

PURE Income and Growth Fund

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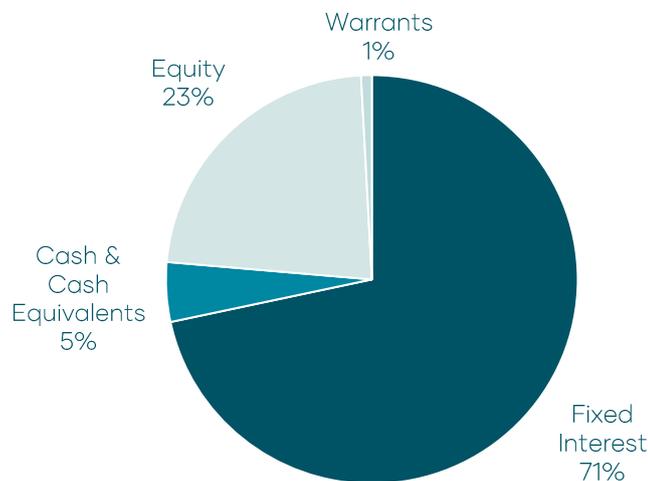


Foundation Class Portfolio Returns (After Fees)

	1 month %	3 Months %	6 Months %	1 Year %	3 Years % p.a.	Since inception* % p.a.
PURE Income and Growth Fund	-2.1%	-2.1%	-1.7%	+3.8%	-0.1%	+9.4%
Standard Deviation (Annualised %)				3.6%	4.7%	10.6%
Sortino Ratio						1.1
Sharpe Ratio						0.5

* Fund inception 21 December 2018

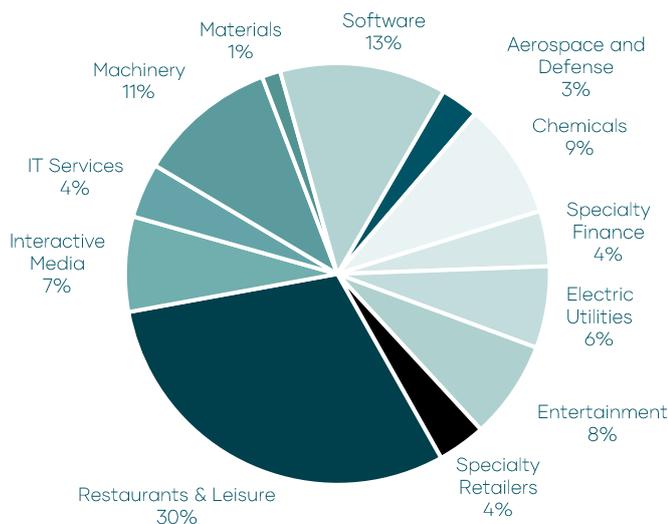
Portfolio Asset Allocation



Fund Overview

Fund Size (CUM Dist.)	\$102.9m
Foundation Class Unit Price	\$1.1434
Number of Investments	13
Average Loan Size	\$5.6m
Weighted Average Interest Rate	10.9%
Arrangement Fees Paid to Investors	\$4.4m
Trailing Fund Yield (12m) Est.	4.4%

Fixed Interest Sector Allocation



Monthly Commentary

The ASX began the new year strongly, with performance skewed heavily towards large caps. The PURE Income and Growth Fund experienced a challenging start to 2025, falling 2.1% in January. This was driven by a provision against one of our investments in M&A. We remain hopeful that this can be written back.

There was no shortage of activity over the holiday period as Trump and Musk peppered markets with news flow. Trump's aggressive positioning on tariff's was the key message, along with mass layoffs in the US public system. The key question is whether tariffs can bolster US growth without stoking inflation.

Locally, Australia's CPI fell further to +0.2% in the December quarter (+2.4% YoY). This paved the way for a welcome 25bp rate-cut from the RBA in February, with Michelle Bullock managing expectations around future cuts as the inflation battle is far from over.

We continue to tightly manage liquidity within the portfolio and will be updating investors as we approach 30 June 2025.

PURE online application form

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The last two years have been some of the toughest in our careers. In the small and micro-cap space there are many that would say the same. For smaller companies, the stock market has been exceptionally difficult in terms of share prices, but more importantly, access to capital has been scarce or non-existent.

As we have written before, both issues are now changing for the better and we expect this to continue.

Over recent years, the challenging economic conditions (supply chain, input and labour cost inflation and weak consumer confidence) have been compounded by small caps' lack of access to capital. This has hampered growth and those that have found capital, have been forced to dilute shareholders and largely not been rewarded for the progress that they have made. This has taken a meaningful toll on our ability to deliver performance.

Nevertheless, we have used these opportunities to build considerable warrant and equity exposure, but as yet, these investments are not making a meaningful contribution to performance. Naturally, we think they will, either through stock market re-ratings as the companies deliver, or the M&A activity that continues unabated.

The Fund is overweight equity, in part due to these smaller investments, but largely due to our two largest holdings, which we have written about in recent letters. These are excellent companies, which we believe will be worth considerably more than our carrying value. However, the Fund's exposure to non-income generating assets (equity) reduces the stable returns derived from interest income.

Over the last year, we have had realisation wins from Decmil, Sitesoft, and Tyroola (all acquired), but due to the market dynamics we are still waiting some of our other companies to deliver us the performance of which they are capable.

Despite the poor start, we remain of the view that 2025 will be a good year for the Fund. We note five companies in the Fund portfolio are currently current in value accretive M&A discussions for acquisitions, mergers or takeover.

Thank you

Nick, Mike, Tim, Dan, Jonathan and Sibghat.



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%	1.1%	-0.1%	0.2%	0.6%	2.8%	0.9%	0.6%	8.7%
FY25	0.4%	-0.2%	0.6%	0.0%	-0.2%	0.2%	-2.1%						0.8%

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%	1.1%	-0.1%	0.2%	0.6%	2.8%	0.9%	0.6%	8.7%
FY25	0.4%	-0.2%	0.6%	0.0%	-0.2%	0.2%	-2.1%						0.8%

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 31 January 2025](#)

Distribution Re-Investment Plan (DRP)

If you are interested in electing to have DRP for your portfolio, please [click here](#)

View our YouTube investor update below

[PURE AM January 2025 Fund Update](#)

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