

## 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	+1.7%	+5.2%	+8.2%	+15.2%	+10.2%	+9.9%
Standard Deviation (Annualised %)				4.4%	5.9%	5.8%

\* Fund inception 30 April 2021

### Asset Allocation



### Fund Overview

Fund Size	\$80.0m
Foundation Class Unit Price	\$1.197
Number of Investments	7
Average Loan Size	\$9.4m
Weighted Average Interest Rate	10.4%
Arrangement Fees Paid to Investors	\$1.8m
Trailing Fund Yield (12m)	6.4%

### Monthly Commentary

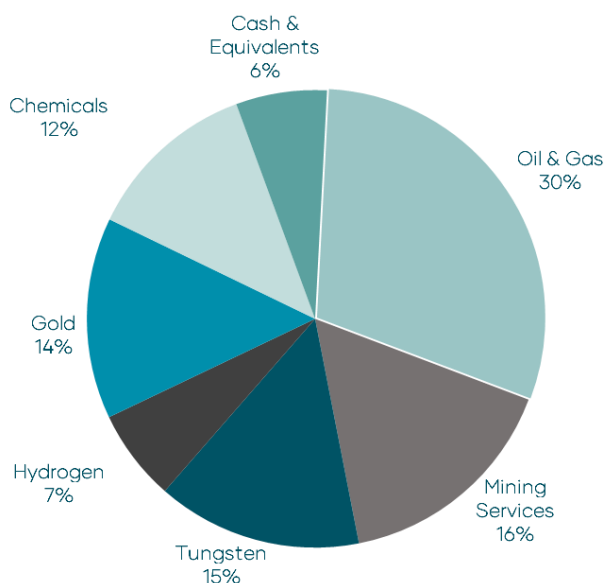
The Resources Fund continues to show good performance, rising +1.7% in May. On a 12-month basis, the Fund is now up +15.2%.

We have maintained our lead over the Small Cap Resources index, which rose +8.1% over the same timeframe. Pleasingly, we continue to stack positive months, underpinned by exceptionally low volatility (4.4%).

Commodities markets are doing what they do best...showing mixed signals, with increasing unpredictability and widening disparity between each commodity and their end markets. That being said, the Fund's primary exposures to East Coast Gas, Critical Minerals and Gold is prudent in these times, and is proving resilient.

The macro-economic outlook is uncertain and this is weighing on the investment markets view of commodity demand, however, most industry participants we speak to believe that supply is going to be the bigger issue. This dichotomy is, in our view, driving share price volatility.

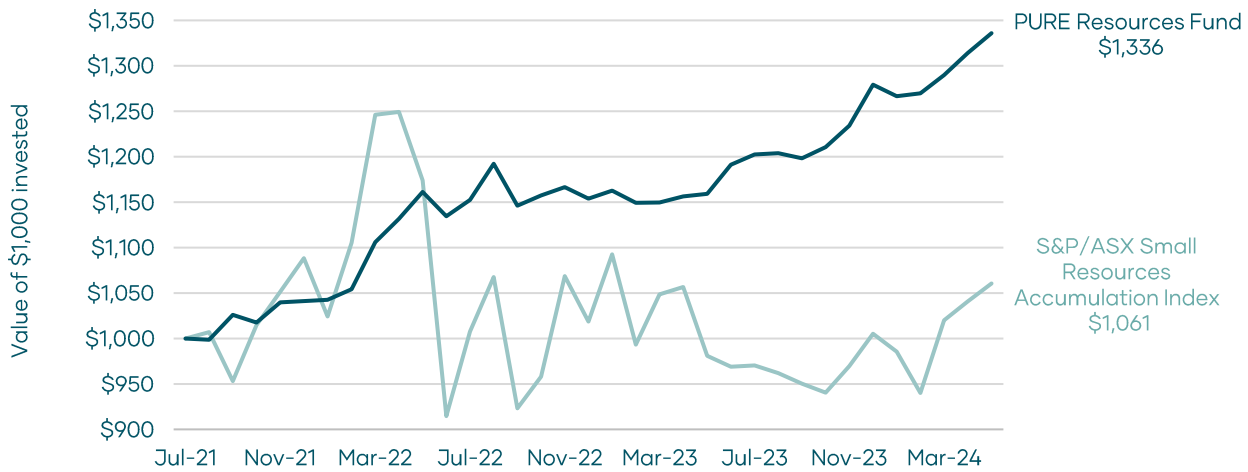
### Sector Allocation



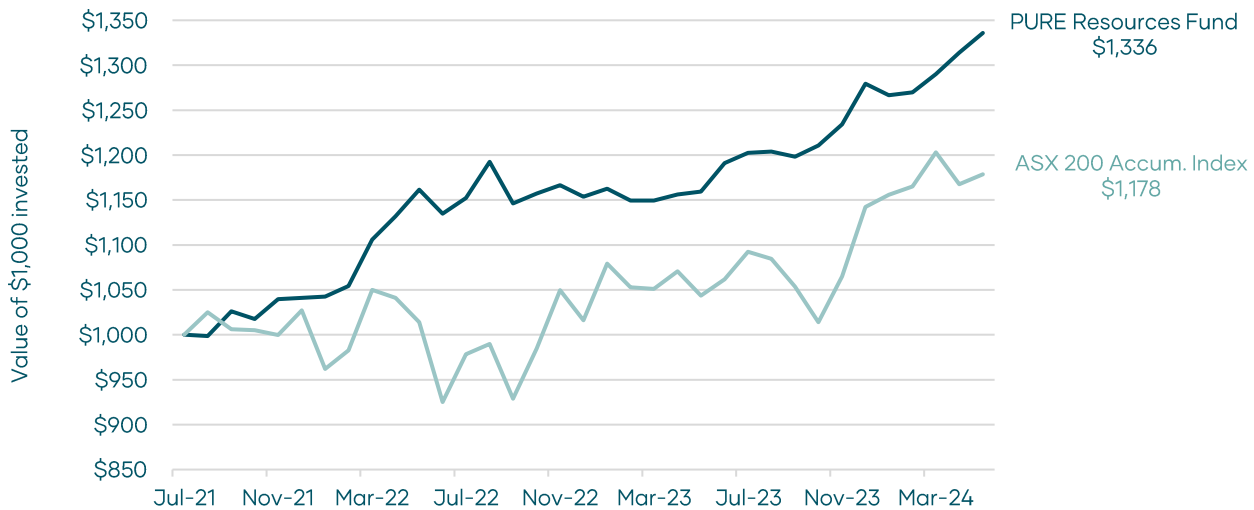
## Fund Review

With this month's performance, the Fund is up +34% since our first investment was made, versus the Index which is up +6% over the same period. We are proud to highlight that we have also consistently beaten the ASX200 accumulation index over the past two years.

### Monthly performance vs Small Resources Accumulation Index



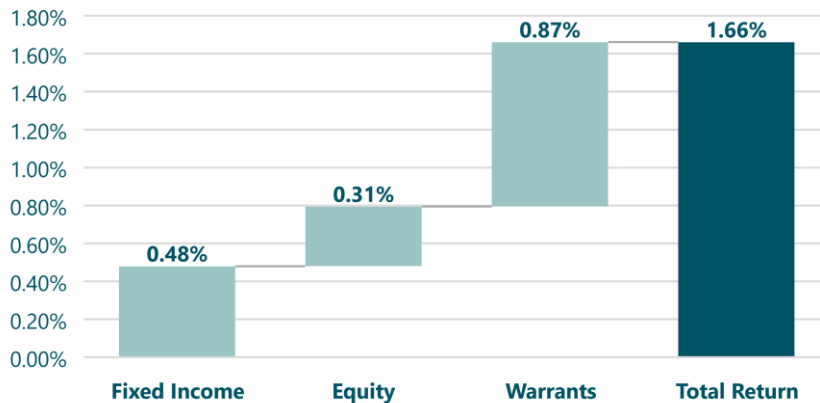
### Monthly performance vs ASX200 Accumulation Index



## Portfolio update

Below we breakdown the composition of the return over the last month, between debt, equity and warrants across the portfolio. The largest contributors this month to the increase in performance were Kingston Resources and Comet Ridge warrant positions, with debt returns stable.

## Composition of monthly return



Below we provide some brief company updates.

- **Kingston Resources (KSN.ASX, Market Cap \$60m).**

There's been plenty of action for Kingston in recent months. An important capital raise was finalised through March-April (\$13.5m raised), while the Mineral Hill tailings project was successfully completed in May. It's fair to say that tailings projects are tricky, and few of them ever deliver anything like the returns that are originally envisaged. Mineral Hill has been the exception. The tailings delivered \$25m in operating cash flows since the project was acquired for \$23m in 2021.

The refurbishment of the mill is on track and on budget, which is amazing in this high inflation environment, and to be completed next month for a total of \$12.6m. With open cut commencing, we see a positive equity story unfolding, supported by growing cash flows.

- **Vintage Energy (VEN.ASX, Market Cap \$20m).**

The Company announced the mobilisation of rigs for drilling of the Odin 2 well. This went to spud on the 15<sup>th</sup> of the month and proved a success, with stable gas flowing soon after. The well was temporarily capped as further equipment was moved to the site to allow for connection to the pipeline to Moomba which will be a significant milestone.

Following a successful capital raise (\$8m) in March the Company is well funded to turn gas flows from this well in August, which will supplement revenue being generated from its Vali wells.

## PURE Resources Fund Capital Raising

The PURE Resources Fund is now fully deployed and has embarked upon a concerted fundraising campaign to fund a deal pipeline over 2024.

Our strategy is working well, with the Fund outperforming peers and benchmarks for some time now. The Fund has demonstrated consistent positive performance since its inception three years ago. Interest levels have been strong from both existing and new investors to date.

If you know of other investors who are seeking additional investment opportunities, please feel free to contact us at any time by phone on 1300 017 873, or by email at [contact@puream.com.au](mailto:contact@puream.com.au).

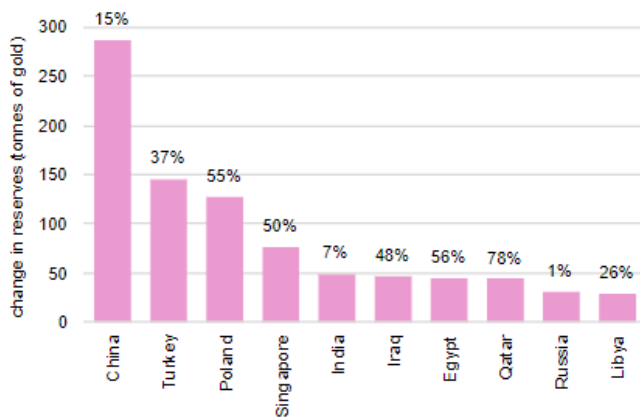
## Chart(s) of the Month

Panda Diplomacy, it's a term we have heard quite a bit this last week as China's Premier, and his significant entourage made an official diplomatic visit to Australia. This month, we wonder if this is the precursor to something more.

In recent times we have noticed quite a diverging trend across commodity prices, with many of these moving against fundamental long-term drivers. In the series of charts below, it's worth noting that much of this recent price spike in activity is driven by stockpiling of resources in China. Is China getting ahead of the curve to prepare for a major stimulus programme? If so, the Australian Resources sector is likely to move sharply higher. Good news for us, and good news for investors.

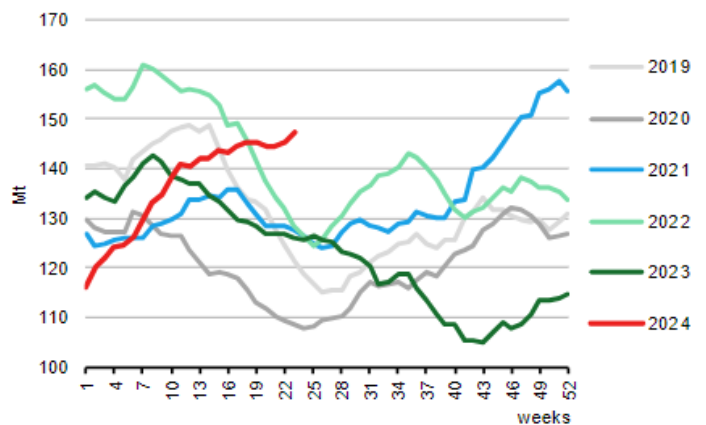
The Chinese Government's strategy appears focused on restoring balance to its beleaguered property sector. Accordingly, we don't believe large-scale construction projects are a feature in this programme, so this cannot be a new raw materials' demand driver on its own. We wait to see the outcome, but it's worth noting the interest for commodities is spreading throughout our investable universe, our existing investments and even resulting in inbound inquiries within our Fund. Something big seem to be on the way, and that is definitely worth keeping an eye on.

Change in Gold Reserves by Country (Dec-21-Dec 24)



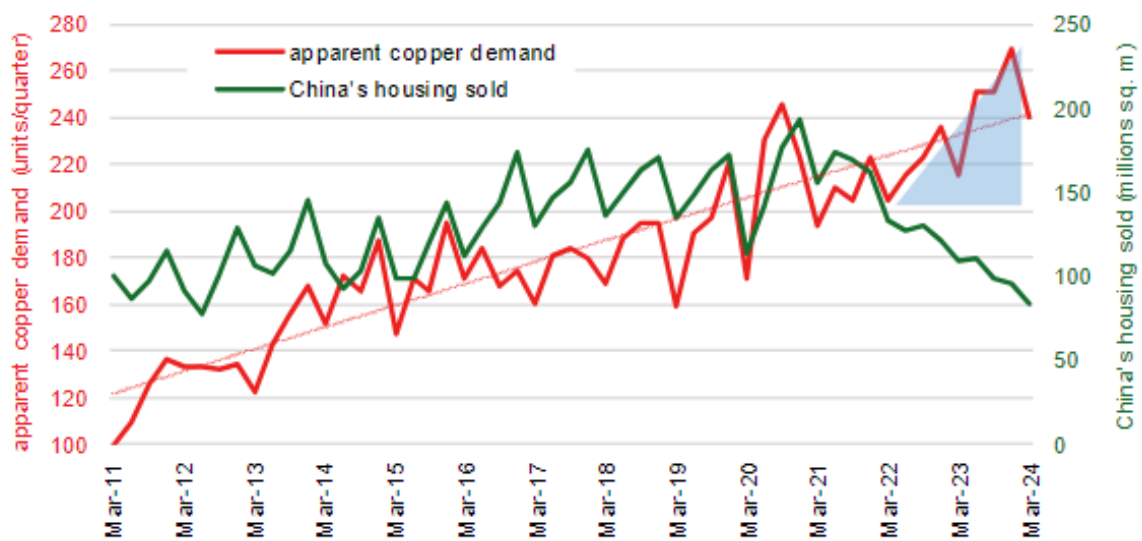
Source: World Gold Council

China's Iron Ore Stocks at Port (Weekly, 2019-2024)



Source: Antaike, Liberum, Bloomberg

China Copper Demand vs Housing Sold (Mar-11 to Mar-24)



Source: Refinitiv Eikon, Liberum, Bloomberg

Thank you

Nick, Mike, Tim, Dan, Jonathan and Jean-Luc



## PURE online application form



## 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%		12.2%

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%		12.1%

## 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 2024](#)

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