

# Investor Newsletter

Period to: 30 June 2022

Dear Investor,

We enclose the July 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 June 2022.

	1 Month	3 Month	6 Month	1 Year	Since inception (Annualised)*
<b>Returns (%)</b>	-2.3%	+2.6%	+9.0%	+13.7%	+11.6%
<b>St Dev (Annualised %)</b>		7.8%	7.8%	6.5%	6.1%

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

### Fund overview as at 30 June 2022

<b>Funds Under Management</b>	\$72.6m
<b>Inception Annualised Return After Fees – (Foundation Class, Distribution Re-Invest)</b>	+11.6%
<b>Foundation Class Current Unit Price</b>	1.1085
<b>Total Distributions Paid After All Fees (Foundation Class)</b>	2.7cpu
<b>Number of Investments</b>	7
<b>Average Loan Size (post-deployment against current binding commercial terms)</b>	\$6.7m
<b>Weighted Average Portfolio Interest Rate (post-deployment)</b>	10.8%
<b>Total Establishment /Arrangement Fees Paid into the Fund (Gross)</b>	\$0.9m

**PURE online application form**

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## Portfolio Summary

June was a difficult month for markets, with commodities finally succumbing to the negative economic news, with falls across the board. The Resources Fund was not unscathed suffering a -2.3% retreat for the month, but nonetheless this was a reasonable performance, given the much greater falls across the market, with the small-cap resources sector ending down -18.1% for the month.

Although market nervousness is likely to continue for several months yet, creating further turbulence, we are more optimistic about the coming months for the Resources Fund. Our investment model is working as we designed it: generating equity growth, while preserving capital and paying income.

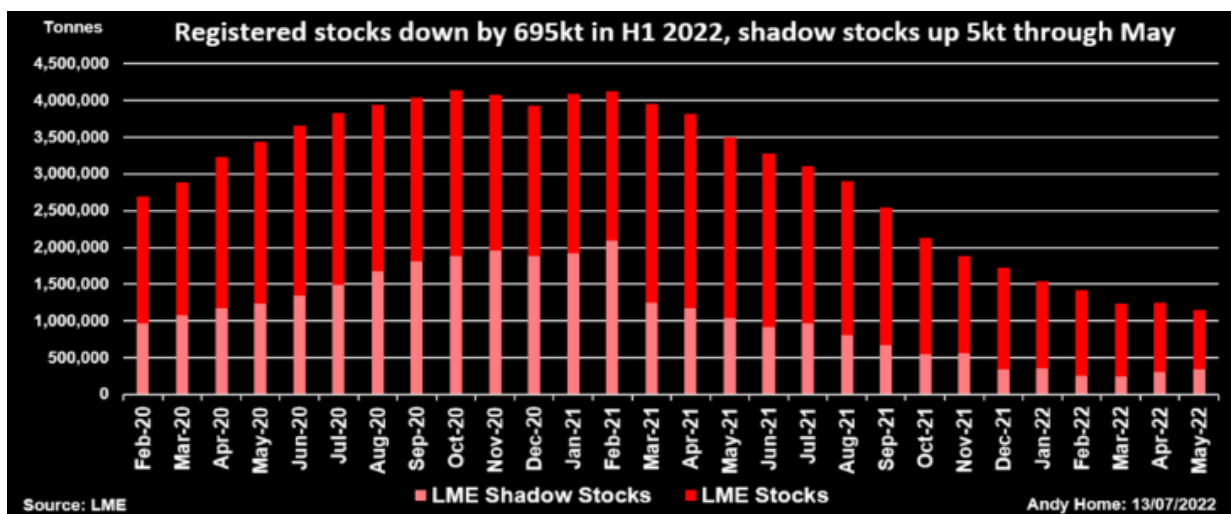
We have largely positioned our investments into companies with two important features: (1) genuine structural supply dislocations (e.g. East Coast Australian Gas, Tungsten, Sulphate of Potash) and (2) companies approaching the production stage, with all due to be in cash generation by 30 June 2023. This combination helps to shield the portfolio from major macro swings, as the transition to production can often be a catalyst for share price performance.

We made a new investment this month into Kingston Resources (KSN.ASX), our first gold/copper project, which we are excited about operationally, but also because we believe the outlook for the gold price is positive.

## Chart of the month

Spot commodity prices fell -13% in June, as fears of recession outweighed the concerns around global supply chains. Oil is off -20% from its highs, as is copper, Metallurgical coal is down -25% while iron ore is down -40%. Looking through this we remain positive. Commodity inventories continue to shrink, reflecting ongoing demand in excess of supply. The fears of recession will however likely delay decisions needed for development or financing, such that when fundamentals are reverted to, the tight market conditions will have changed little, just like during Covid.

### London Metals Exchange – Inventory levels are declining rapidly



Source: LME



## **We are actively raising Funds**

Market conditions have become extremely conducive to PURE's hybrid investment strategy. As such, 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.

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
May-22	1.1499	2.61%	1.1634
Jun-22	1.1085	-2.30%	1.1366

## 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
May-22	1.1500	2.61%	1.1612
Jun-22	1.1084	-2.33%	1.1341



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