

PURE Resources Fund

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Favourable

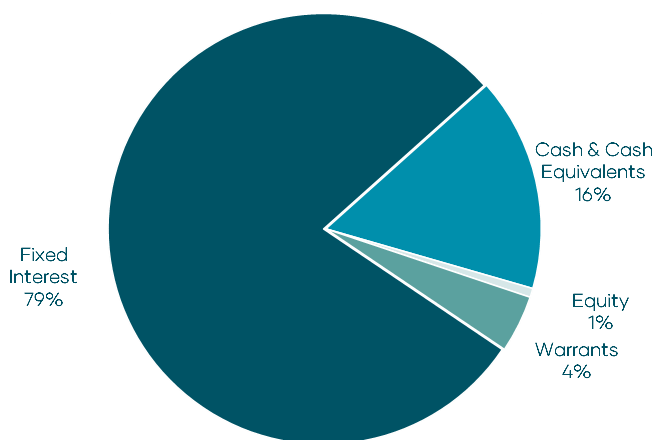


Foundation Class Portfolio Returns (After Fees)

	1 month %	3 Months %	6 Months %	1 Year %	2 Years % p.a.	Since inception* % p.a.
PURE Resources Fund	+0.1%	+3.8%	+4.7%	+1.0%	9.8%	+8.4%
Standard Deviation (Annualised %)				5.3%	6.5%	6.1%

* Fund inception 30 April 2021

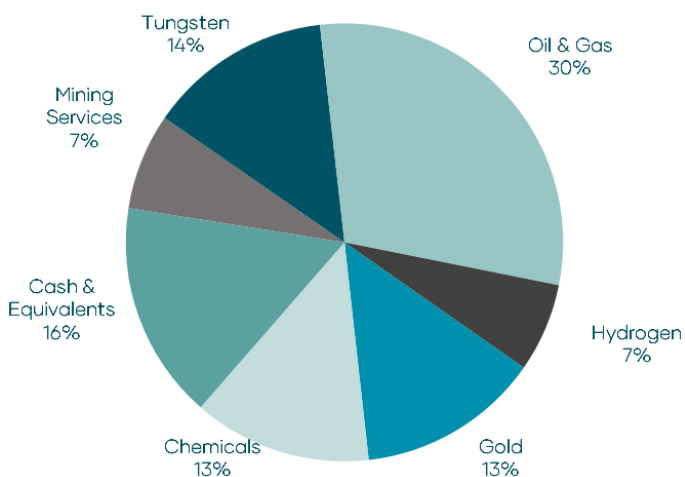
Asset Allocation



Fund Overview

Fund Size	\$77.0m
Foundation Class Unit Price	\$1.1047
Number of Investments	7
Average Loan Size	\$8.7m
Weighted Average Interest Rate	9.2%
Arrangement Fees Paid to Investors	\$1.8m
Trailing Fund Yield (12m)	6.0%

Sector Allocation



Monthly Commentary

The Fund had a fairly flat month through August, with performance +0.1% over the month, as volatility in equity markets remains a constant feature. The Small Cap resources index closed down -1.0% over the month with our Fund having beaten this index by ~24% since inception (assuming dividends re-invested).

Commodity markets continue to be plagued by uncertainty. Although prices of some commodities have lifted recently, there is conjecture over whether this can be maintained. Nonetheless, we also note that none of these same experts correctly predicted the mini bounce seen over the past several weeks! Rising commodity prices are however great for sentiment in general and we are hopeful that this can persist, in turn unlocking paralysed equity markets.

Our portfolio remains in a solid position and with equity/warrants just c5% of NAV, our portfolio is positioned for growth when markets turn. We remain positive that commodities are in a long term up trend, given the ever-looming spectre of demand vs supply imbalances.

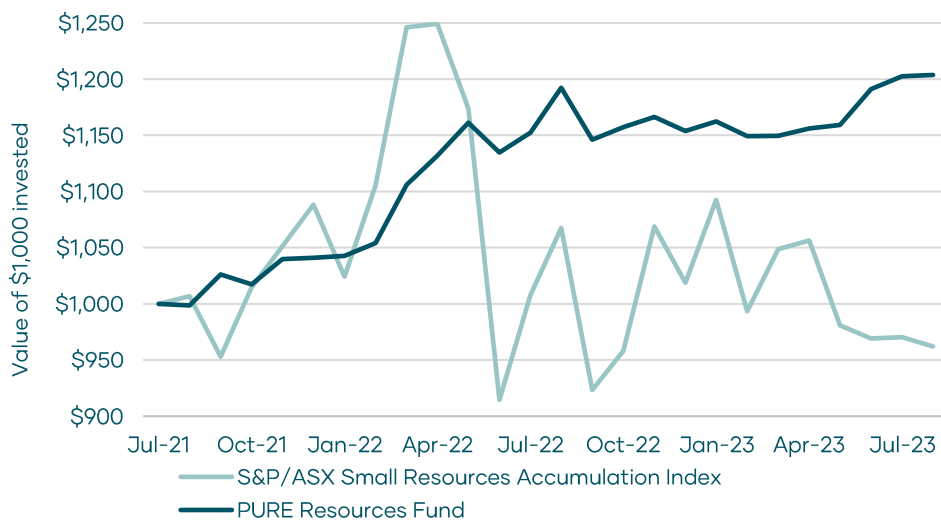
Fund Review

Our focus is on investing into quality businesses, with solid management and good quality assets. This has put our portfolio in a position to withstand even the most challenging of markets. All our investee companies are in a sound balance sheet position, with each one having raised fresh equity capital in the past 12 months, while decent market capitalisations and tangible assets support the credit worthiness of the debt. This, combined with our Fund structure has meant that volatility is significantly lower than that of the underlying market.

When we set up the Fund, we aimed to provide investors with a lower risk offering in the Small Resources market, with a better return - and that's exactly what we have created. We're well positioned when equity markets turn positive once more.

The Fund is now carrying c.\$9m in cash and cash equivalents, post recent deployments and payment of the distribution. Although we will always carry some excess cash given the liquidity requirements of the fund, being close to fully deployed boosts the consistency of the yield in coming quarters.

Monthly performance vs Small Resources Accumulation Index



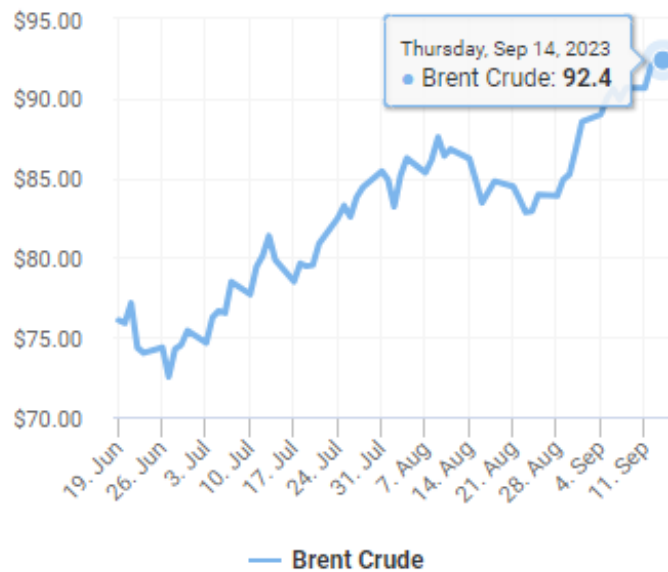
Source: PURE Asset Management. Performance since first investment in July 2021.

While attractive opportunities are available, we anticipate operating conditions will remain challenging for most small resource companies. With investment across the small and mid-cap space challenged of late, given the basic relationship of demand and supply, when conditions do steady themselves and the world returns to a growth focus, commodity prices are likely to surge. Fortunately, our small but quality portfolio is positioned to capture this.

Chart of the Month

Energy prices are on the move again. Indeed, one of the best performing commodities over the past fortnight was crude oil, up over +5%, following the extension of production cuts by Saudi Arabia and Russia until the end of the year. Overall, the OPEC+ group will continue its production cutback of 1m barrels per day until December, holding output at ~9m barrels per day, the lowest level in several years and a more aggressive move than had been expected.

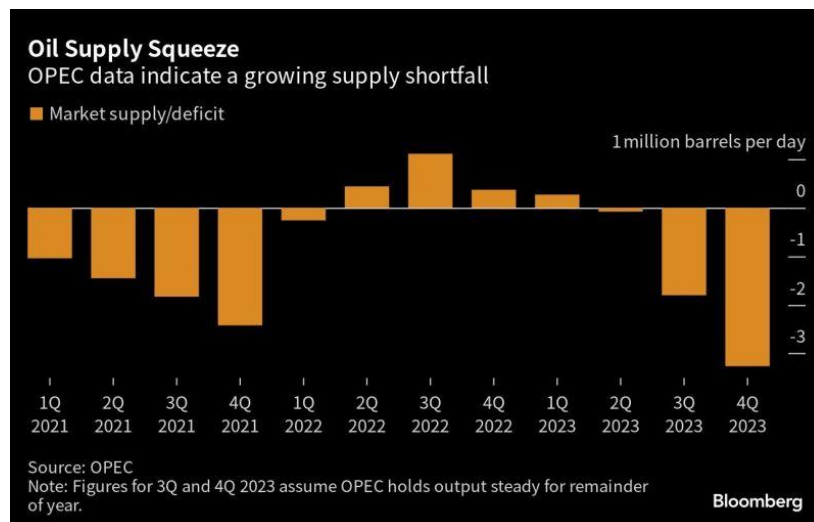
Brent Oil Prices (US\$/bbl)



Source: Oilprice.com

On the demand side, in China crude oil imports surged to 12.43 million barrels per day (bpd) in August, up +20.9% from July, according to data released by the General Administration of Customs. We also saw U.S. crude oil stockpiles fall for the fourth consecutive week, with inventories down over 6% in the last month, as oil refiners run at high rates to keep up with global energy demand.

OPEC supply and demand balance (bbl)



Source: Bloomberg, OPEC

Given our investments into East Coast gas, in both Comet Ridge (COI.ASX) and Vintage Energy (VEN.ASX), moves in oil prices are always supportive of gas prices, and in turn share prices. We expect this to be

reflected in share prices as the market starts to believe the rally is sustainable, which in our view, is appearing to be the case given supply and demand is now so desperately out of balance.

We note that all energy prices tend to move in unison (Oil, Gas and Thermal Coal) so ultimately that inflation problem won't go away just yet, but that's an entirely different kettle of fish.

Thank you

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



PURE online application form



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%	+2.7%	5.0%
FY24	1.0%	0.1%											1.1%

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%	+2.8%	4.9%
FY24	1.0%	0.1%											1.1%

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 August 2023](#)

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