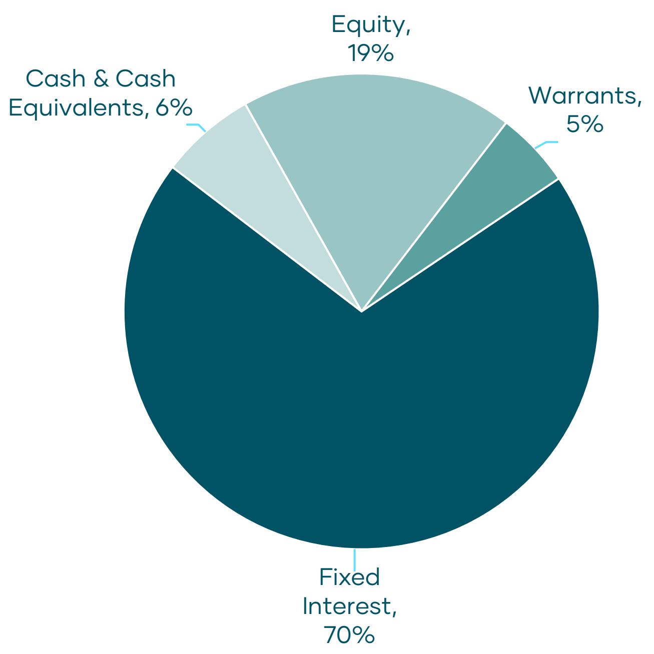
PURE Resources Fund

Foundation Class Portfolio Returns (After Fees)

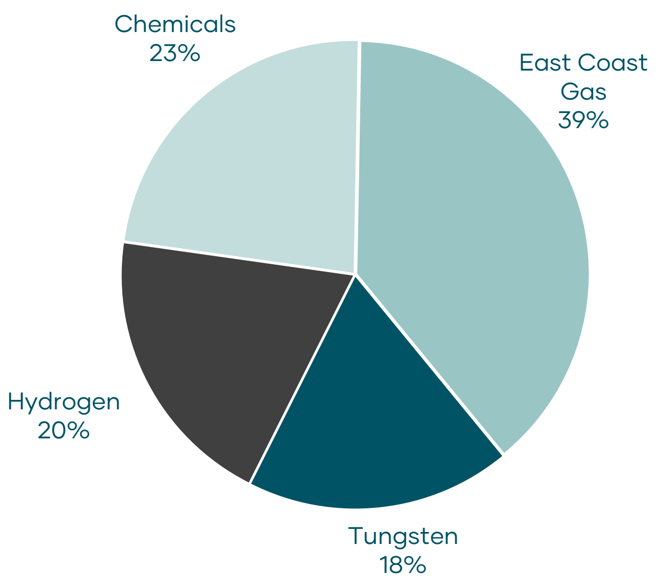
	1 month %	3 Months %	6 Months %	1 Year %	3 Years % p.a.	Since inception* % p.a.
PURE Resources Fund	-0.4%	-2.1%	-2.4%	3.1%	6.6%	7.0%
Standard Deviation (Annualised %)				7.7%	5.5%	5.9%

** Fund inception 30 April 2021*

Asset Allocation



Loan Sector Allocation



Fund Overview

Fund Size	$52.3
Foundation Class Unit Price	$1.1068
Number of Investments	5
Average Loan Size	$7.1m
Weighted Average Interest Rate	11.6%
Arrangement Fees Paid to Investors	$2.1m

Monthly Commentary

The Resources space rebounded in April, with ASX Small Resources Index rallying 5%. Headlines were again dominated by the energy sector, as WTI remained in excess of US$100/bbl and the US-Iran conflict continued unresolved.

Copper was top of the investor wish list as structural demand in the form of AI Data Centre infrastructure and electrification met constrained supply. This dynamic appears both structural and circumstantial, with several large mines missing production targets, and growing unease about the Middle Eastern supply disruptions of sulphuric acid, used to leach copper from the ore.

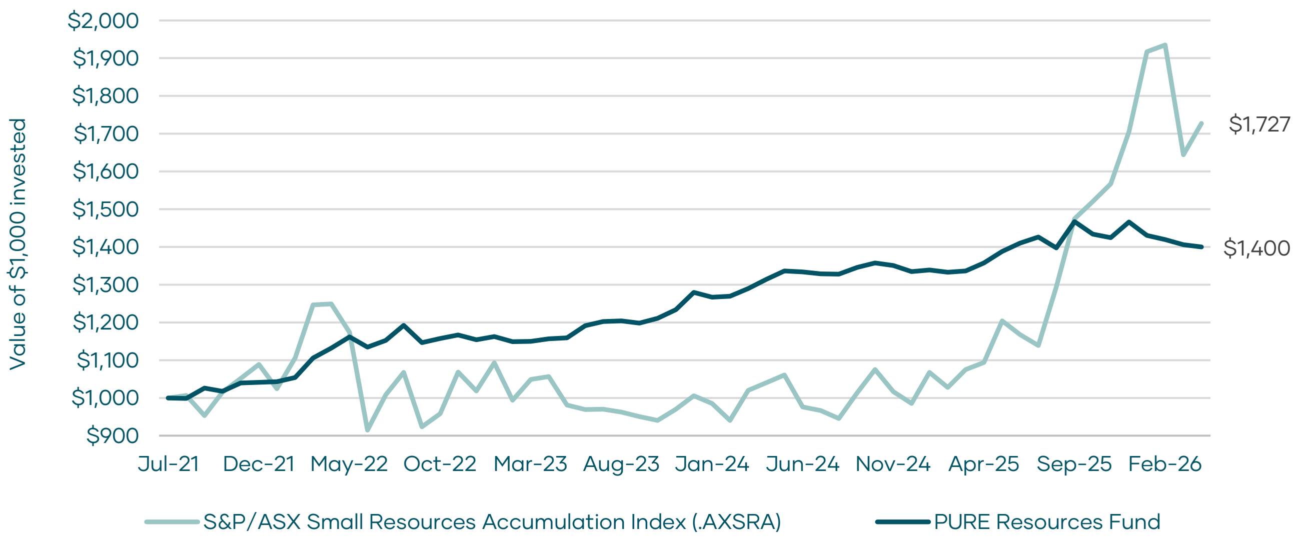
Within this market backdrop, it was pleasing to see Kingston produce its first copper concentrate from underground mining one quarter ahead of schedule. Coupled with continued gold/silver production, it has been disheartening not to see the share price respond positively. We assume the weakness relates to poor recoveries in the March quarter, but we remain optimistic of an improved valuation as recoveries improve, and as the next Misima milestone payment is received in July.

The PURE Resources Fund eased -0.4% for the month, primarily driven by the equity/warrant retracement of Carbonxt.

Performance

The Fund is up 40.0% 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

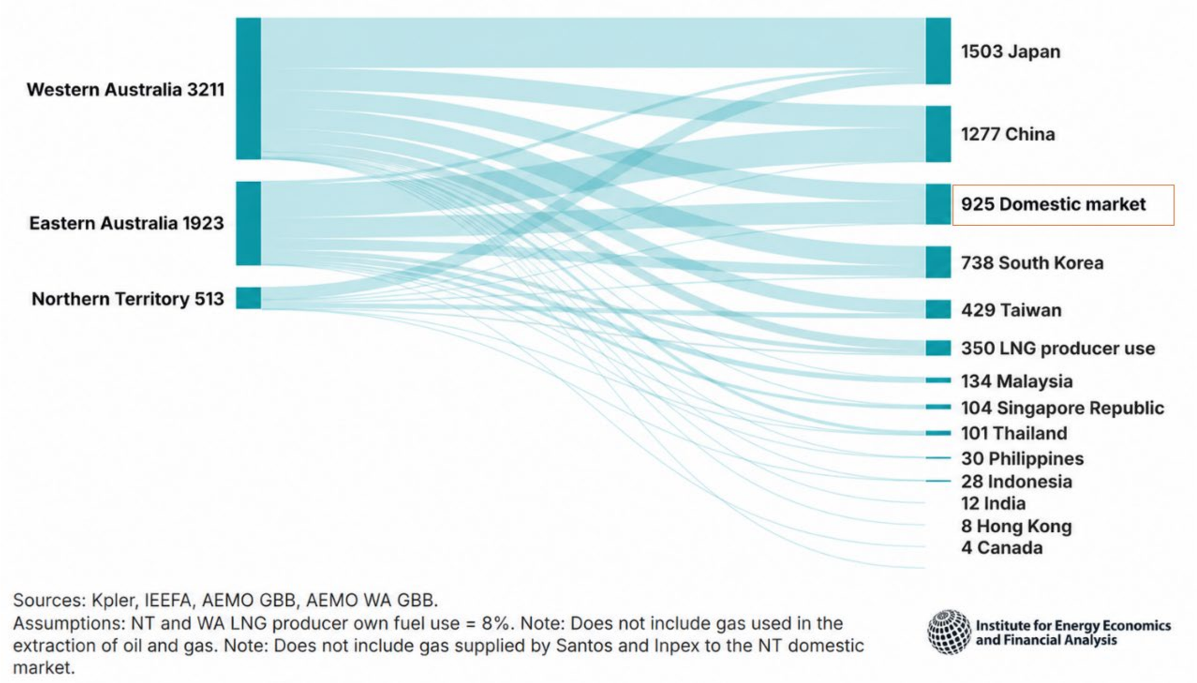
Below we breakdown the composition of the return over the last month, between debt, equity and warrants. Equity and warrant positions moved lower due to Carbonxt.

Chart of the Month

The tragedy of big government is its sincere and unshakable belief that intervention is the answer to every problem. This month our Chart(s) of the Month is looking at the proposed domestic gas reservation policy.

Below is the gas supply and demand chart from the Institute for Energy Economics and Financial Analysis (https://ieefa.org/). The first thing to note is that of the 5,647PJs of gas produced, just 16% supplies the domestic market.

Australian fossil gas flows, 2024-25 (PJ)



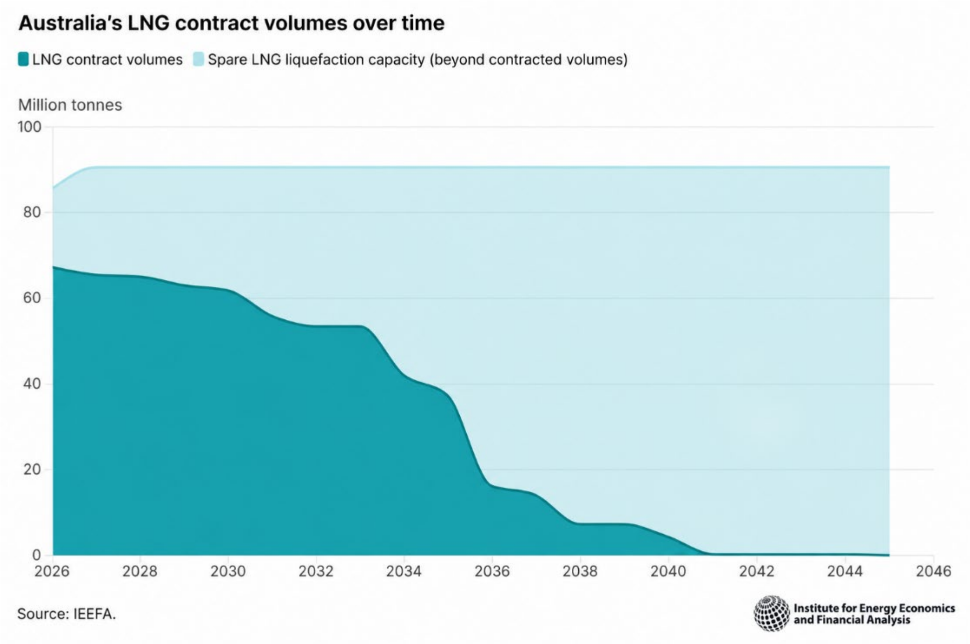
The two key issues the Government is trying to solve are:

- **The high price of domestic gas.** As we have written previously, Australian households pay more for gas than our counterparts enjoy in our two largest export markets (China and Japan).
- **The expected supply shortfall in the domestic market.** Despite Australia being a key exporter of LNG to most of Asia, the Australian Energy Market Operator (AEMO) has indicated gas shortfall risks during extreme peak day demand conditions from 2029, with a need for additional supply in most scenarios from 2030.

In response to these issues, the Federal Government announced a proposal to institute a domestic gas reservation scheme from July 2027. Under the proposed scheme, LNG exporters would be required to supply the domestic market with gas equivalent to 20% of their LNG export volumes.

The Government has said export contracts entered into before its 22 December 2025 announcement will be respected, meaning exporters should be able to meet existing commitments. As a result, the initial impact is likely to be modest, with the practical burden falling mainly on uncontracted, spot, new or extended export volumes.

This grandfathering means the scheme may do little to address near-term pricing pressure or the expected supply tightness around 2029–2030.



An obvious contradiction is that if the policy succeeds in forcing additional gas into the domestic market, it may suppress prices to a level that discourages investment in new supply. This risk is particularly acute for smaller domestic-only producers, which may struggle to compete against redirected LNG-linked volumes from the majors or justify new exploration and development if domestic pricing falls below an adequate return on capital.

Moreover, by the time existing LNG contracts begin to roll off more materially in the 2030s, the policy may also be addressing a market problem that has already solved. The United States is investing heavily in new LNG export capacity, which is likely to increase global LNG supply and place downward pressure on Asian gas prices over time, narrowing the arbitrage between US domestic gas and Asian seaborne LNG prices toward the marginal cost of liquefaction and shipping.

There is still considerable uncertainty around the final structure of the policy. The Federal Government has indicated that several overlapping gas market interventions may be removed to simplify the framework and that it will consult further with industry and the States before finalising the scheme. Both groups have already weighed in with significant concerns regarding investment incentives, market distortion and implementation complexity.

Below is what a NSW Parliamentary research paper had to say on a domestic gas reservation policy over a decade ago:

> *"A review of selected jurisdictions suggests that wholesale government interventions have generally been unsustainable and have tended to reduce domestic gas prices in the short term, followed by perverse economic outcomes over the longer term, including: reduced foreign investment; stagnant or negative production growth; strained government budgets; and/or inefficient energy usage."*

Perhaps the Government could reflect on the volume of compliance, regulation and approvals already embedded in the Australian gas system. This was strikingly illustrated recently by Amplitude Energy, which showed the approval process required to tweak the recorded amount of gas that could flow through an existing pipeline.

[The monumental bureaucracy]

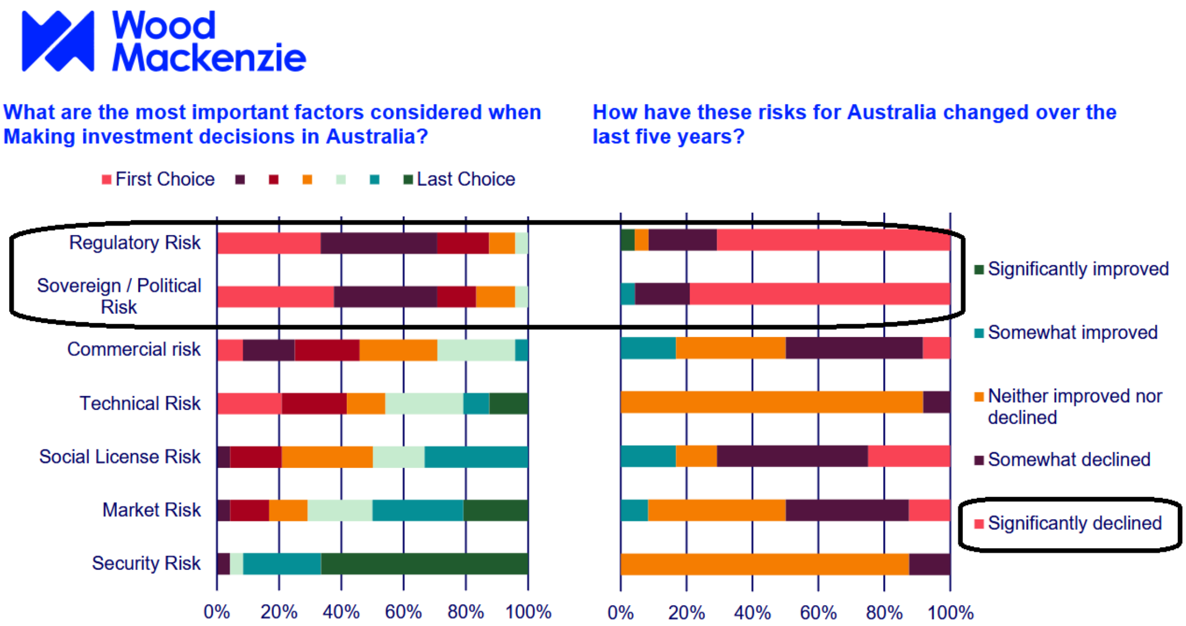
It took five-months to make an amendment, which due to an administrative error had been incorrectly recorded on the original pipeline licence.

The fundamental problem should not be how our gas is allocated but the fact that we are choosing to create scarcity, when we could have abundance.

Australia has about 247,000 PJs of identified gas, enough for over 40 years of production at the current rate. It is likely that we have much more - perhaps more than double this amount - in prospective but underexplored areas, and by implementing improved techniques for unlocking shale and tight gas.

Arguably if the governments and their agencies stopped making it so hard to bring gas into production, the Government would not have a problem to solve. The prevailing high domestic price would spur a huge increase in development, and then, like the US, we would be exporting surplus gas, instead of competing against LNG exports for marginal gas.

Wood Mackenzie recently reported that Australia has been underinvesting relative to global peers for over a decade and has become a less attractive place for major companies to invest. Several reasons were cited, but the main issue that came through in the survey confirmed that our gas problems are of our own making.



Thank you,

Nick, Mike, Tim, Jonathan and Sibghat.

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%	-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%	-2.2%	-0.7%	2.9%	-2.4%	-0.7%	-1.0%	-0.4%			-0.7%

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%	-2.2%	-0.7%	2.9%	-2.4%	-0.7%	-1.0%	-0.4%			-0.7%

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 April 2026

Distribution Re-Investment

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