

PURE Resources Fund

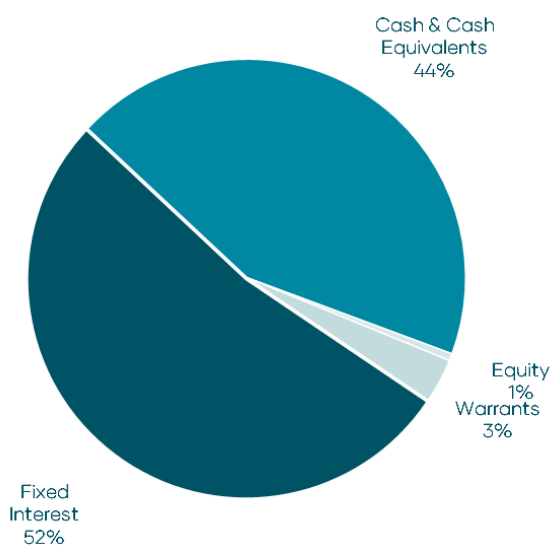


Foundation Class Portfolio Returns (After Fees)

	1 month %	3 Months %	6 Months %	1 Year %	3 Years % p.a.	Since inception* % p.a.
PURE Resources Fund	+0.3%	+0.9%	-0.6%	-0.2%	N/A	+7.4%
Standard Deviation (Annualised %)				6.3%	N/A	6.2%

* Fund inception 30 April 2021

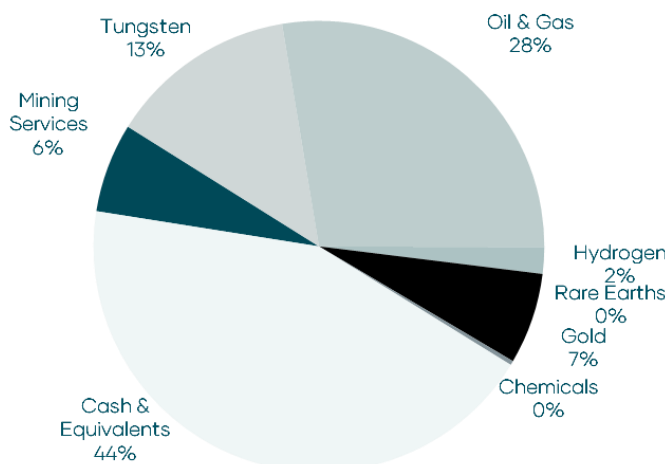
Asset Allocation



Fund Overview

Fund Size	\$80.3m
Foundation Class Unit Price	\$1.1064
Number of Investments	7
Average Loan Size	\$7.1m
Weighted Average Interest Rate	8.8%
Arrangement Fees Paid to Investors	\$1.7m
Trailing Fund Yield (12m)	3.6%

Sector Allocation



Monthly Commentary

The Resources Fund closed up +0.26% for May, as deal flow and the benefits of the fund structure offset more volatile commodity and equity markets. While the Small Resources Index fell -7.1% during May. For the YTD 2023 period the Fund delivered performance of +0.5%, 4.2ppt ahead of the Small Resources Index.

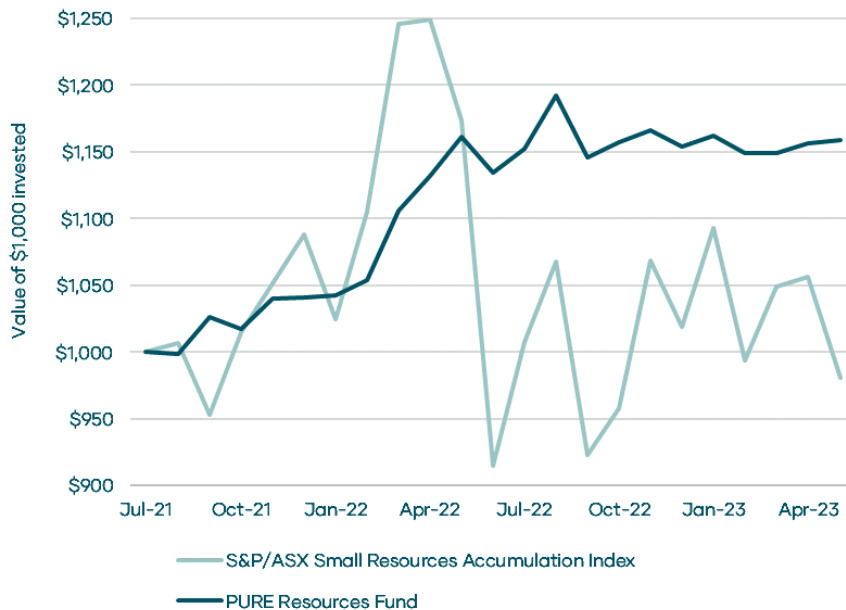
The underlying volatility of small resources remains incredibly high, exacerbated by low trading volumes, large swings in commodity prices and tepid investor sentiment across the smaller end of the market.

The sector fundamentals however remain sound and will be strongly reflected in commodity prices at some stage, given extreme supply shortages.

Despite the market nervousness, the quality of inbound opportunities has risen noticeably, and we are currently involved in 5 active deals. Market conditions are certainly ripe for hybrid debt, and the deals we are working on now should set the fund up well over this year and the years to come.

PURE Resources Fund Portfolio Performance vs Small Cap Resources Index

The volatility of the small cap resources sector has been elevated since mid-2022, however our more defensive portfolio has outperformed, as it should in market conditions such as these. Looking ahead over the next 6 months, every company we invest in should move into production, or very close to, and this should underpin multiple re-ratings.



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

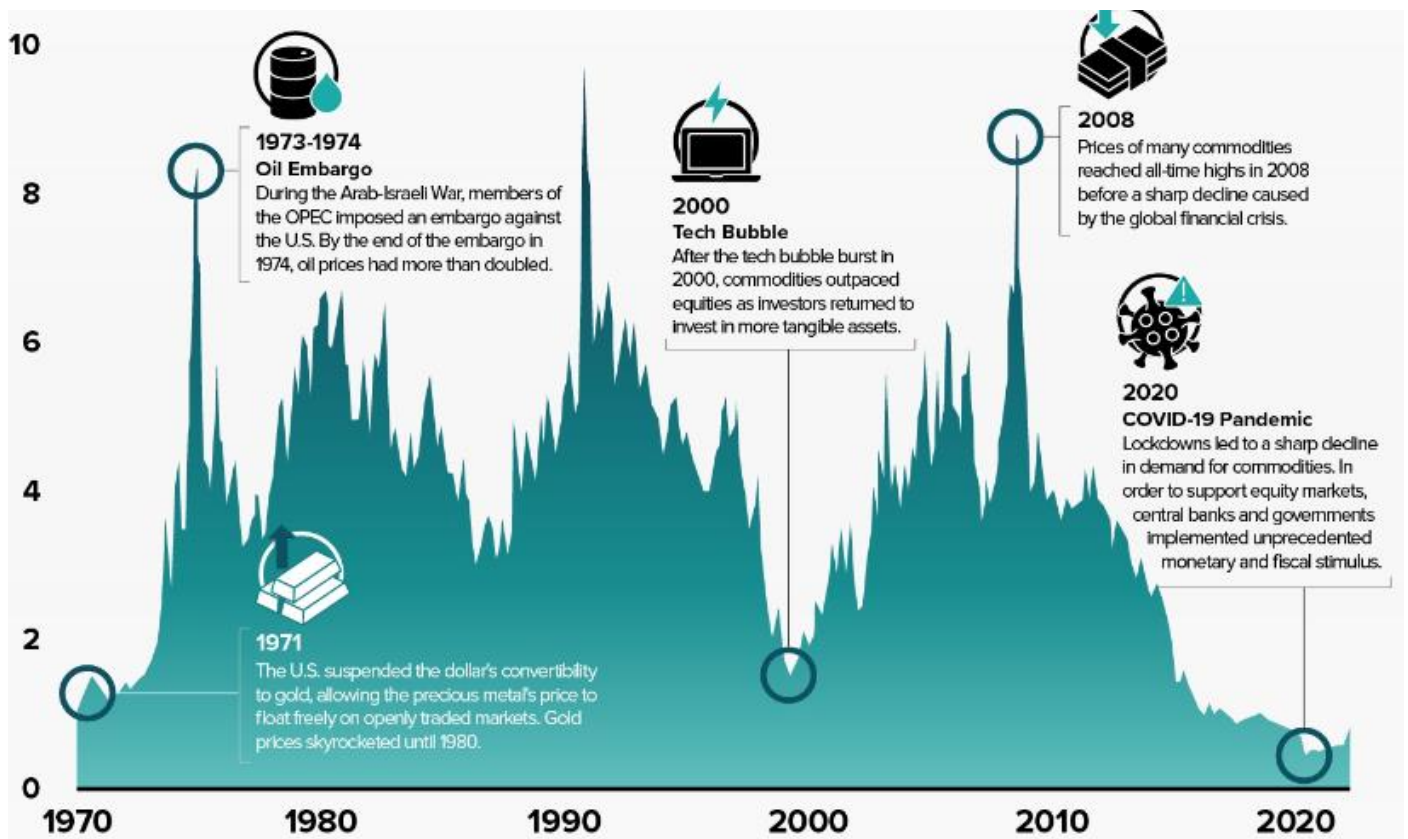
Deal pipeline and cash management

The Fund is now carrying c.\$25m in cash and equivalents, post this month's investment into CarbonXT. A further \$5m is allocated to Kingston, however given current deal flow (5 active transactions), we are likely to be fully deployed in coming months. In the meantime, active cash management ensures a return on these funds is being generated for investors.

Chart of the Month

Plunging commodities, US bank deposits and disappointing China recovery data is the current trajectory plaguing commodity markets, which saw almost every commodity price except Gold and Lithium hammered through May. The question is, what will turn this around?

Commodities vs Equity valuation 1970 – 2023 (GSCI Commodity Index vs S&P500 Index)



Source: Bloomberg

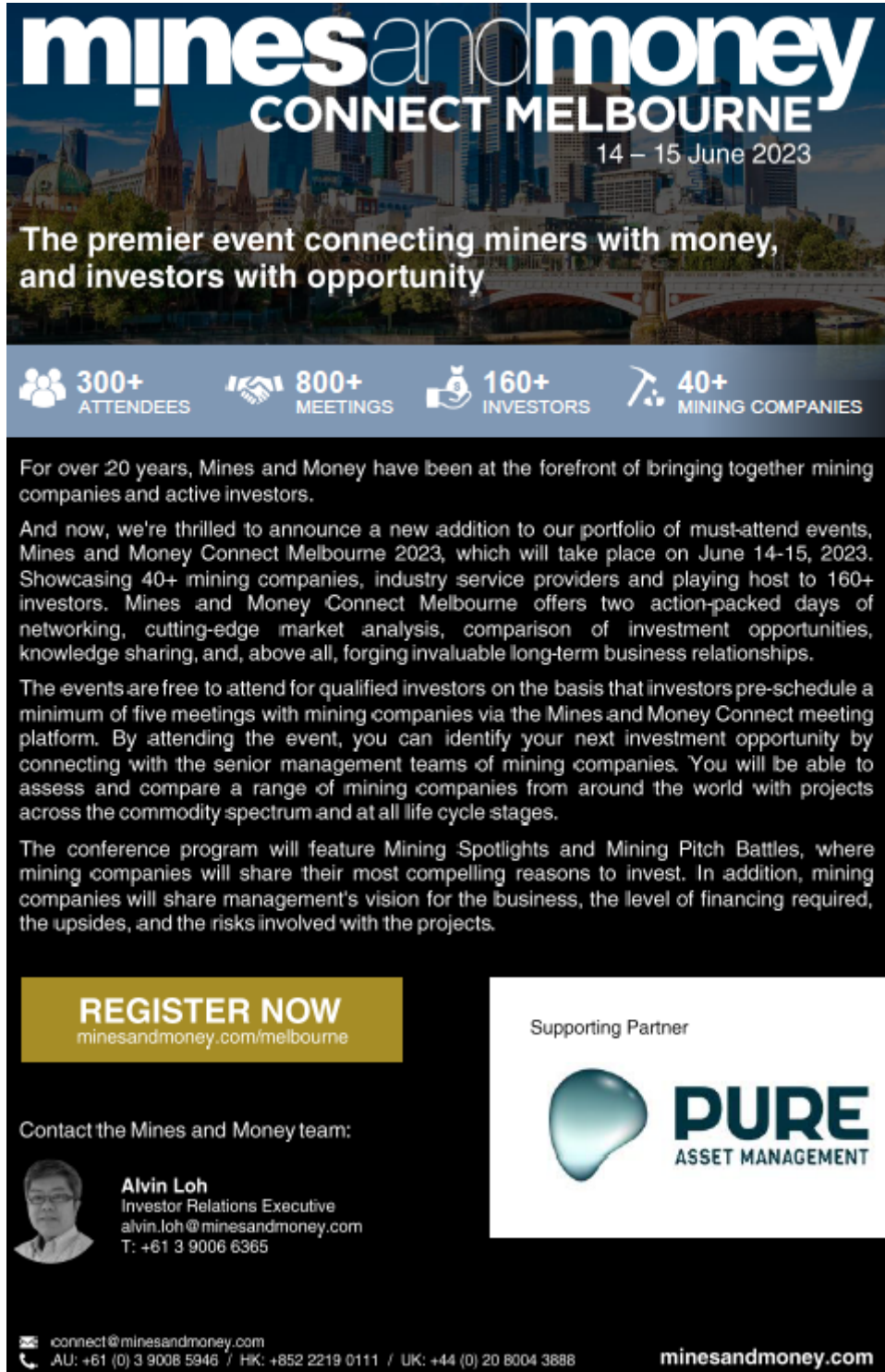
Recently commodity prices hit a near 50yr low relative to overall equity markets. In the past when this ratio reached such levels, commodity super cycles began. But aren't we already in a commodity Supercycle?

Well, yes, we are. In a way. Supply levels of most commodities remain low and are falling. That's easy to determine from production and inventory data. The issue we have now is falling demand, and that's much harder to forecast. China has been a major contributor, as its re-opening did not stimulate global demand in the way many commentators believed it would. At the same time, major economies in Europe and the US appear headed for economic slowdowns, if not recessions. Inflation remains persistent, driven more by supply issues, and thus interest rates are still rising, creating this perplexing policy mix. Given uncertainty remains, it's little wonder Gold continues to outperform.

It's markets like these however, where we see seriously mispriced assets that investors can position for future gains. We take a longer duration view and investment cycle than most investors, and thus we are finding this market is delivering some decent opportunities which we are working hard to capitalise on.

Mines and Money Connect Melbourne – 14-15 June 2023

PURE will be presenting at this year's Mines and Money Connect Conference in Melbourne. The event will be held at the new Ritz-Carlton Hotel in Melbourne from 14-15 June. PURE Investors are welcome to attend with a free Investor Pass ([click here to access](#)). Please email jlc@puream.com.au for more information.



mines and money
CONNECT MELBOURNE
14 – 15 June 2023

The premier event connecting miners with money, and investors with opportunity

300+ ATTENDEES **800+ MEETINGS** **160+ INVESTORS** **40+ MINING COMPANIES**

For over 20 years, Mines and Money have been at the forefront of bringing together mining companies and active investors.

And now, we're thrilled to announce a new addition to our portfolio of must-attend events, Mines and Money Connect Melbourne 2023, which will take place on June 14-15, 2023. Showcasing 40+ mining companies, industry service providers and playing host to 160+ investors, Mines and Money Connect Melbourne offers two action-packed days of networking, cutting-edge market analysis, comparison of investment opportunities, knowledge sharing, and, above all, forging invaluable long-term business relationships.

The events are free to attend for qualified investors on the basis that investors pre-schedule a minimum of five meetings with mining companies via the Mines and Money Connect meeting platform. By attending the event, you can identify your next investment opportunity by connecting with the senior management teams of mining companies. You will be able to assess and compare a range of mining companies from around the world with projects across the commodity spectrum and at all life cycle stages.


The conference program will feature Mining Spotlights and Mining Pitch Battles, where mining companies will share their most compelling reasons to invest. In addition, mining companies will share management's vision for the business, the level of financing required, the upsides, and the risks involved with the projects.

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minesandmoney.com/melbourne

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Thank you

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



PURE online application form

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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%	3.5%	-3.9%	1.0%	0.8%	-1.1%	0.8%	-1.1%	0.0	0.6%	0.3%		2.2%

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	0.6%	0.3%		2.1%

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 May 2023](#)

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