

PURE Resources Fund

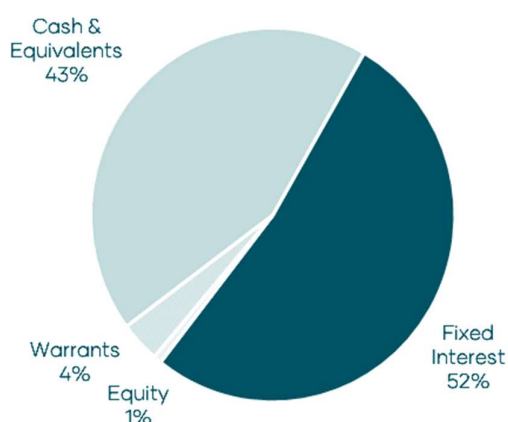


Foundation Class Portfolio Returns (After Fees)

	1 month %	3 Months %	6 Months %	1 Year %	3 Years % p.a.	Since inception* % p.a.
PURE Resources Fund	+0.0%	-0.4%	+0.3%	+3.9%	N/A	+7.6%
Standard Deviation (Annualised %)				7.1%	N/A	6.5%

* Fund inception 31 April 2021

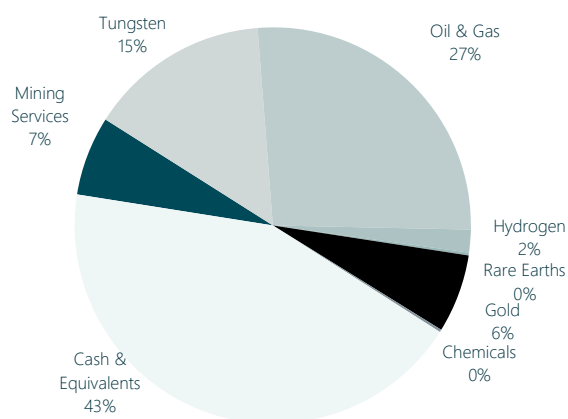
Asset Allocation



Fund Overview

Fund Size	\$80.0m
Foundation Class Unit Price	\$1.0971
Number of Investments	9
Average Loan Size	\$7.1m
Weighted Average Interest Rate	10.1%
Arrangement Fees Paid to Investors	\$1.4m
Trailing Fund Yield (12m)	3.7%

Sector Allocation



Monthly Commentary

Market conditions for resources continue to remain turbulent, signified none more so than by the gold price remaining around US\$2,000/oz through March. While supply for virtually all commodity groups continue to sit at all-time lows, you wouldn't know it from the reactions of fearful equity markets. In just the last three months, (1) China has re-opened but it is messy and slow (2) diesel demand globally is falling, showing to recessionary conditions (3) interest rates continue to rise and (4) we had a banking crisis. Equity markets are confused by the number of counterfactual information circling about, so in that sense it's comforting knowing that in the Resources Fund, we have the backstop of debt, and the cash returns it delivers.

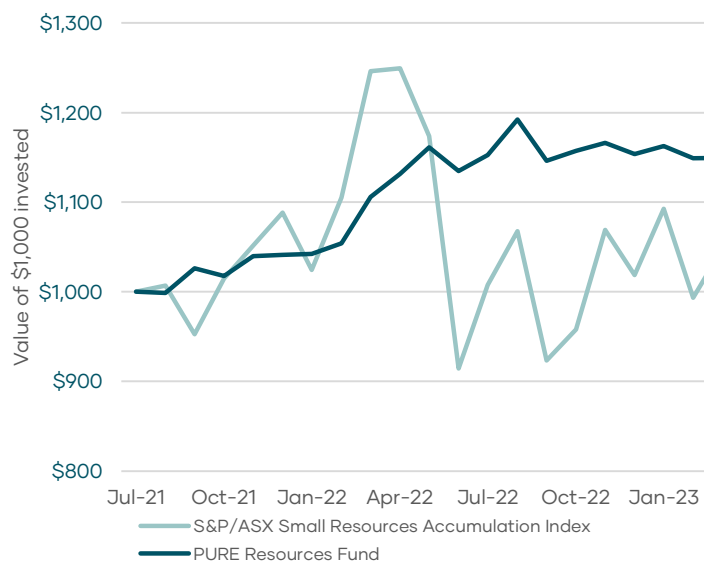
Although we finished with flat performance for the month and broadly for the quarter, our portfolio continues to outperform the small resources index, which is down ~15% y.o.y. Equity/warrant positions sit at just 5% of NAV and accordingly we see limited downside risk from this point. Looking ahead we see great catalysts building over the coming quarter across the broader portfolio.

This month we saw the \$10m facility with Peak Minerals Inc. refinanced and returned to the Fund. Our cash balance is high, however we currently

have three active deals and this should reduce significantly into 30 June.

We continued to thank you for your investment and support in the Resources Fund. Despite current turbulence, we continue to invest solely into quality assets, with strong Management and Boards, in Tier 1 locations. Markets may change, but this focus never will.

PURE Resources Fund Portfolio Performance vs Small Cap Resources Index



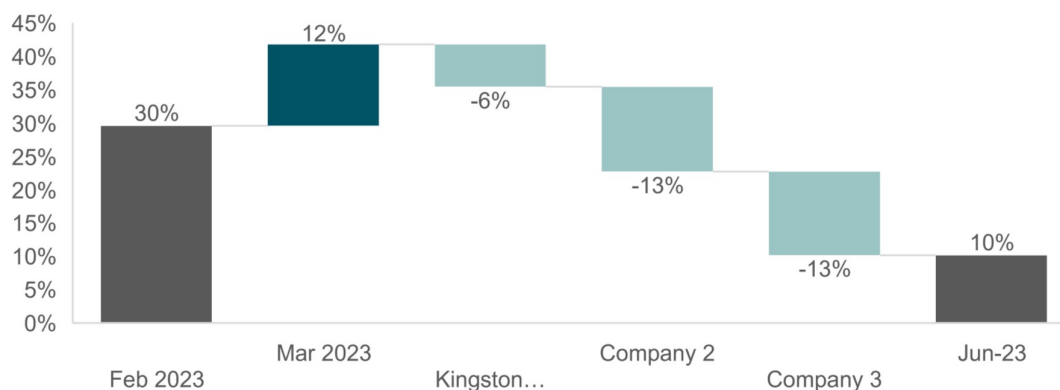
Source: PURE Asset Management. Performance since first investment in July 2021.

Cash Management

Following the repayment of the Peak Minerals Inc. facility, the Fund is carrying c.\$35m in cash. This is too high for our liking, but should be resolved in the coming months.

Looking to 30 June, we are actively involved on three near term deals, with potential to add another in that timeframe, or soon after. Meanwhile active cash management ensures a return on these funds is being generated for investors in the interim.

Cash Management June Qtr '23



Source: PURE Asset Management

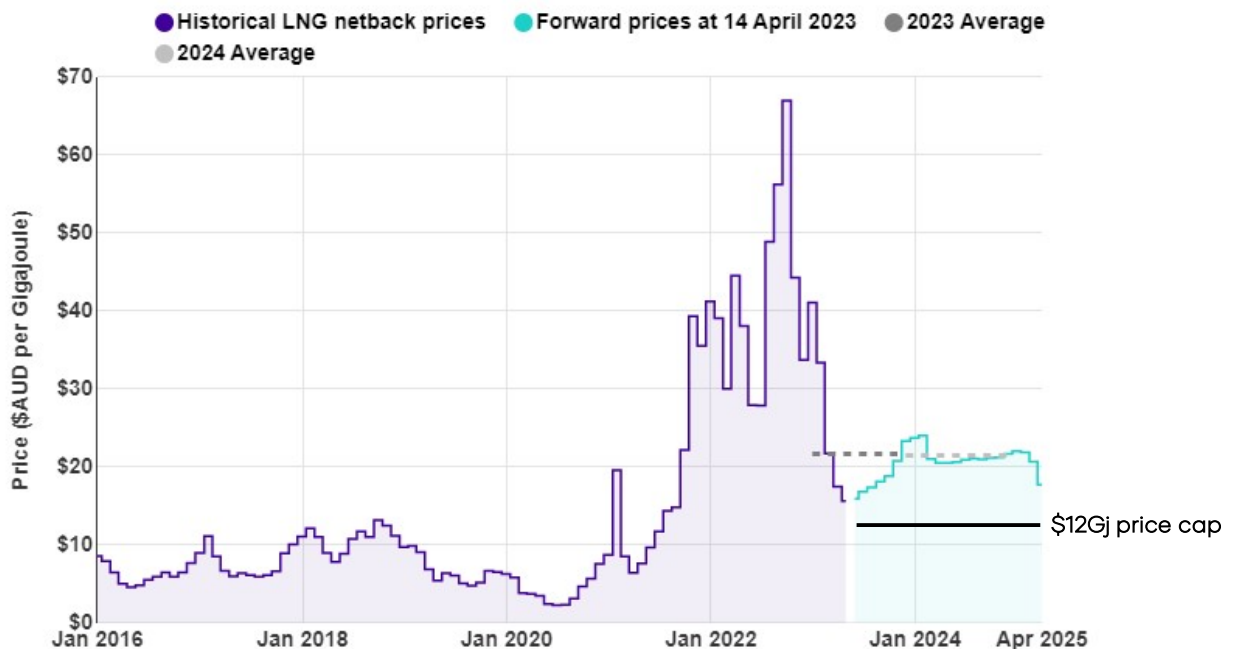
Chart of the Month

Although we keep banging on about it, this month we still see energy markets at a key inflection point, both locally and globally. April/May is a shoulder season that historically has seen re-stocking post the Northern Hemisphere winter – if this is mild then price responses are more muted, however the Northern winter has continued on for longer than usual and accordingly Thermal Coal and Oil have bounced strongly. As a result, gas prices should start to lift again, as the energy trio move in unison.

Domestically we are very much at a cross-roads on the East Coast. We have had plenty of feedback from the gas industry lately that spot markets are tight; so tight in fact there is little spot gas available. The A\$12/Gj is being circumvented in some cases, and this is only leading to higher prices. The Australian Energy Market Operator (AEMO) has flagged that the uncertainty from the intervention has stalled new projects, and supply uncertainly is causing havoc for customers. The feedback we have received is that most new supply has been temporarily shelved.

Below is the Netback LNG price as calculated by the ACCC. This serves as a proxy domestic price. We can see this price forecast sitting well above the A\$12/Gj cap, a sign that commercial agreements relating to new supply will only sit above this price. To say this policy has had far reaching and wildly unintended consequences would be an understatement.

Australian Netback LNG price (A\$/Gj)



Source: Australian Consumer and Competition Commission (ACCC)

This comes ahead of the closure of the Liddell Power station on 28 April 2023. Whatever your views here, the short-term loss can only be made up by gas...and so you can see the conundrum facing East Coast energy markets.

The recent Federal Government gas market intervention will be reviewed by June 2023 and we understand industry consultation has been ramping up more recently. We think this review may provide a positive catalyst for Comet Ridge and Vintage (and the entire East Coast Gas sector), both down c30% since the intervention. The leverage these companies will hold at that time will be considerable as the Government seeks to dismantle a policy that has wreaked havoc, without getting egg on their face.

Thank you

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



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%	3.5%	-3.9%	1.0%	0.8%	-1.1%	0.8%	-1.1%	0.0				1.3%

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%	3.5%	-3.9%	1.0%	0.8%	-1.1%	0.8%	-1.1%	0.0				1.3%

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 March 2023](#)

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