PURE Resources Fund

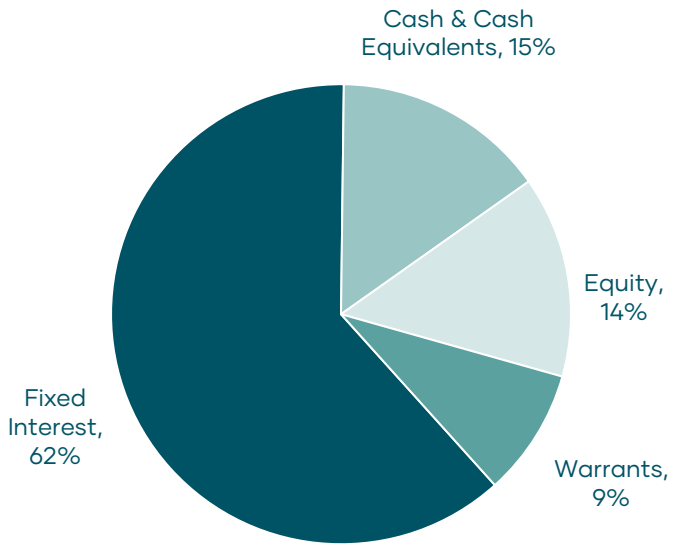
FundMonitors.com Trusted Targeted Research
Approved

Foundation Class Portfolio Returns (After Fees)

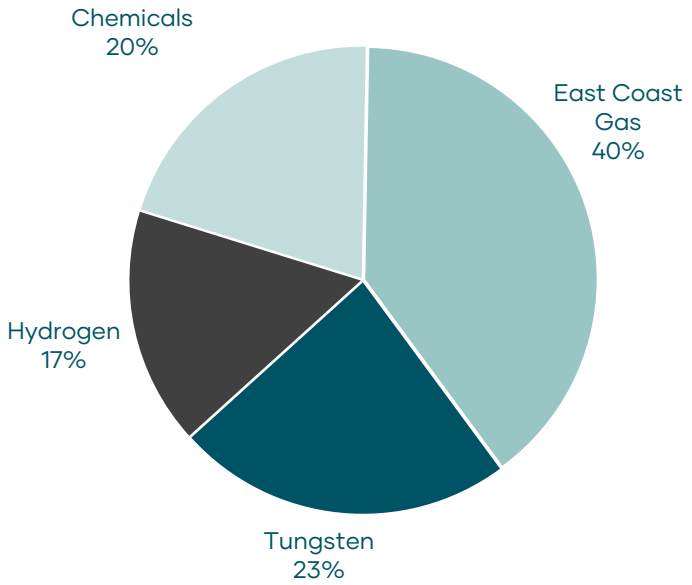
	1 month %	3 Months %	6 Months %	1 Year %	3 Years % p.a.	Since inception* % p.a.
PURE Resources Fund	5.0%	4.1%	9.8%	9.0%	8.6%	9.1%
Standard Deviation (Annualised %)				6.1%	5.4%	5.7%

** Fund inception 30 April 2021*

Asset Allocation



Loan Sector Allocation



Fund Overview

Fund Size	$66.5m
Foundation Class Unit Price	$1.1717
Number of Investments	5
Average Loan Size	$8.0m
Weighted Average Interest Rate	11.6%
Arrangement Fees Paid to Investors	$2.1m
Trailing Fund Yield (12m)	7.9%

Monthly Commentary

Small cap resources continued to enjoy a significant re-rating as appetite for gold and rare earths expanded into copper and critical minerals. The Fund was up 5.0%, with Kingston Resources the key contributor. Monetary and fiscal policies remain supportive, with the weaker labour markets underpinning expectations of further US rate cuts.

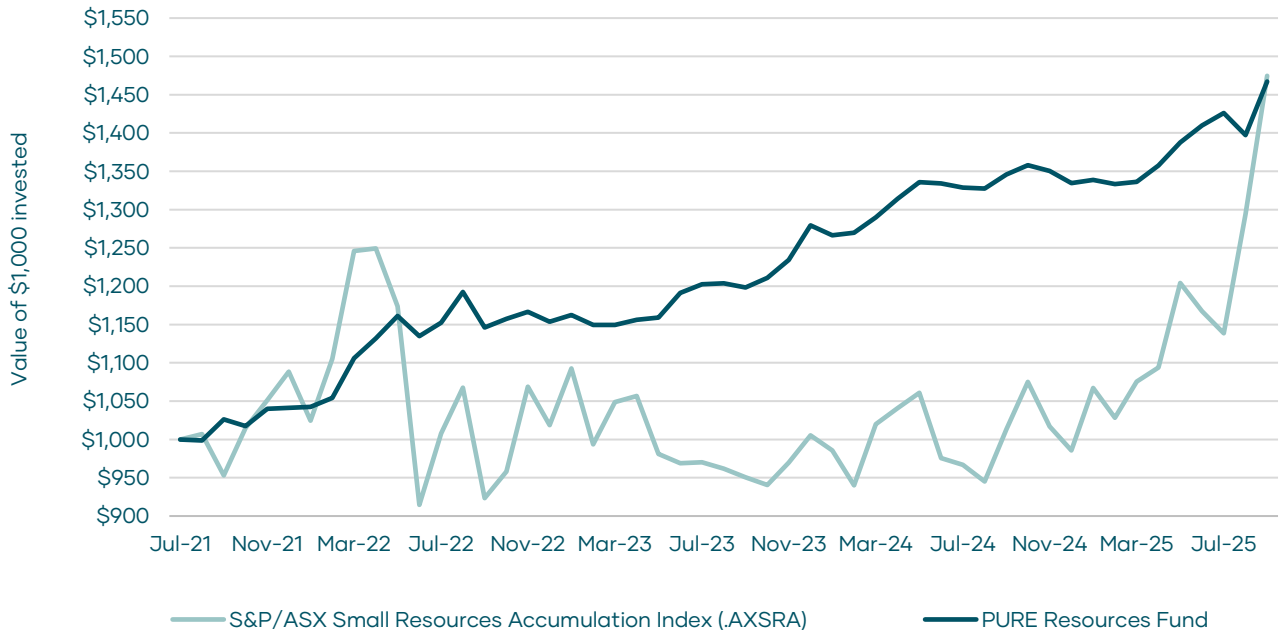
There was continued momentum driven by the themes of energy transition metals, geopolitical realignment requiring supply security, as well as increased military spending, and the AI revolution, which is increasing demand for datacentre and energy infrastructure. Rare earths stocks maintained their spectacular run, with the US and Australian governments providing further stimulus in October following an $8.5bn framework agreement to accelerate the China decoupling.

Precious metal companies remained well bid due to the parabolic rise in gold and silver. The narrative of fiscal and monetary recklessness not only appears to have convinced the proverbial *man in the street* (with queues to buy bullion), but also, unnervingly, central bankers, with a June survey by the World Gold Council reporting 95% expected to increase their gold reserves in the year ahead. One vulnerability to the bull case is Jewellery buying, historically 50% of demand, which is falling rapidly.

Performance

The Fund is up 46.7% since our first investment. We continue to display markedly lower volatility versus the market, running at less than 1/3 over a 3-year timeframe.

Monthly performance vs Small Resources Accumulation Index



Composition of monthly return

Below we breakdown the composition of the return over the last month, between debt, equity and warrants. Equity and warrant positions were again driven by Kingston and Comet Ridge.

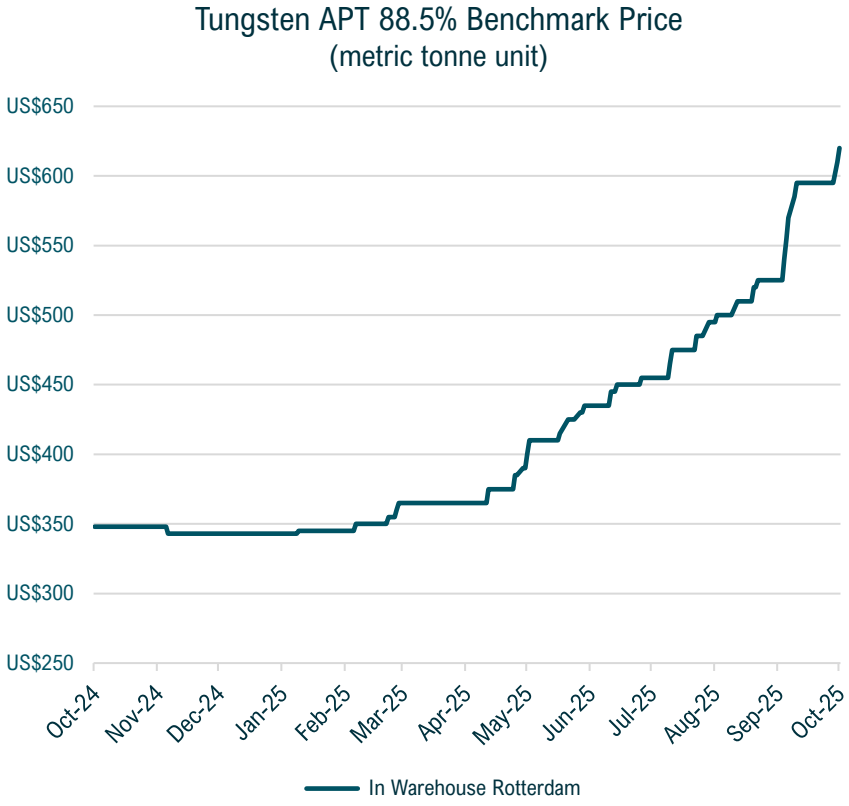
Chart of the Month

There has been much excitement about Rare Earths in recent months due to the US Government's decisive actions to establish domestic production and processing of these Critical Minerals, which are dominated by China.

Over recent years Beijing's rare earths export controls and Moscow's manipulation of natural gas have illustrated how supply chains can be weaponised to achieve geopolitical ends.

In our view, it is only a matter of time, and not likely that long, before tungsten comes to the forefront of the conversation between policy makers.

Our chart of the month is the Tungsten benchmark price.



Source: *Asian Metals*

Since February 2025, China's tungsten export controls have caused disruptions in overseas supply chains, leading to a rapid surge in European Tungsten APT[1] prices.

Tungsten is nearly as hard as diamond, incredibly heat-resistant and non-toxic. This combination of properties makes substitution extremely difficult.

Its key uses are:

Industry	% Demand	Key usage
Electric Vehicles	30.0%	Machining and Tooling for EV Production
		Drivetrain and Powertrain Component
Mining and Drilling	13.0%	Drill Bits and Cutting Tools
		Wear-Resistant Mining Equipment Parts
Energy & Power	10.0%	Oil & Gas Well Drilling

[1] Tungsten APT refers to ammonium paratungstate (APT), a white crystalline powder that is a key intermediate product in the tungsten supply chain

		Wind Turbine Components
Military and Defence	10.0%	Armor-Piercing Ammunitions and Projectiles
		Vehicle Armor and Protective Systems
Semiconductors & Robotics	9.5%	Semiconductor Chip Fabrication
		Industrial Robotics and Tooling
Construction and Infrastructure	8.5%	Cemented Carbide Tools for Construction:
		Earthmoving and Heavy Machinery Parts
Aerospace and Aviation	8.0%	High-Temperature Engine Alloys
		Spacecraft and Satellites

All of these industries are growing at a rate well in excess of global supply, which has not increased in a decade. Tungsten is fundamentally challenging to produce, making supply a bottleneck to any increase in demand.

In November 2024, the research department of China International Capital Corporation (CICC)[2] said that with inventory at a historically low levels, it expected the global shortage of tungsten supply to continue until 2027. Importantly, this forecast was made **before** many western policy makers announced plans to create stockpiles – see later section.

Global tungsten mine production was approximately 81,400 metric tonnes (MT) in 2024. It is noteworthy that although China is the largest producer of tungsten concentrate its imports have more than doubled in recent years versus the long run average. This suggests its mining companies are struggling to meet the demand from APT processors, who also appear to be running flat out to meet global demand (Source: Asian Metals database).

Three countries comprise ~90% of global primary supply:

Mine production (MT p/a)	**2024**	***% share***	**Reserves**	***% share***
China	67.000	*82.3%*	2.400.000	*52.5%*
Vietnam	3,400	*4.2%*	140,000	*3.1%*
Russia	2,000	*2.5%*	400,000	*8.8%*
North Korea	1,700	*2.1%*	29,000	*0.6%*
Bolivia	1,600	*2.0%*	n/a	*n/a*
Rwanda	1,200	*1.5%*	n/a	*n/a*
Australia	1,000	*1.2%*	570,000	*12.5%*
Austria	800	*1.0%*	10,000	*0.2%*
Spain	700	*0.9%*	66,000	*1.4%*
Portugal	500	*0.6%*	3,400	*0.1%*
US	0	*0.0%*	n/a	*n/a*
Other countries	1,500	*1.8%*	950,000	*20.8%*
Total	**81,400**	***100.0%***	**4,568,400**	***100.0%***

Source: *United States Geological Survey*

Recycled materials account for 25–30% of global supply or ~21,000 MT annually.

Australia has the second-largest tungsten resource base globally (about 12% of world economic reserves). This is significant when it comes to the recent 'surety of supply' thematic. No tungsten is produced in the US and the EU produces 17% of its consumption. Aside from Australia and Vietnam, most western trading partners are negligible. Our supply and reserves have become strategic.

Tungsten is a small and opaque industry, with no futures market though which to lock-in forward supply. Governments and industrial users must finance new mines to secure offtakes or hold physical inventory. Policymakers are beginning to recognise this issue, but their response has not yet matched the urgency prompted by China's actions in the Rare Earths sector.

[2] China International Capital Corporation (CICC) is a leading Chinese investment bank

Of note:

- Capitol Hill has barred Pentagon contractors from buying Chinese or Russian tungsten starting in 2027, while putting a 25% tariff on Chinese-origin tungsten products. The message is clear, find a friendly source, or build supply.
- The U.S. Defense Logistics Agency's FY25 shopping list included 2,040 metric tonnes, a 50% jump over the prior year. The United States Geological Survey report reveals that since the beginning in 2023, changes in the Government stock inventory levels have not been disclosed, with drawdowns in the prior years.
- Europe's "€800 Billion Military Strengthening Plan" is driving a major expansion of artillery shell production capacity.
- The European Union "Stockpiling Strategy: Boosting the EU's Material Preparedness for Crises" adopted on 9 July 2025 endorses "mandatory EU-wide stockpiles" strategic raw materials including tungsten, targeting 20–30% of annual consumption (~20,000 metric tonnes) in coordinated reserves.
- In Australia, the May Budget allocated $1.2bn to establish a Critical Minerals Strategic Reserve, to secure offtake agreements with miners, and selective stockpiling of inventory. This is in addition to the $4.0bn allocated to the Critical Minerals Facility (run by Export Finance) to provide commercial financing to critical minerals projects in Australia.

Tungsten is a small industry so may never make the headlines, however, its unique blend of industrial necessity and battlefield indispensability, make it a touchstone for the era of supply-chain realignment now underway.

The message seems clear: in a fractured world, geopolitical reliability now has a price tag, and the world's capital and industry appear increasingly prepared to pay it.

Bilateral framework deal on critical minerals and rare earths

This week President Trump and Prime Minister Albanese met to sign perhaps a landmark $8.5bn critical minerals deal between the Australian and US Governments. After months of negotiations, a deal was finalised on 20 October in a move designed to loosen China's stranglehold on the supply of critical minerals.

The framework outlines the measures that both countries must take to accelerate and streamline timelines for the extraction and processing of minerals, starting with a $1b investment from each country over the coming six months.

Out of interest, we asked ChatGPT to rank Australia's 31 Critical Minerals in terms of:

1. their importance to modern technology / industry / defence; and
2. supply chain vulnerability.

The results are shown below with Tungsten, a rarely talked about entrant, placing 12th in a field of 31.

1. **Rare earth elements (REE, esp. Nd, Pr, Dy, Tb)** – Ubiquitous in high-performance permanent magnets (EVs, wind, defence/sonar/precision-guided systems). Processing overwhelmingly China-centric; heavy REE supply most fragile. Australia can help diversify via Lynas/Iluka & new projects. Industry.gov.au+2IEA+2
2. **Graphite (natural)** – Essential anode material; >90% processing in China; demand surging with EVs/ESS. Australia has resources but limited anode processing today. Industry.gov.au+1
3. **Gallium** – Semiconductor (GaAs, GaN) for RF, power electronics, radar; China controls exports/refining. The **US–AU deal singles out a WA gallium plant**, elevating strategic priority. Reuters
4. **Germanium** – Fibre/IR optics, detectors, chips; concentrated refining, previous Chinese export controls, mostly by-product—hard to swing supply quickly. Industry.gov.au
5. **Cobalt** – EV batteries, superalloys; mining highly concentrated in DRC; ESG/geopolitical risks; refining concentrated in China. AU can add non-DRC supply. Industry.gov.au+1
6. **Lithium** – Cornerstone for batteries; Australia is #1 miner (lower mine risk), but conversion/refining historically concentrated offshore; strategic to onshore more mid-stream. Geoscience Australia
7. **Magnesium** – Lightweight alloys, defence/aero; >80% primary Mg from China; episodic price spikes; major resilience gap in allied supply. Industry.gov.au+1
8. **Nickel** – Batteries/stainless; supply increasingly concentrated in Indonesia HPAL; processing/ESG concerns; AU can supply class-1 nickel and diversify. Industry.gov.au
9. **Manganese** – Steel, batteries (LMFP/Li-Mn); supply concentrated (S. Africa, Gabon) but AU is a top producer—still strategic for battery chemistries. Geoscience Australia
10. **Silicon (metal)** – Semiconductors & solar PV; raw silica abundant but high-purity silicon/wafer supply chain dominated by China; critical to electrification/compute. Industry.gov.au+1
11. **Vanadium** – Steel and vanadium-redox flow batteries for grid resilience; mining/refining concentrated (China/Russia/South Africa). AU resources promising. Industry.gov.au
12. **Tungsten – Hardmetals/cutting tools, defence penetrators; supply concentrated (China); substitution limited. Industry.gov.au**
13. **Platinum-group elements (PGE)** – Catalysts, fuel cells, chips; supply concentrated (South Africa/Russia), but demand shifting with EV/FCEV & chemicals. Industry.gov.au
14. **Indium** – ITO for displays/photovoltaics; small by-product market (zinc), price-spike prone; strategic for optoelectronics. Geoscience Australia
15. **Tantalum** – Capacitors, aerospace/medical; mining concentrated (central Africa), some AU output; small, strategic, and supply-fragile. Industry.gov.au
16. **Scandium** – Al-Sc alloys (aero), SOFCs; ultra-small, by-product-limited market; AU is well-placed to scale supply if demand matures. Geoscience Australia
17. **Hafnium** – High-k gate dielectrics, nuclear control rods; tiny co-product of zirconium—supply very tight but demand small. Geoscience Australia
18. **Selenium** – Solar (CIGS), electronics; by-product of copper; intermittent tightness; moderate strategic value. Geoscience Australia
19. **Tellurium** – CdTe solar, alloys; by-product of copper; niche but key for certain PV stacks; low elasticity of supply. Geoscience Australia
20. **Niobium** – HSLA steels, superconductors; mining highly concentrated (Brazil); demand steady; some strategic value in defence/infra. Geoscience Australia
21. **Molybdenum** – Alloys, catalysts, renewables; diversified producers; by-product dynamics; important but less supply-fragile than above. Geoscience Australia

22. **Rhenium** – Superalloys/turbines; extremely scarce by-product (moly); critical for aero/defence but small volumes and potential thrift/alloying reduces risk. Geoscience Australia
23. **Chromium** – Stainless/superalloys; large market but diversified, and substitution (to a point) in grades; still strategically relevant. Geoscience Australia
24. **Beryllium** – Defence/space/telecom components; very small, specialised supply chain (US dominant); Australia's role modest. Industry.gov.au
25. **Bismuth** – Lead-free solders, pharma; mainly by-product; moderate strategic value, some supply concentration in China. Geoscience Australia
26. **Antimony** – Flame retardants, Pb-Sb alloys, munitions; supply concentrated (China/Russia/Tajikistan); strategic for defence but limited tech growth. Geoscience Australia
27. **HPA (high-purity alumina)** – LED/sapphire, battery separators; tech-important but manufacturable from multiple feedstocks; rising AU projects reduce risk. Geoscience Australia
28. **Magnesium (fluorine/fluorspar link)** – (Fluorine scored separately at 29) Already scored Mg at #7 due to alloy criticality; see below for Fluorine.
29. **Fluorine (fluorspar)** – Electrolytes, refrigerants, PV; chemical chain is strategic, but substitution/alternative chemistries exist; supply concentration moderate. Industry.gov.au
30. **Arsenic** – Semiconductor dopant & alloys; largely by-product; significant EHS constraints; strategic but niche. Geoscience Australia
31. **Hafnium/zirconium chain's other leg – Zirconium** – Nuclear cladding and ceramics; important but broader market and AU strength temper risk relative to peers. Geoscience Australia

Thank you,

Nick, Mike, Tim, Jonathan and Sibghat.

PURE online application form

POWERED BY OLIVIA123

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%	-1.0%	0.2%	1.6%	1.9%	1.7%	-0.1%	12.0%
FY25	-0.4%	-0.1%	1.4%	0.9%	-0.6%	-1.2%	0.3%	-0.4%	0.2%	1.6%	2.2%	1.6%	5.7%
FY26	1.2%	-2.0%	5.0%										4.2%

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%	2.8%	4.9%
FY24	1.0%	0.1%	-0.5%	1.0%	1.9%	3.7%	-1.0%	0.2%	1.6%	1.9%	1.7%	-0.1%	12.0%
FY25	-0.4%	-0.1%	1.4%	0.9%	-0.6%	-1.2%	0.3%	-0.4%	0.2%	1.6%	2.2%	1.6%	5.7%
FY26	1.2%	-2.0%	5.0%										4.2%

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 30 September 2025

Distribution Re-Investment

If you are interested in electing to have DRP for your portfolio, please click here