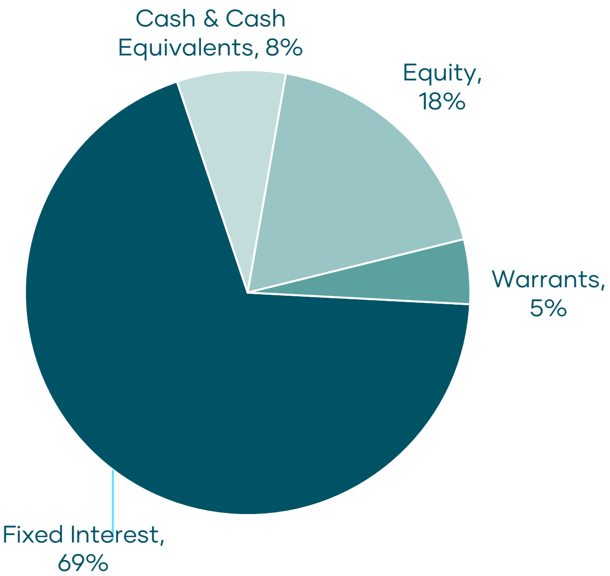
PURE Resources Fund

Foundation Class Portfolio Returns (After Fees)

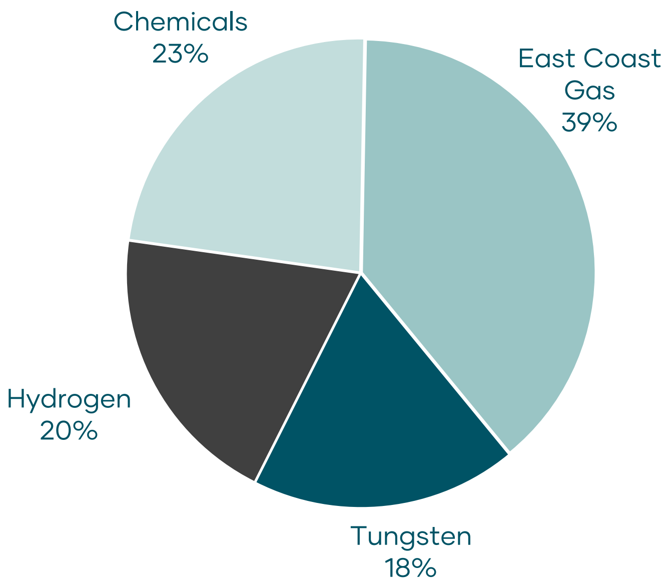
	1 month %	3 Months %	6 Months %	1 Year %	3 Years % p.a.	Since inception* % p.a.
PURE Resources Fund	-1.0%	-4.1%	-4.2%	5.2%	6.9%	7.2%
Standard Deviation (Annualised %)				7.7%	5.5%	5.9%

** Fund inception 30 April 2021*

Asset Allocation



Loan Sector Allocation



Fund Overview

Fund Size	$52.5
Foundation Class Unit Price	$1.1115
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 was a challenging environment in March. Headlines were dominated by the energy sector, and rightly so, as US/Iranian tensions escalated dramatically. The resulting ~50% increase in the oil price drove material outperformance in that sector, but it wasn't pretty in other corners of the market.

Precious metals, which have been a popular trade in recent times, were aggressively sold as investors cashed in their winners in search of liquidity. The result represented gold's worst month since the GFC and given the high-beta nature of small resources, led to some very battered share prices.

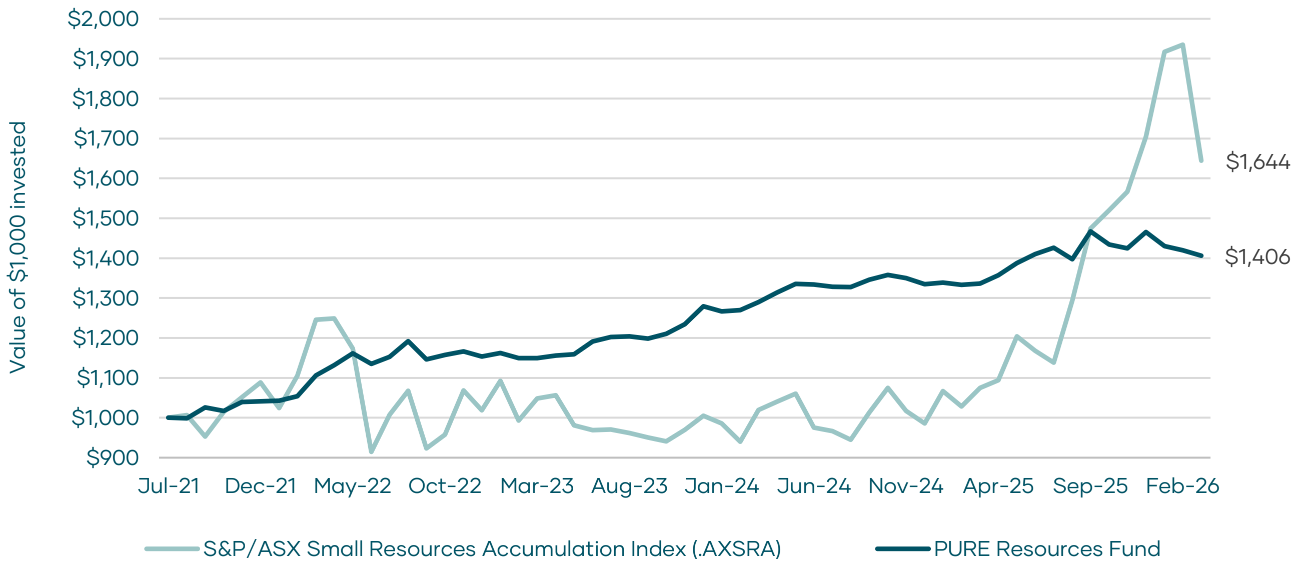
The PURE Resources Fund experienced wins and losses within this backdrop, and while the Fund's investment in Kingston Resources impacted returns, strong price momentum in Energy Markets (COI) and Tungsten (Group 6 Metals) provided excellent support. Of significant note was the performance of Tungsten, which rallied a further ~50% in March.

As the dust settled, the ASX Small Resources Index had logged a return of -15%. While not entirely immune in absolute terms, the PURE Resources Fund delivered a return of -1.0%, a pleasing relative performance within a challenging environment.

Performance

The Fund is up 40.6% 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 Kingston Resources, which like other gold companies came under selling pressure during the month.

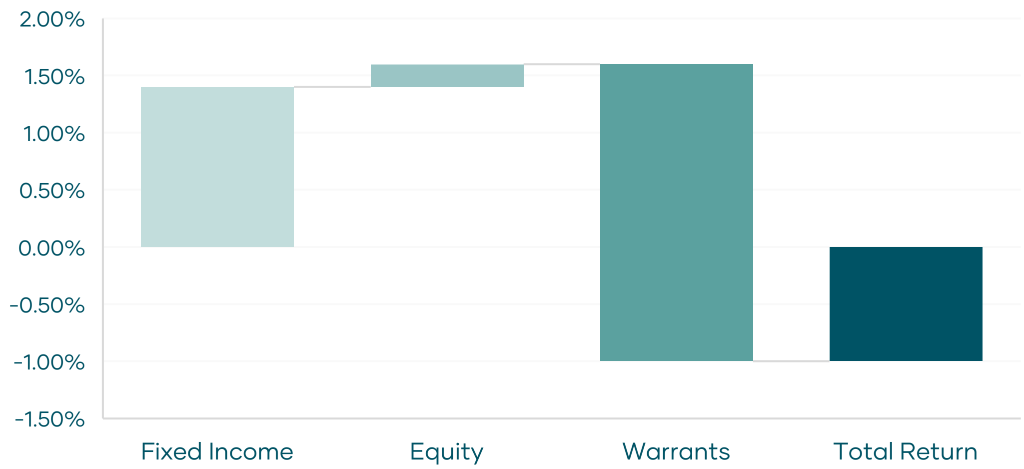


Chart of the Month

BHP's recent results showed that for the first time copper profits were higher than iron ore. The copper price is close to its all-time high, having rallied over 50% in the last year.

For years there has been talk of the growing likelihood of structural shortfall in copper and copper bulls may see the recent price action as testimony to this long-held view.

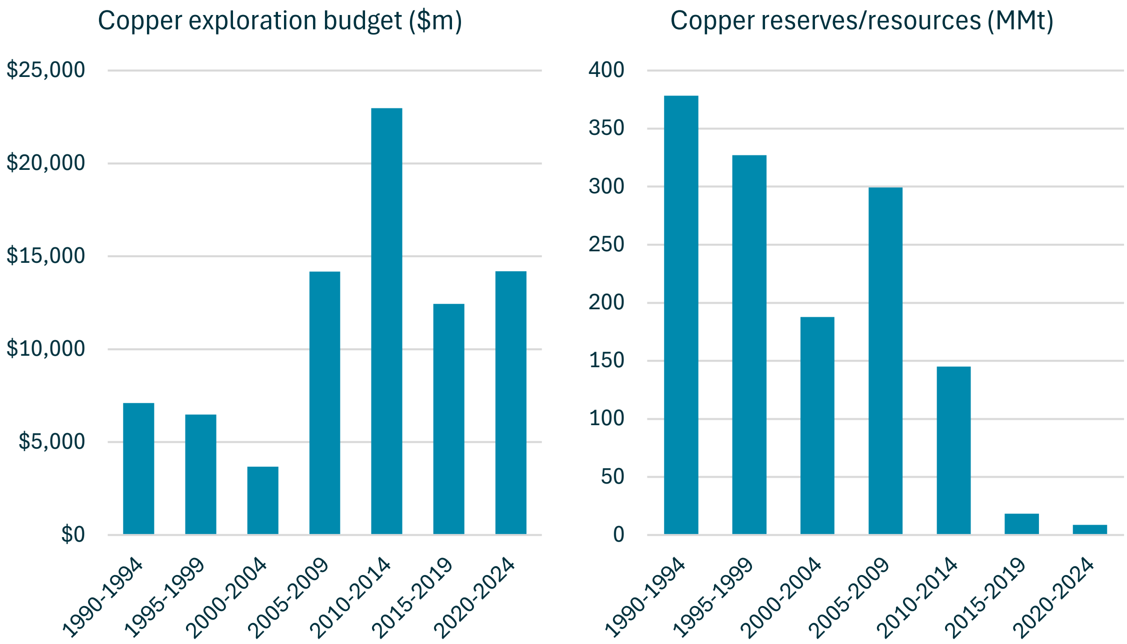
How much truth there is in this is debatable given that the second and third largest copper mines have both suffered from operational issues (the reduction in the former - Grasberg - alone reduced global production by 2-3%). And with the current conflict in Iran looking increasingly likely to cause havoc in world economies, cyclical demand could be lower.

Nevertheless, when it comes to copper, the world does look like it's on borrowed time.

Demand for copper doubles every 25 - 30 years and production has kept up with this growing consumption, but largely the world has moved from large greenfield discoveries to brownfield expansion.

This month's charts come from S&P Global and shows capital spend on exploration (adjusted for inflation) and discoveries (both initial and subsequent production).

It doesn't look good.



Source: *S&P Global Market Intelligence*

Not only are discoveries becoming harder to find, but they are also smaller and more difficult to bring into production.

BHP notes in its recent update on copper that head grades have declined 40% from existing mines and that more than half of all mines are now over 20 years old.

Commodity cycles aren't driven by short-term supply and demand but rather they are capital cycles.

The structural bull thesis is simple:

- Existing mines are depleting - BHP estimates that existing mines will be producing around 15% less copper by 2035.
- Copper demand will keep growing both due to economic growth and the rise in electrification (the largest and fastest growing use of copper), AI infrastructure and defence (BHP estimates 2.4% CAGR in demand, up from 1.9% in the last 15 years).
- Taken together by 2035 that is a 32% growth in demand and a 15% drop in supply, equating to a copper shortfall of +56%, which needs to come from new mines.
- New large mines have become extremely rare, and non-existent in the last decade the last tier 1 mine was discovered in 2008.

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%				-0.3%

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%				-0.3%

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 March 2026

Distribution Re-Investment

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