, continuing to build on the performance we have seen over this year. Again, performance was driven by both G6Metals and Comet Ridge, which both surged back over previous 12m high's. While performance in both names has been pleasing, we remind investors that these are both yet to see the catalysts that initially attracted us to these investments. We continue to see tremendous upside potential in both.

The Resources Fund has now moved through its first full year, since we launched on 30 April 2021. After a slower start, the fund has risen +13.4% and provided 1.2cpu in distributions (Dec-21), coming close to achieving our through the cycle performance targets (15% annual growth). We are now approaching \$70m in FUM, and as inbound enquiries continue to show no signs of slowing, we expect this to again lift over the coming 12 months.

Markets have been on a bumpy trajectory over the past several months, with major global impacts shaking investor sentiment both here and abroad. Our credit-based Resources offering is nascent in it's development, offering companies a fair capital solution, while providing our investors with consistent returns and solid cash distributions. We expect the fund will build on a solid first year, and we look forward to sharing more updates and continuing to build on performance as we move ahead.

### One Year On: relative performance since first investment (\$ invested)

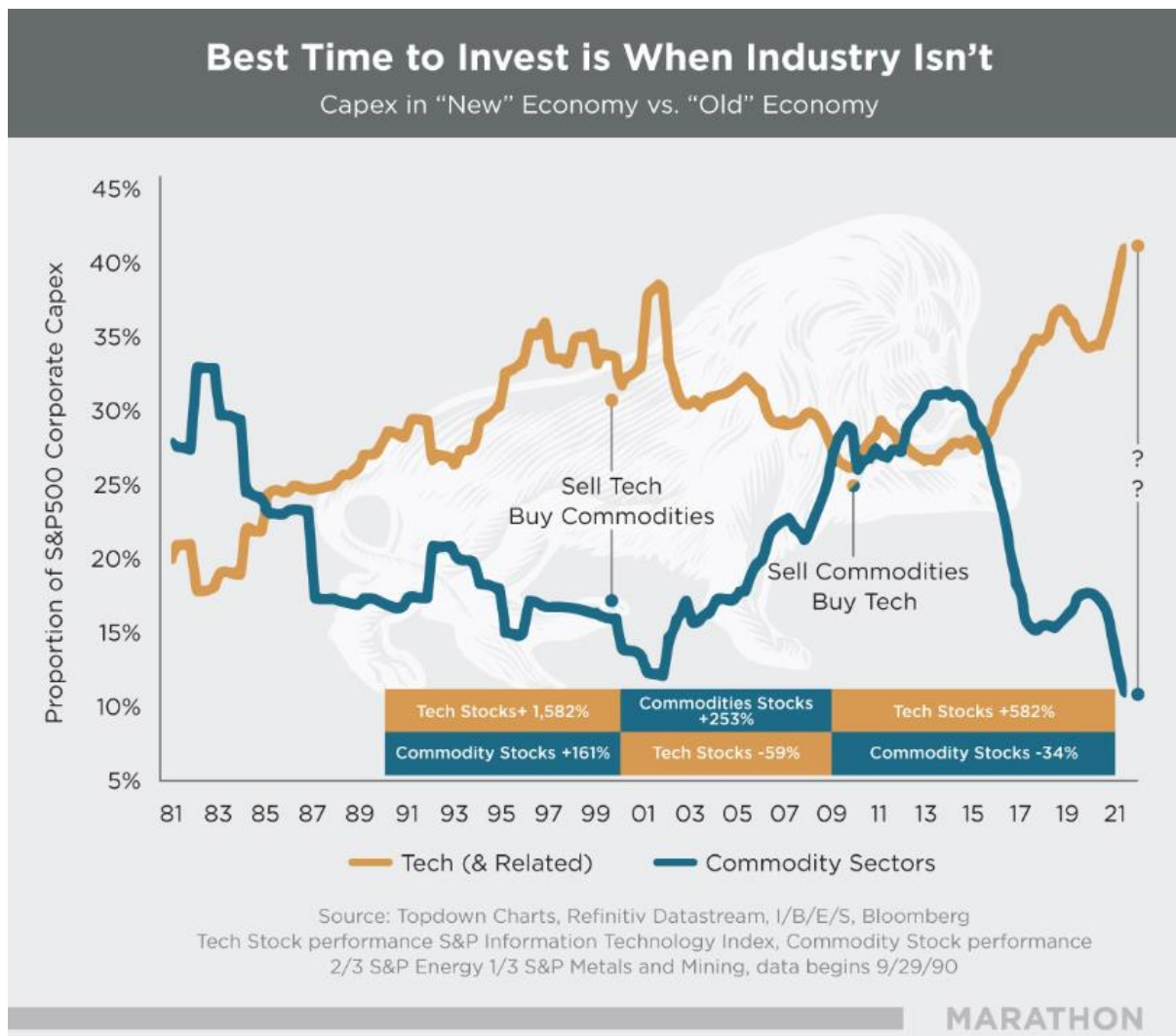


## Chart of the month

As we keep banging on about, investment into the resources industry is lagging. This is for a range of reasons, mostly structural, but some others are a function of performance. Where commodities prices have lifted, resources stock performance has been somewhat piecemeal and performance over the last decade lagged other sectors such as technology.

Nonetheless over the past decade, this tech boom has not been a boom, so much a boom but rather a tectonic shift straight up. The chart below shows the divergence between these two sectors is at an all-time high. As tech stocks continue to unwind sharply in this latest sell off, we think the structural underinvestment in new commodity/resources supply will lead to a prolonged cycle of high prices. Commodity prices, on a whole, rose 46% y/y to March 2022. *This was the strongest annual rise since 1995.* There can really be no better time to continue to pivot towards resources investments, and this is a great time to be involved in this space.

### Proportion of Capex invested (%), Tech sector vs Commodities Sector, 1981 - 2021



## Deal flow

With most of our initial capital nearly fully committed, we expect to be raising additional capital in the coming months. If you would like to invest in the PURE Resources Fund, or add to your current investment, please contact Jean-Luc Corelli at [jlc@puream.com.au](mailto:jlc@puream.com.au).

We are in advanced due diligence on several further transactions. All feature respected and high-quality management teams, assets in, or moving into production and exciting equity price catalysts.

We have a significant number of further prospective leads that sit at earlier stages, all requiring additional due diligence. As we have noted previously, our hybrid debt facility has really resonated with the East Coast resources sector particularly strongly. However, inbound inquiries have notably increased in recent months, as our profile lifted on the closure of several listed transactions over the back half of 2021. We expect this to continue to build from this point.

Commodity	Location	Loan Size	Interest Rate	Warrant Coverage	Term	Purpose
Gas	West Coast, Aus	\$10.0m	12.0%	100.0%	4yrs	Project Finance
Gold	East Coast, Aus	\$7.5m	10.0%	100.0%	4yrs	Project Finance
Gold	NT, Aus	\$10.0m	12.0%	100.0%	3yrs	Project Finance

## Co-investment opportunities

We also continue to receive a strong level of inbound enquiries from companies whose funding requirements exceed the Fund's capacity for investment. Where this occurs, PURE will look to engage with our network to fund these deals through co-investment. If you are interested to participate in a co-investment deal alongside PURE, please contact Dan Porter at [dan@puream.com.au](mailto:dan@puream.com.au).

We thank you for your support.

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

## Foundation Class Unit Performance History

Month	Unit Price	Return	Distribution Re-Invest unit price
Inception	1.0000		1.0000
May-21	1.0000	0.0%	1.0000
June-21	0.9996	0.0%	0.9996
July-21	1.0018	0.2%	1.0018
Aug-21	1.0004	-0.1%	1.0004
Sep-21	1.0280	2.8%	1.0280
Oct-21	1.0193	-0.8%	1.0193
Nov-21	1.0417	2.2%	1.0417
Dec-21	1.0308	0.1%	1.0429
Jan-22	1.0323	0.1%	1.0444
Feb-22	1.0438	1.1%	1.0561
Mar-22	1.0951	4.9%	1.1080
Apr-22	1.1206	2.3%	1.1338

## Platform Class Unit Performance History

Month	Unit Price	Return	Distribution Re-Invest unit price
Inception	1.0000		1.0000
Aug-21	0.9987	-0.1%	0.9987
Sep-21	1.0257	2.7%	1.0257
Oct-21	1.0174	-0.8%	1.0174
Nov-21	1.0397	2.2%	1.0397
Dec-21	1.0309	0.1%	1.0409
Jan-22	1.0325	0.2%	1.0425
Feb-22	1.0440	1.1%	1.0541
Mar-22	1.0953	4.9%	1.1059
Apr-22	1.1208	2.3%	1.1317

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