

PURE Resources Fund

A specialist hybrid credit fund targeting superior risk-adjusted returns



AS AT 30 NOVEMBER 2024

Fund Overview

The PURE Resources is an absolute return fund which is focused on emerging growth companies, and targets double digit returns over a 3-5 year investment cycle. The Fund's unique strategy is to invest in self-originated hybrid securities (convertible notes or combined note & warrant structures).

The benefit of the strategy is that it provides investors: capital protection; consistent income; and equity upside. The Fund can generate superior risk adjusted returns by exploiting the structural and consistent failure of the stock market to provide targeted companies with access to growth capital at a reasonable price.

How we Invest

The Fund predominantly invests in emerging ASX listed resources/mining companies and typically initiates an investment through senior secured debt, with full convertibility into equity. Until converted, the debt carries an interest rate of 8-13%, meaning the Fund gets 'paid to wait' for the equity opportunity to mature.

The portfolio is primarily built by transacting directly with a Company after extensive due diligence, using our in-house deal origination, structuring expertise, and legal advisors. As a debt investor, the Fund is afforded more insight into the Company's operating performance than equity investors.

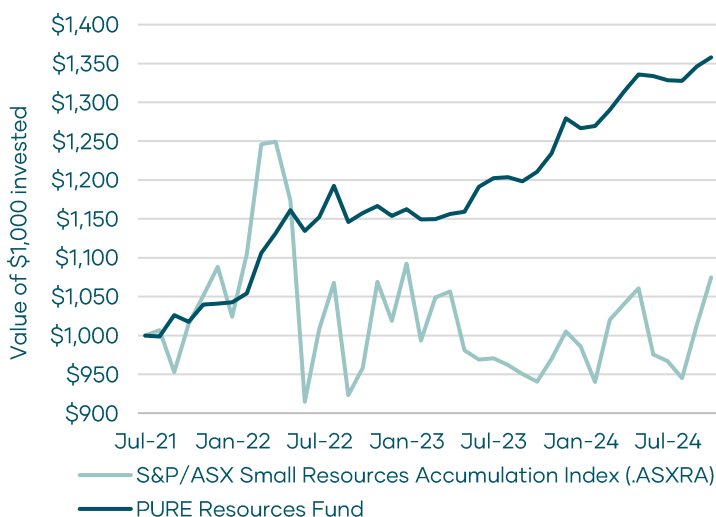
Superior due diligence and secured debt structures significantly reduces the risk of loss. The interest charged provides consistent returns. The convertibility into equity provides opportunities for material upside. Collectively, these benefits are expected to increase the likelihood of alpha generation, compared to other absolute return strategies or equity portfolios.

At any time, the Fund will hold up to 50 positions and is able to invest in equity securities, corporate credit, hybrid securities, options, warrants and cash.

Key Benefits

- Targeting market leading risk-adjusted returns via differentiated economic exposure to emerging companies.
- Entering via credit means the Fund's capital is higher ranking than equity, thereby protecting investor capital.
- Lower expected Fund unit price volatility, compared to standard equity absolute return funds.
- Credit level due diligence and rigorous documentation aim to provide superior investment analysis.
- Semi-annual income distributions (targeting +7.0% p.a.)
- PURE's investment team has 100+ years of combined experience in financial markets.
- The PURE team has a substantial investment in the fund which ensures we are aligned with investors.

Relative Performance Since First Investment



| | 1 Month | 3 Month | 6 Month | 1 Year | Since Inception (p.a.) |
|----------|---------|---------|---------|--------|------------------------|
| Returns | -0.6% | 1.7% | 1.1% | 9.4% | 8.8% |
| Std Dev. | | | | 4.4% | 5.5% |

Independent Research



CONTACT DETAILS

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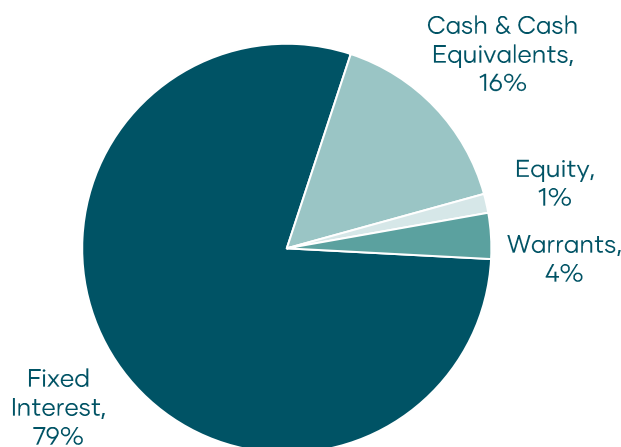
PURE Asset Management
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Key Information

| | |
|--|---|
| APIR Code | PUA1097AU |
| Funds Size (Ex Dist.) | \$77.1m |
| Inception Date | April 2021 |
| Investment Manager | PURE Asset Management Pty Ltd (ACN 616 178 771) |
| Custodian | APEX Fund Services |
| Trustee | PURE Asset Management Pty Ltd |
| Benchmark | n/a – absolute return fund |
| Distributions | Semi-Annual |
| Minimum Investment | \$250,000 |
| Investment timeframe | +4 years |
| Unit Pricing | Monthly |
| Liquidity | Monthly – Platform Class Monthly after 3 years – Foundation Class |
| Management Fee | 1.6% p.a. (incl. GST and RITC). Calculated and accrued monthly based on the NAV of the Fund. |
| Loan Arrangement Fees Paid to Investors (Gross) | \$2.1m |
| Performance Fee | 20.0% of the amount by which the NAV per unit exceeds the High-Water Mark. The Fund must also exceed a net 8% p.a. hurdle before a performance fee applies on performance above a net 5% p.a. |

Portfolio Asset Allocation



About PURE

PURE Asset Management (AFSL: 520396) is a boutique asset manager for Wholesale and Sophisticated Investors.

We provide micro and small-capitalisation companies with access to flexible, hybrid growth capital in the form of convertible debt/equity instruments.

The PURE team has combined experience of 100+ years in Funds Management, Corporate Finance and Investment Analysis.

Platform Availability

Hub24, Mason Stevens, Macquarie Wrap, Netwealth

Key Features



Growth focused funding

PURE is a growth investor and is focused on providing funding to emerging growth companies in a less dilutive way than equity.



Unlocking Equity Value

PURE is incentivised to unlock equity value with out-of-the-money conversion mechanisms



Entry via Credit

PURE will always enter via Credit, which is higher ranking than equity, and enables better company due diligence.

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