Phoenix Growth Fund

July 2026 Monthly Report

ESTIMATED NET RETURN

+2.60%

SINCE INCEPTION	BENCHMARK SAME PERIOD	OUT-PERFORMANCE
+144.18%	+66.65%	+77.53%

INDICATIVE UNIT PRICE	FUND SIZE	INCEPTION	POSITIVE MONTHS
$1.7618 (cum-dist.)	$50.9m	8 Feb 2021	50 / 66

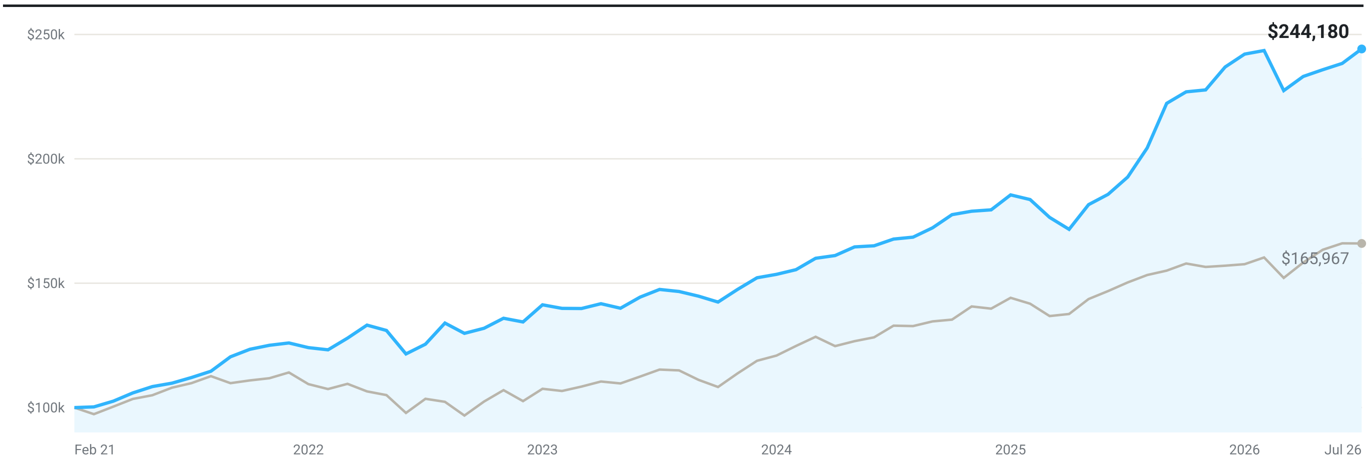
PERFORMANCE NET OF FEES · AS AT 31 JULY 2026

PERIOD	PGF	BENCHMARK	DIFFERENCE
1 Month	2.60%*	−0.05%	**+2.65%**
3 Months	4.91%	4.85%	**+0.06%**
1 Year	26.72%	10.41%	**+16.31%**
3 Years p.a.	18.30%	12.91%	**+5.39%**
5 Years p.a.	16.86%	8.70%	**+8.16%**
Since Inception	**144.18%**	66.65%	**+77.53%**

MONTHLY RETURNS NET OF FEES

YEAR	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL
2021	–	0.28	2.28	3.28	2.36	1.28	2.06	2.29	5.02	2.52	1.33	0.70	25.95
2022	−1.48	−0.68	3.80	4.10	−1.62	−7.21	3.21	6.80	−3.09	1.54	3.08	−1.12	6.72
2023	5.12	−1.01	−0.02	1.38	−1.30	3.21	2.13	−0.54	−1.28	−1.64	3.53	3.19	13.21
2024	0.93	1.22	2.94	0.69	2.16	0.26	1.63	0.47	2.23	3.08	0.77	0.29	17.96
2025	3.36	−1.01	−3.89	−2.73	5.77	2.30	3.74	6.07	8.76	2.08	0.35	4.04	32.00
2026	2.19	0.60	−6.76	2.49	1.17	1.07	2.60*						3.07*

GROWTH OF $100,000 SINCE INCEPTION



*Latest monthly unit prices and return figures are provided on an estimated basis only and may be subject to change. Inception date is 8 February 2021. The Vanguard High Growth Index Fund is chosen as PGF's benchmark for its representation of ASX and global equity market indices. Distributions paid: FY25 11.77c, FY24 4.02c, FY23 9.61c, FY22 5.12c, FY21 8.91c. Past distribution rates are not indicative of future payments.

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Fund Commentary

BUCKET #1 · CASH AND ECM

Under our Bucket #1 strategy, we participated in 55 deals during the month. We expect to receive free-attaching options from 22 of these transactions. Many of these options have yet to be issued but are expected to be allocated over the coming months. Placements performed well relative to the benchmark, with a number of deals contributing meaningfully to return.

CONTRIBUTORS

FDC Consolidated FDC	+13.6%
Peako PKO	+20.0%
Janus Electric JNS	+31.2%
Minbos Resources MNB	+65.4%
Ceretas CTS	+120.0%
OncoSil Medical Opt. OSLOE	+347.0%

DETRACTORS

AI Private Opp. Trust AIX	−3.2%
Amapá Minerals AMAP	−5.6%
Aguia Resources AGR	−11.3%
Galantas Gold GAL	−13.7%
Blue Moon Metals MOON	−19.3%
Unith UNT	−25.0%
Centuria Capital CNI	−26.0%
Auravelle Metals AUV	−37.5%
ActivePort Group ATV	−38.0%

> FDC was one of the more sought after IPOs among small cap managers because it offered a combination of quality, profitability, founder alignment and sensible entry valuation. Founder Ben Cottle, together with Blake Cottle and long serving CEO Russell Grady built FDC over 36 years into one of the strongest operators in Australia's construction, fitout and refurbishment industry. The business has a 90% repeat customer rate, an established blue chip client base and exposure to structural growth areas including data centres, healthcare, education and aged care. At the $3.00 IPO price FDC was valued at approx. $1b or 12 times forward PE. FDC closed 12.3% above its IPO price on the first day.

BUCKET #2 · HIGH CONVICTION STOCKS

CONTRIBUTORS

HealthCo H&W REIT HCW	+4.9%
Regal Partners RPL	+7.6%
Broken Hill Mines BHM	+13.4%
Dimerix DXB	+15.5%
Money Forward 3994	+23.2%
Alibaba 9988	+24.4%
Stellar Resources SRZ	+24.7%
Freee 4478	+28.6%
Fleetwood FWD	+29.2%
FMR Resources FMR	+30.8%
Benz Mining BNZ	+30.9%

DETRACTORS

Biotech Index CURE	−6.3%
Harmoney HMY	−6.5%
Alcoa AAI	−8.5%
VanEck Gold Miners GDX	−16.2%
St George Mining SGQ	−19.2%
Pro Medicus PME	−19.4%
ZIP Co ZIP	−20.8%
GenusPlus Group GNP	−21.3%
Artrya AYA	−34.9%
SpaceX SPCX	−36.7%
European Lithium EUR	−45.0%

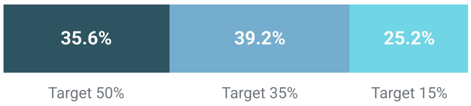
BENZ MINING · Benz rocketed again as it continues to prove up the scale of its Glenburgh Gold Project with drilling at two ore bodies suggesting improved continuity between mineralisations.

EUROPEAN LITHIUM · We are getting close to the finishing line for Critical Minerals' (NASDAQ:CRML) takeover of European Lithium.

FUND ANALYTICS

POSITIVE MONTHS 75.8% 50 of 66 months	SHARPE RATIO 1.35 Since inception
UPSIDE CAPTURE 0.94 vs benchmark	DOWNSIDE CAPTURE 0.28 vs benchmark

EXPOSURE ALLOCATION



Bucket #1	**35.6%**
Cash and fixed interest	21.5%
Placement + IPO (ECM)	14.1%
Bucket #2	**39.2%**
High conviction stocks	39.2%
Bucket #3	**25.2%**
Hedging account	18.4%
Managed funds	3.5%
Unlisted investments	3.3%

TOP 10 LISTED EQUITY POSITIONS

Benz Mining BNZ	3.7%
Metrics Opportunities Trust MOT	3.1%
SpaceX SPCX	1.6%
FDC Consolidated FDC	1.4%
Neuren Pharmaceutical NEU	1.2%
EQT Holdings EQT	1.1%
Biotech ETF CURE	1.1%
Regal Partners RPL	1.1%
HealthCo Healthcare Wellness HCW	1.1%
Harmoney HMY	1.0%

Commonwealth Bank

Rather than shorting the stock, we have been writing calls on CBA.

CALL SERIES WRITTEN	EXPIRED BELOW STRIKE	ANNUALISED GAIN ON NOTIONAL	CBA FORWARD PE AT ENTRY
23	16	~13%	30x

We set the CBA trade out in our July 2025 monthly when the stock was around $182 and screening as the most expensive major bank in the developed world. Operationally CBA is a very good bank and exceptionally well run but given its growth profile, it should not trade at 30x PE or 3.5x book.

Rather than simply shorting CBA, we chose to express our view by writing call options. We believe this is a more disciplined way to position for an overvalued stock because it allows us to set the price at which we are prepared to become effectively shorting the stock. Unlike an outright short, CBA does not necessarily need to fall immediately for the trade to work, as time decay contributes while the position is held. Losses remain possible if the shares rise above our breakeven.

Since then, we have written a combination of in the money (ITM) and out of the money (OTM) calls depending on where CBA shares have traded. Over the past year we have written 23 separate call series. Looking back, the outcomes have been more consistent than we would have expected from simply holding a short position, though that reflects the range CBA has traded in and is not an indication of future results.

THE BEAR CASE

The August reporting season strengthened our fundamental view. CBA delivered FY26 cash profit of $10.98b with net interest margin steady at 2.05%. While the headline result was solid, home loan applications were 15% below May levels and 17% below the prior year, with investor applications particularly weak. Its peers reported similar trends. Westpac reported applications falling 20% following the Budget, including a 26% decline in investor applications, while NAB and ANZ also reported material declines in loan demand. All this happened while the stock rallied back to $180 at eye watering valuation.

THE BULL CASE

However there remains a powerful structural bid supporting Australian bank shares. Morgan Stanley ownership data indicates superannuation funds now hold around 31% of the listed banks directly and closer to 40% including indirect holdings. With compulsory super contributions now at 12%, a significant amount of capital continues to flow mechanically into large Australian equities regardless of valuation. ETFs and offshore investors also likely to provide further support, particularly if CBA becomes cheaper. Carl Capolingua of Livewire Markets wrote an excellent article on this.

THEREFORE IT RANGE TRADES

Taking these competing forces together, our base case is that CBA is more likely to trade within a broad $150 to $190 range than experience a sustained collapse. Below $150, superannuation, ETF and offshore demand are likely to provide support. Towards $190, however, valuation becomes increasingly difficult to justify. Paying close to 30 times earnings for a low growth bank leaves very little room for disappointment.

This is why, in our view, call writing suits our thinking better than an outright short. The approach does not depend on CBA collapsing, but on the shares remaining below the strikes we select. Where they do not, the position can lose money, and premium may not remain available on the same terms.

The chart that follows shows every CBA option transaction undertaken by PGF since June 2025. The dashed line represents the strike price from the date the option was written through to expiry, while the shaded area represents the premium received.

ANATOMY OF THE TRADE

CBA share price when written	**$182.53**
Strike written	**$170.00**
Premium received	**$13.25**
of which intrinsic value	$12.53
of which time value	$0.72
Effective breakeven	**$183.25**

In this instance the breakeven sat above where the stock was trading, so the position would have profited had CBA fallen and also had it been unchanged. A move above $183.25 would have produced a loss.

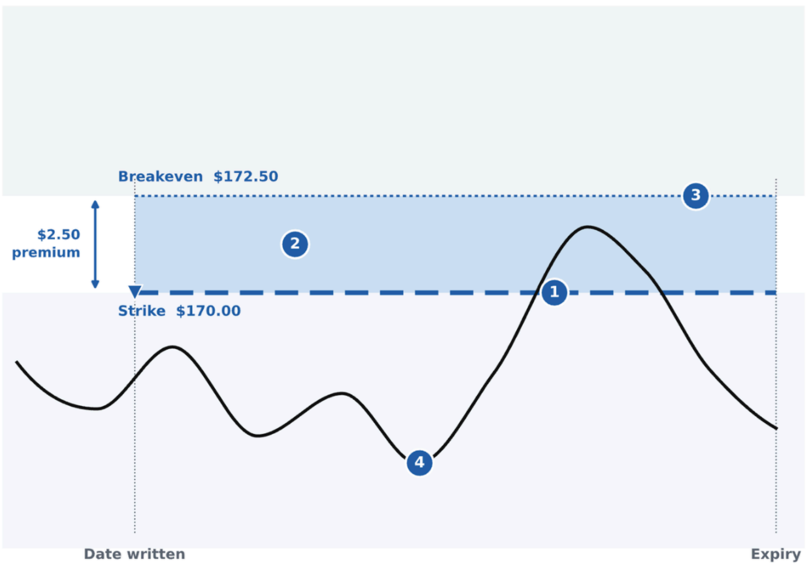
Take the August 2025 $170 call as an example. CBA was trading at $182 when we received $13.25 in premium. Approximately $12.53 represented intrinsic value, meaning we were effectively establishing a short exposure from $170 while immediately receiving the economic benefit of the move from $182 down to the $170 strike. The remaining $0.72 represented time value, which we earned simply for carrying the position to expiry. Our effective breakeven was therefore $183.25, above the share price when the trade was initiated.

This illustrates what we see as the main attraction of the approach. The option premium creates a buffer between our market view and the point at which the trade begins losing money, though that buffer is finite. It also forces us to specify in advance the valuation level at which we are willing to take short exposure rather than reacting emotionally to daily share price movements.

We currently intend to continue applying this strategy while CBA trades at valuations we believe are difficult to justify, though our positioning may change at any time without notice. Rather than betting on a dramatic fall in the share price, we have preferred to collect premium while waiting

How to read the chart

Every written call appears as one dashed line with a shaded band on top. The example below is a $170 call written for $2.50.



THE KEY

1. **Exercise price (the strike)** Thick dashed line. Runs from the day we wrote the call through to expiry.
2. **Premium received (the buffer)** Shaded band sitting on the strike. Ours from the moment we write the call.
3. **Breakeven** Dotted line at the top of the band. Strike plus premium.
4. **CBA share price** The black line.

WHERE THE PRICE SITS TELLS YOU THE OUTCOME

- **Above the dotted line** The stock ran past our buffer. This is where we lose.
- **Inside the band** Part of the premium is eaten, but we are still in front.
- **Below the dashed line** The call expires worthless and we keep the lot.

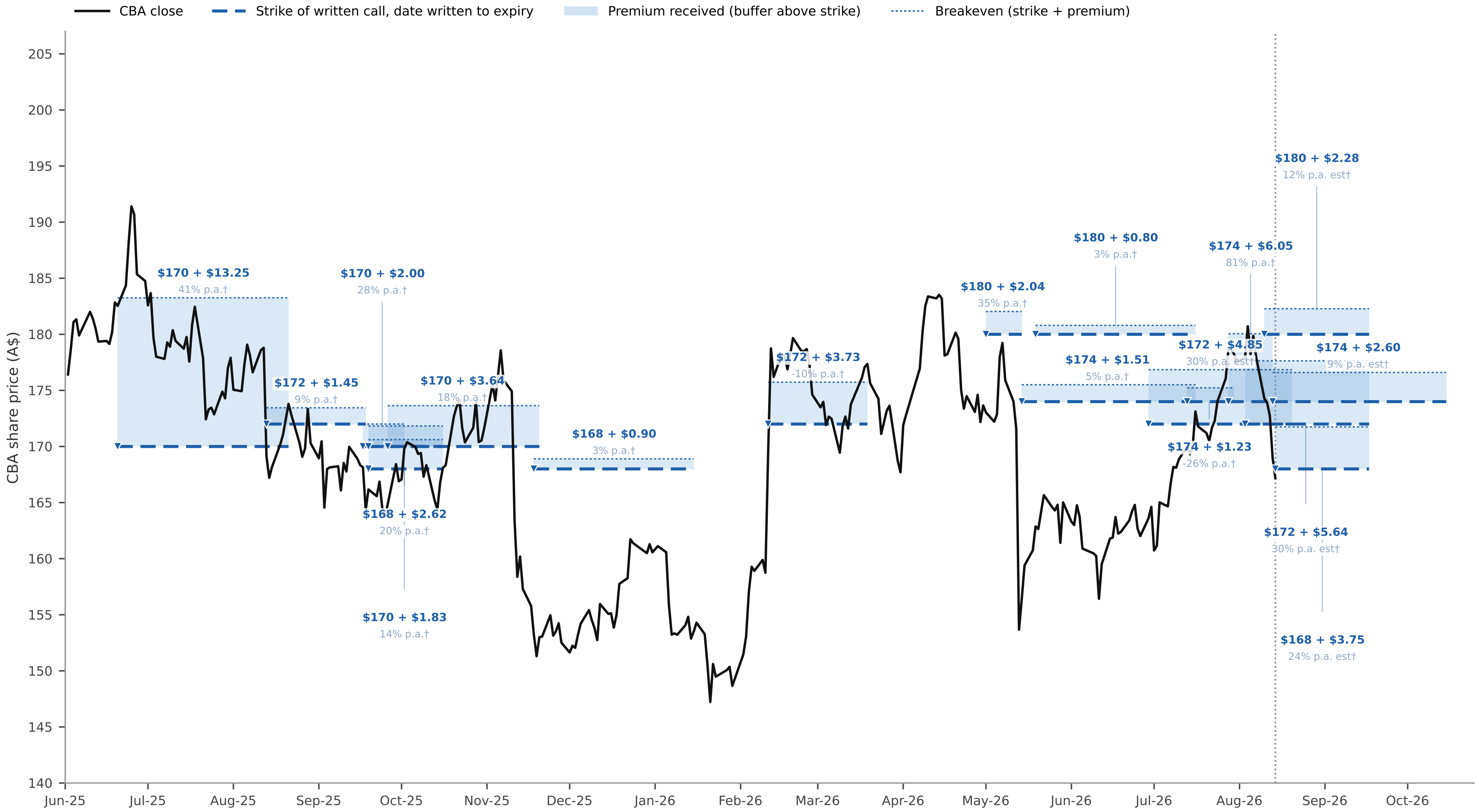
A call written deep in the money carries a thick band and behaves like a short. A call written out of the money carries a thin band and is pure time decay.

A NOTE ON WRITING ABOUT INDIVIDUAL STOCKS

We take considerable care when writing about specific stocks in detail. In the past, we have written in depth on a few select stocks and with a growing reader base, even more considerations are added when publishing about individual stocks. This report aims not to encourage our readers to buy or sell the companies mentioned but to provide insight into some of the opportunities we are seeing in the fund from time to time. This is not a recommendation to purchase any of the stocks mentioned. Our positions in these stocks may change at any time without notice.

CBA Call Options Written by PGF, June 2025 to August 2026

A record of past transactions. Dashed line is the strike, running from the date written to expiry. The shaded band above it is the premium received, so the top of the band is the level above which that transaction would have made a loss. Each label shows the strike and the weighted average premium per share.



† The percentage under each label is a transaction-specific illustration: the return on that individual option series, expressed on the strike notional and annualised over the days that series was held. These are historical, trade-by-trade figures for a small part of the portfolio. They are not portfolio returns, not a forecast, and not indicative of future returns. Individual outcomes vary widely and include losses, as shown above.

Dotted vertical line marks the last close on 14 August 2026. "est" marks series still open at that date, shown on the full term to expiry assuming the premium is retained. Past performance is not indicative of future performance. Source: PGF; CBA daily close.

Fund Information

PGF was established in February 2021 with the goal of generating an above equity net return for its unitholders. It is designed as an absolute return fund with capital growth as the key focus, achieved by using an unconstrained approach via investing in a wide range of investable assets. Refer to fund Information Memorandum for more information.

THREE STRATEGIES AND THEIR TARGET WEIGHTS

BUCKET #1 — **50%**

Cash + ECM (Equity Capital Market) Deals

Cash and Fixed Interest

Placement and IPOs

High turnover, high touch.
Low beta, consistent return profile.

BUCKET #2 — **35%**

High Conviction Stocks

Listed ASX and Global Stocks

Low turnover, fundamental driven.
Market beta.

BUCKET #3 — **15%**

Alternatives

Options trading strategy

Managed funds

Unlisted investments

Inversely correlated with equity markets.

FUND GUIDELINE

Maximum single holding size	**20% at cost**
Maximum unlisted holdings	**30% at cost**
Buy / sell spreads	**Nil**
Distribution frequency	**Annually**
Minimum investment	**$100,000**
Suggested holding period	**3+ years**

CONTACT

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APPLICATION AND REDEMPTIONS

registrydirect.com.au/offer/phoenix-growth-fund

www.pgf.net.au

#Past performance is not indicative of future performance. Specific risks of the Fund may impact on the possibility of such a return in future.

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There are risks involved in investing in the Emerald Capital's strategy. All investments carry some level of risk, and there is typically a direct relationship between risk and return. We describe what steps we take to mitigate risk (where possible) in the Fund's Information Memorandum. It is important to note that despite taking such steps, Emerald Capital cannot mitigate risk completely.

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