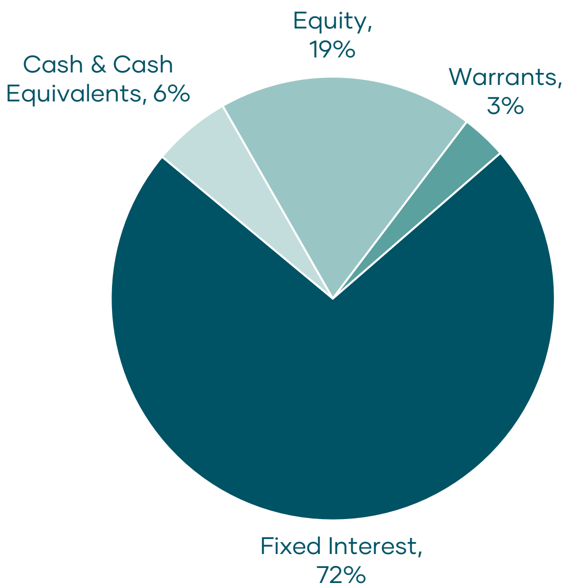
PURE Resources Fund

Foundation Class Portfolio Returns (After Fees)

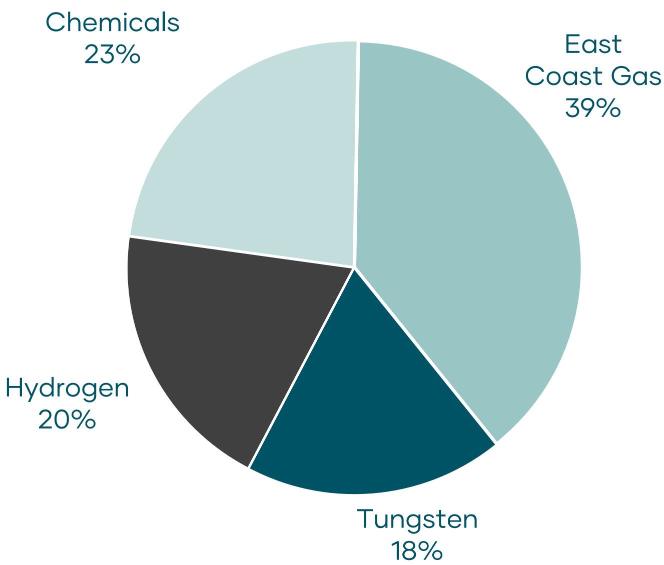
	1 month %	3 Months %	6 Months %	1 Year %	3 Years % p.a.	Since inception* % p.a.
PURE Resources Fund	-2.9%	-4.3%	-4.6%	-2.1%	5.4%	6.3%
Standard Deviation (Annualised %)				7.9%	5.8%	6.1%

** Fund inception 31 May 2021*

Asset Allocation



Loan Sector Allocation



Fund Overview

Fund Size	$50.8
Foundation Class Unit Price	$1.0744
Number of Investments	5
Average Loan Size	$7.2m
Weighted Average Interest Rate	11.6%
Arrangement Fees Paid to Investors	$2.1m

Monthly Commentary

The PURE Resources Fund retracted -2.9% for the month, with the performance (for the second month running) primarily driven by the equity/warrant retracement of Carbonxt. The shares drifted lower in the absence of news on the production start of its new Kentucky Facility.

Copper (+4.6%) was top of the investor wish list as structural demand in the form of AI Data Centre infrastructure and electrification met constrained supply.

Governments around the world continued to strengthen critical mineral strategies, while mining companies accelerated investments in growth projects and M&A. Looking forward, we expect to report further updates with PURE's critical minerals exposure, Group 6 Metals, over the coming month. This is expected to be a material positive outcome for the Fund.

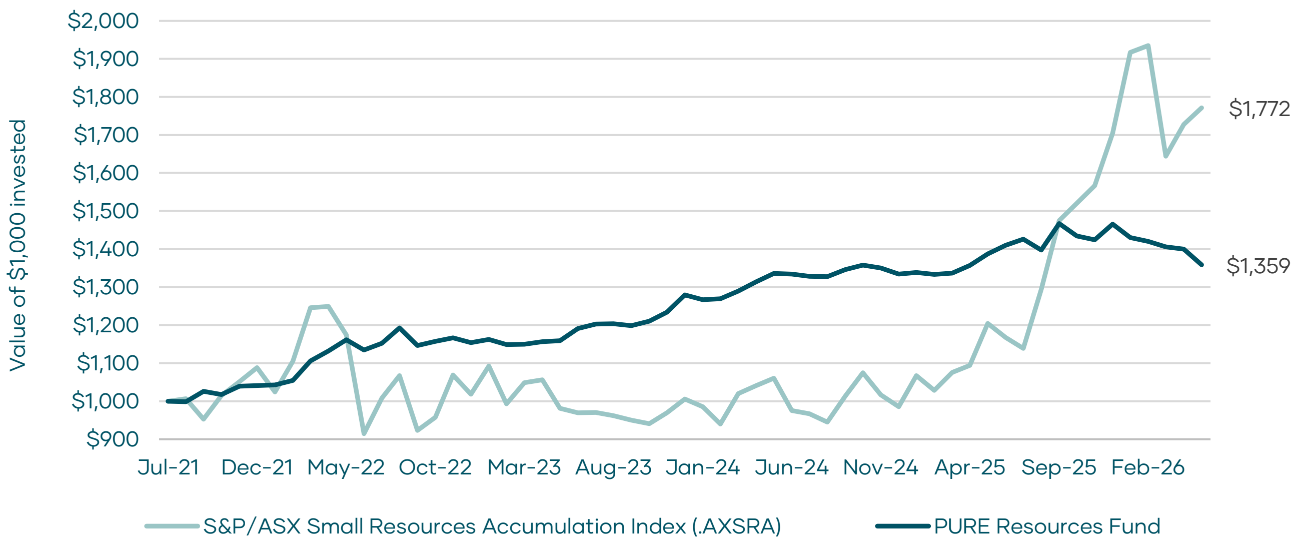
Gold continued its lacklustre performance down 1.2% while energy stocks fell as the oil price sharply retraced as the market became increasingly confident of a resolution to the Middle East conflict.

In an eventful month with differing commodity fortunes, the aggregate impact was a 2.5% rise in the S&P/ASX Small Resources Accumulation Index.

Performance

The Fund is up 35.9% 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

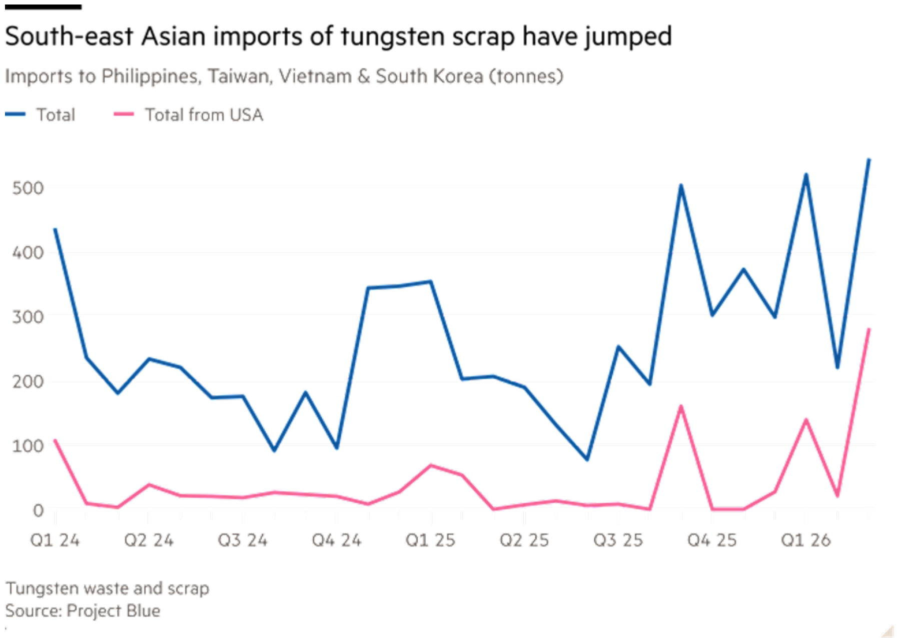
Our Chart of the month once again focuses on Tungsten, for two reasons.

Firstly, it's likely to be, by a wide margin, the Fund's largest exposure [once G6M regains its ASX listing]; and secondly, because what China is doing seems extraordinary with repercussions being felt globally.

This months' chart comes from the FT, which has noted Chinese buying of US scrap tungsten, despite being the world's largest producer of primary material and seemingly having sufficient supply for its own purposes.

China's hunt for US tungsten escalates global critical minerals race

"Chinese buyers have been quietly stockpiling tungsten from scrap yards across the US, driving up prices of a crucial defence industry metal amid an escalating global race for critical minerals, US sellers told the FT."



https://www.ft.com/content/9a57ca27-d2eb-4a9c-a0e1-6a857a3bfcd9?syn-25a6b1a6=1#comments-anchor

To recap. In western terms, the tungsten price has risen eight-fold since China implemented export restrictions in February 2025. China is the supplier of 80% or the world's tungsten concentrate, and 90% of refined products.

Recycling only accounts for about 30% of globally supply, so the world is dependent on China exports. The explicit reason(s) for China's ongoing curtailment of supply is not known, but the initial catalyst appears to have been the tariff trade war with the US.

The various reasons for China to continue to restrict supply are:

1. Chinese mines are becoming less productive, and the CCP wants to ensure longer term domestic supply.
2. By diverging the tungsten price (Chinese domestic tungsten trades at a 55% discount to international pricing) it provides China with a competitive advantage in more sophisticated downstream products e.g. cutting tools, drill bits, and tungsten hexafluoride (used to manufacture microchips).

3. Tungsten, even in small amounts, is in many cases irreplaceable and crucial to many industries. Consequently, despite being a small and controllable market it provides China with outsized negotiating leverage.
4. The Chinese tungsten supply chain from mines to processors are benefiting from increases in profitability, albeit not as much as previously, due to the price differential between China and the RoW.
5. 10%-15% of tungsten supply is used in armaments; China has a strong disincentive to allow the west to re-arm after depleting its weapon arsenal in the Ukraine and Iran.

China's decision to increase export controls, therefore, does not seem unreasonable, and is arguably surprising that they weren't implemented years ago given global dominance of tungsten was achieved in the 1990s.

But it's one thing to use export restrictions for leverage to improve your own industrial base or trade negotiating position, but something else entirely to compound the international shortage by aggressively buying up scrap material and shipping it to recycling plants in Asia. Secondary/recycled material is 40-50% of the tungsten supply in the US, so access to scrap is critical.

Quoted in the FT article Ryan McAdams, chief executive of Texas-based tungsten recycler and refiner Amermin. "We've got to stop the export back to China…This is a secret war that nobody's talking about."

Both the Chinese and western (Amsterdam) prices had been moving in tandem until February 2026. Since then, the Chinese price has fallen by 50% but the western prices have remained close to their all-time highs. This appears to reflect available supply in China, but scarcity everywhere else.

Below are comments made just in the recent months from large companies that have exposure to the western supply challenges of tungsten.

Company	Country	Valuation	Recent Tungsten Market Commentary
Masan High-Tech	Vietnam	US$1.7bn	Correlation between Chinese and non-Chinese prices has broken down materially. I don't see strong logical/ fundamental reason why the two should continue to move in tandem. ...customers [outside China] are desperate for material and are unable to obtain it
Mitsubishi Materials	Japan	US$3.6bn	Price of some carbide materials will increase +300%. "Depending on the supply situation, we may restrict the acceptance of orders."
Kennametal	US	US$2.7bn	Cited an unprecedented rise in tungsten pricing and active management of tungsten supply chain.
Sandvik	Sweden	US$51.1bn	Customers are building stock due to scarce tungsten supply and expectations of further price rises.
Sumitomo Electric	Japan	US$54.7bn	The price of tungsten has remained at a high level due to difficulties in obtaining tungsten due to export restrictions in major producing countries and the surge in market prices and is expected to continue in the future.
Kyocera	Japan	US$32.3bn	Announced cutting-tool price increases, citing globally surging tungsten prices and procurement difficulty due to export restrictions in producing countries.
Nachi-Fujikoshi	Japan	US$0.9bn	Tungsten prices remain at elevated levels, and the outlook is expected to remain uncertain, including the possibility of prolonged supply restrictions....we may need to request a further price review.
NTK Cutting Tools	Japan	US$13.0bn	Announced June price increases, citing rapid and continuing rises in APT and other raw materials, plus prolonged global supply constraints
Tungaloy	Japan	US$0.1bn	Announced product price increases due to the global surge in tungsten. May be able to accept orders specifying advance delivery dates.
TaeguTec	Korea	US$0.7bn	Announced price increases in Japan, citing rapid and continuing rises in APT and prolonged global supply constraints.
Plansee Group	Austria	US$2.6bn	Commented that China's restrictions and received numerous inquiries from customers who could no longer fully meet their tungsten material needs.
INDUS Holding	Germany	US$0.8bn	AGM speech said tungsten carbide prices had tripled again since the start of 2026 after tripling in 2025. Said a supply crisis was narrowly averted.
ISCAR / IMC group	Israel	US$10.3bn	Tungsten prices had risen significantly, with restricted China supply and "considerably higher demand" from other industrial sectors, mainly electronics as well as aerospace and defense

Fuji Die	Japan	US$0.1bn	Said there is a strong sense of global tungsten supply shortage…the situation remains such that China's tightened export controls continue to have a significant impact on the supply, demand, and prices.
Patterson-UTI Energy	US	US$3.3bn	We've experienced meaningful inflation in several key inputs, particularly the material tungsten
Msc Industrial Direct Co	US	US$6.9bn	Tungsten largest driver inflation but our sales volume is still growing for us, which is an important metric because we want to make sure there's no demand destruction. There aren't a lot of substitutes for carbide cutting tools. We don't see the end of the price increases yet.

Thank you,

Nick, Mike, Tim, Jonathan and Sibghat.

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PURE ASSET MANAGEMENT

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%	-2.9%		-3.6%

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%	-2.9%		-3.6%

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 May 2026

Distribution Re-Investment

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