

PURE Income and Growth Fund

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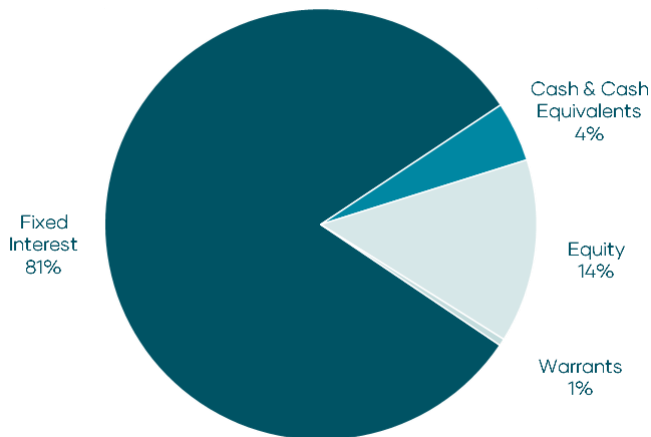


Foundation Class Portfolio Returns (After Fees)

	1 month %	3 Months %	6 Months %	1 Year %	3 Years % p.a.	Since inception* % p.a.
PURE Income and Growth Fund	+0.7%	+1.3%	+2.6%	+4.0%	-0.9%	+10.7%
Standard Deviation (Annualised %)				0.7%	6.1%	11.6%
Sortino Ratio						1.4
Sharpe Ratio						0.5

* Fund inception 21 December 2018

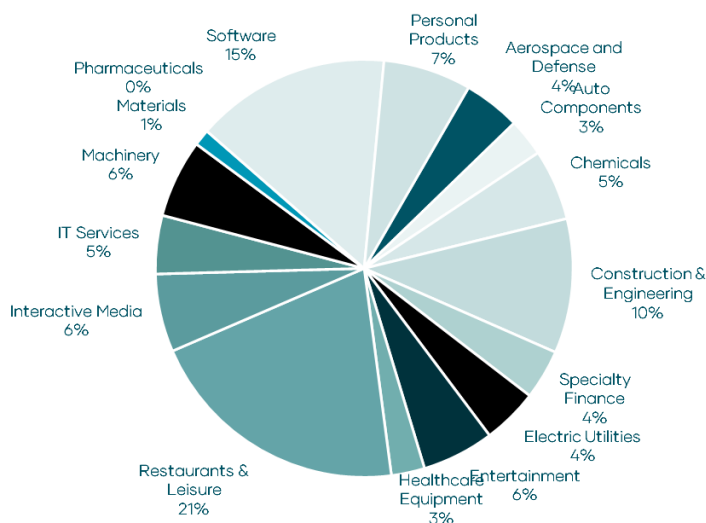
Portfolio Asset Allocation



Fund Overview

Fund Size	\$119.4m
Foundation Class Unit Price	\$1.1557
Number of Investments	19
Average Loan Size	\$5.0m
Weighted Average Interest Rate	10.0%
Arrangement Fees Paid to Investors	\$4.0m
Trailing Fund Yield (12m)	6.8%

Fixed Interest Sector Allocation



Monthly Commentary

Markets roared back to life in November, driven by sharp mean reversion of the Sept / Oct bond market carnage. Inflation expectations continue to improve in the US, and at the time of writing the US 10-year yield has fallen over 100 basis points from the highs of late October. This is a truly remarkable move. With inflation under control and economic resilience persisting – for now – it's no surprise risk assets have caught a bid.

The picture is similar in Australia, with bond yields now back at levels comparative with where it all began in September. Anecdotal corporate feedback from the Black Friday sales has also been encouraging, lending credence to the thesis that consumers are 'hanging in there'. With market prices suggesting peak interest rates are in, it's plausible to argue the two-year decline in consumer confidence has finally troughed. For the average Australian, life may just look better in 2024.

We thank everyone for the support in 2023. May you have a Merry Christmas and all the best in 2024.

PURE online application form

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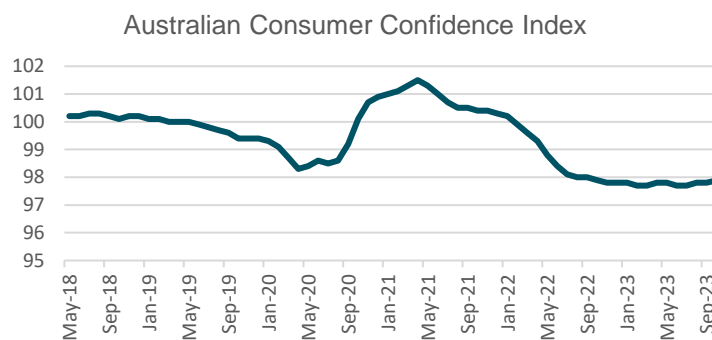
Unleashing Animal Spirits

Over recent periods we have spoken ad nauseam about the relative valuations of smaller companies. Share prices were depressed, value was evident, yet investors held little care. While compelling valuations are a reason to invest over the long-term, the timeframe to realisation can prove puzzlingly lengthy. As such, some form of catalyst, or call to action, is generally required for valuations to improve.

Confidence, both at a corporate and a consumer level are key to small cap equity performance. We challenge you to find an asset class where 'Animal Spirits' play a larger role, both to the upside, and the downside. With confidence depressed over the past two years, it's pleasing to see some tangible improvements as we exit 2023.

Corporate confidence, while still tepid at an operating level, has begun to appear at a transactional level. Corporates are seeing value in beaten-up small-caps, M&A is accelerating, and it's reasonable to assume a continuation of this theme into 2024. We have witnessed this first-hand, as Tesseract, Sitesoft, and Tyroola fell to corporate suitors in 2023.

Pleasingly, after almost three years of decline, consumer confidence appears to have troughed (below). Bond yields globally have retreated rapidly since October and a dovish tone has sounded from Central Banks. While interest rates remain at uncomfortable levels for many, the concept of 'peak rates' allows consumers to look forward to better times ahead. Equity markets are traditionally first to price any such change of sentiment, with small cap companies well positioned to benefit.



Source: Statista

After a difficult 24 months in small cap markets, can the return of both corporate and consumer confidence lead to improved conditions? We certainly hope so, and tangible indicators are now giving credence to the argument. We look forward to the return of the Animal Spirits in 2024!

Thank you

As 2023 draws to a close, we would like to thank you again for your continued support. Wishing you a Merry Christmas and a happy and prosperous new year. We hope you enjoy the break, spending time with your loved ones, and we look forward to speaking with you in the new year.

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



Monthly Returns – After Fees

The Income and Growth Fund – Foundation Class													
Year	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Fin YTD
FY19						2.4%	-1.8%	1.2%	0.3%	-1.0%	2.5%	1.7%	5.4%
FY20	2.6%	-1.4%	2.1%	1.4%	-0.8%	3.8%	2.8%	-2.2%	-3.8%	3.8%	5.7%	0.7%	15.0%
FY21	15.9%	8.8%	-1.0%	12.2%	0.7%	2.6%	-1.0%	-1.0%	-3.5%	2.1%	0.0%	0.8%	40.9%
FY22	3.4%	-3.2%	2.3%	1.2%	-2.2%	1.0%	-0.1%	-2.3%	1.6%	0.5%	-0.5%	-1.0%	0.5%
FY23	1.3%	-1.7%	-1.6%	0.9%	-5.7%	0.1%	0.2%	0.3%	0.2%	0.1%	0.4%	0.3%	-5.3%
FY24	0.5%	0.5%	0.7%	0.0%	0.7%								2.3%

The Income and Growth Fund – Platform Class (APIR: PUA7226AU)													
Year	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Fin YTD
FY21	16.0%	8.9%	-0.9%	12.4%	0.7%	2.7%	-0.9%	-1.0%	-3.5%	2.1%	0.0%	0.8%	41.8%
FY22	3.4%	-3.2%	2.3%	1.2%	-2.2%	1.0%	-0.1%	-2.3%	1.6%	0.5%	-0.5%	-1.0%	0.5%
FY23	1.3%	-1.7%	-1.6%	0.9%	-5.7%	0.1%	0.3%	0.3%	0.2%	0.1%	0.5%	0.3%	-5.3%
FY24	0.5%	0.5%	0.7%	0.0%	0.7%								2.3%

Unit Price Data Download

Please click on the link below to download the updated unit price data for each unit class.

[The Income and Growth Fund – unit price data to 30 November 2023](#)

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