

## PURE Resources Fund

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Favourable

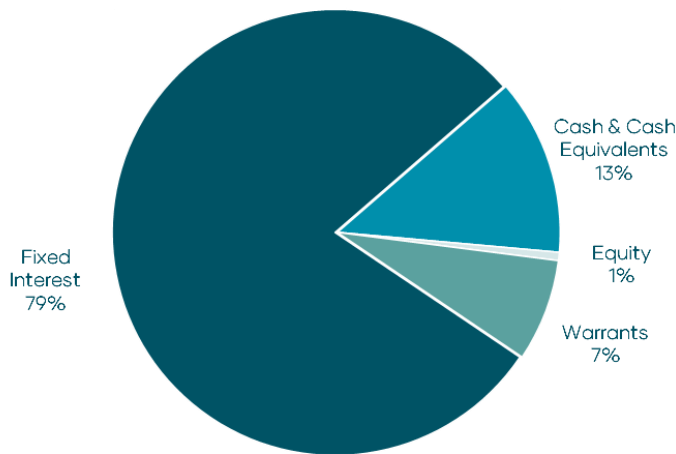


### Foundation Class Portfolio Returns (After Fees)

	1 month %	3 Months %	6 Months %	1 Year %	2 Years % p.a.	Since inception* % p.a.
PURE Resources Fund	3.7%	6.8%	7.4%	10.9%	10.9%	9.8%
Standard Deviation (Annualised %)				4.5%	6.6%	6.0%

\* Fund inception 30 April 2021

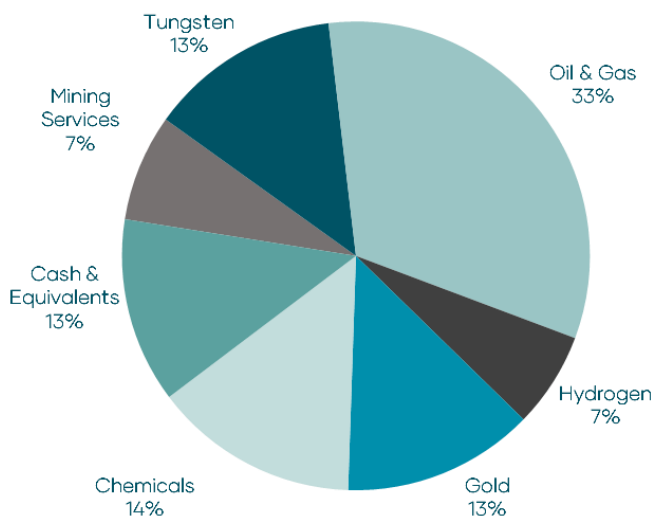
### Asset Allocation



### Fund Overview

Fund Size (Ex. Dist.)	\$77.2m
Foundation Class Unit Price (Ex. Dist.)	\$1.1466
Number of Investments	7
Average Loan Size	\$8.6m
Weighted Average Interest Rate	9.2%
Arrangement Fees Paid to Investors	\$1.8m
Trailing Fund Yield (12m)	6.5%

### Sector Allocation



### Monthly Commentary

Following a challenging 2023, the Resources Fund closed the year with a strong finish, lifting +3.7% for the month of December and +6.8% for the quarter. Equity prices across the portfolio rebounded strongly, with solid gains for Comet Ridge, G6Metals and Decmil. The Fund returned +10.9% for calendar year 2023, solidly outperforming the Small Resources Accumulation Index (-1.3%) and just behind the ASX200 (+12.4%).

In addition, we have declared a 2.75cpu distribution (Foundation Class) for the half year ended December 31, implying an annual yield of 6.5%. Given timing around cash receipts, and with restructured facilities providing a higher cash return going forward, we expect this yield to lift in the second half.

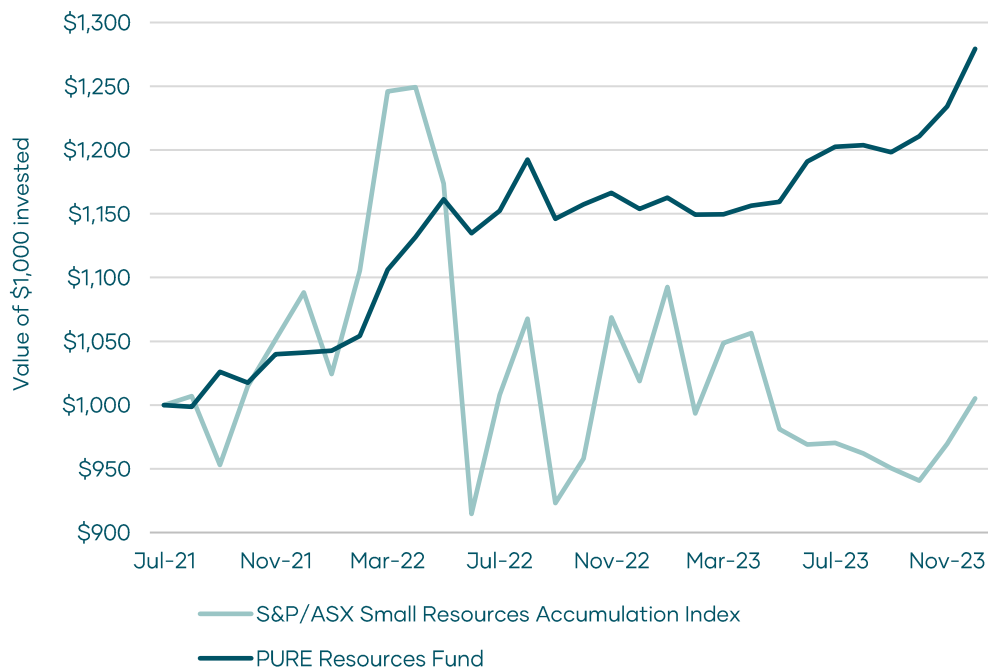
Although challenges remain in the Resources space, what we have clearly demonstrated over the past 18 months is that even in the face of adversity, our individual investments and overall strategy is protecting capital, providing growth and delivering cash yield.

Fundamentally, we're in good shape. When markets turn, we're positioned for even better. Happy investing in 2024.

## Fund Review

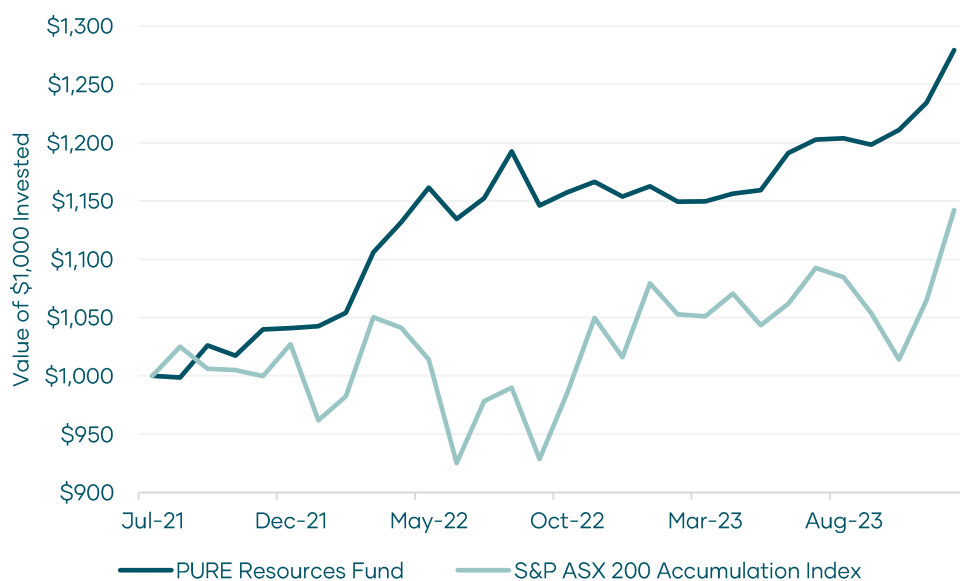
The Fund closed out 2023 in fine fashion, ending what was otherwise a brutal year in commodities markets and small cap mining stocks. Our lower risk offering continues to deliver, and pleasingly, the Fund is up 28% since our first investment was made, versus the Index which is up just +0.5%. Although the broader share market rebounded in December, given the relative resilience of the fund over the past 18 months, we also note that our performance lifts from a higher starting point.

### Monthly performance vs Small Resources Accumulation Index



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

### Monthly performance vs S&P ASX 200 Accumulation Index



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

## Chart of the Month

Last year, the mining and resources sector unfolded like a Shakespearean tragedy.

In Act 1, prices were flying across energy, and base metals, fuelled by the lingering hangover of 2021/22 supply chain issues and the disruptions of the Ukraine conflict. Gold, ever the safe haven hit record highs as investors braced for tumultuous times.

As the curtain rose for Act 2, we realised that Act 1 had been sentiment driven and was transitory. Domestically, Q1 saw extreme flooding in Northern Queensland and Central Australia, followed by a plethora of smaller miners entering administration due to rising input costs, weakening prices and limited access to capital. The mid-cap space was not spared, the blood bath hitting operations everywhere.

By the time we reached Act 3, the mood soured further. Although inflationary fears waned with rumours of rate cuts, demand expectations stalled in anticipation of a slowing global economy. Commodity prices plummeted across the board.

By the time of the final curtain call, the overall picture was one of significant but uneven declines. Although Gold and Iron Ore closed up, almost every major global commodity price had fallen dramatically. The market however rallied as Christmas beckoned, and perhaps some green shoots are emerging for commodities and mining companies.

Nonetheless as we move in 2024, the spotlight remains on demand, rather than supply impacts. Will global growth slow further? Will China unleash stimulus? Will conflicts in the Middle East and Ukraine escalate? Will Taiwan become a major issue in the Pacific? Or perhaps, as is often the case, will last year's losers become this year's winners?

### Key commodity price performance 2014 – 2023



Source: Bloomberg.

## 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%	2.7%	5.0%
FY24	1.0%	0.1%	-0.5%	1.0%	1.9%	3.7%							7.4%

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%	-0.5%	1.0%	1.9%	3.7%							7.4%

## 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 December 2023](#)

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