MONTHLY REPORT

DECEMBER 2022

Unit Price and FUM

Indicative Unit Price	$1.1741^	FUM Size	$11.4 Million

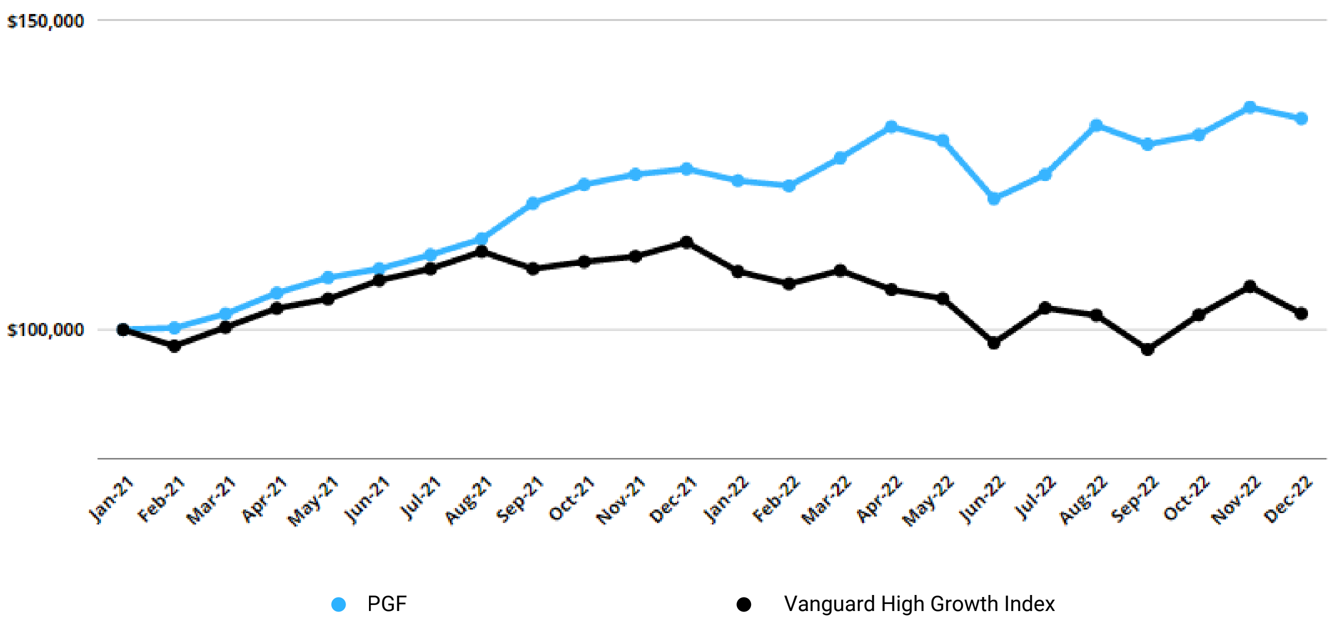
Indicative unit price is quoted on an ex-distribution basis. FY22 distribution 5.12c, FY21 distribution 8.91c.

Performance Table Net of Fees

As at 31 December 2022	PGF	Vanguard High Growth Index Fund	Difference
1 Month	**-1.34%**	-4.10%	2.76%
3 Months	**3.27%**	5.99%	-2.72%
1 Year	**6.47%**	-9.70%	16.17%
3 Years p.a.	**-**	-	-
Since Inception*	**34.09%**	3.02%	31.07%

Monthly Performance Net of Fees and Growth of $100,000

Return %	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	-1.34	**6.47**



*Inception date is 8 February 2021

^The latest monthly unit price and return figure are provided on an estimated basis only and may be subject to change.

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

Top 10 Listed Equity Positions

Stock Name	Portfolio Weight
Patriot Battery Metals (PMT/PMET)	3.7%
Santos (ASX:STO)	3.4%
Whitehaven (ASX:WHC)	2.9%
ETFS S&P Biotech ETF (ASX:CURE)	2.7%
New Hope Corporation (ASX:NHC)	2.4%
Meta Platforms (NASDAQ:META)	2.2%
Entain (LON:ENT)	1.8%
Stanmore Resources (ASX:SMR)	1.6%
Charter Hall Group (ASX:CHC)	1.5%
Woodside Energy (ASX:WDS)	1.4%

Exposure Allocation

Strategy Bucket	Portfolio Weight
Cash and Fixed Interest Placement, IPO and Trading	30.9% 13.3%
High Conviction Stocks	41.3%
High Conviction Funds	11.6%
Unlisted Investments and Pre-IPOs	2.9%

Fund Analytics

# of Positive Months	17/23 (73.9%)
Upside Capture	0.79
Downside Capture	(0.08)

Fund Commentary

The estimated December 2022 return for PGF is -1.34%, while the Vanguard High Growth Index's return is -4.10%. As of the end of the year, PGF has achieved a return of +6.47%, whereas Vanguard has experienced a return of -9.70%. Despite expectations for a positive market performance during the holiday season, the markets have instead experienced increased selling activity due to a lack of liquidity and a hawkish stance adopted by the Federal Reserve.

As the holiday season approached, activity in the placement and initial public offering (ECM) markets slowed as expected. With bankers and investors taking time off for the end of the year, deal flow came to a halt. While this is a typical occurrence during this time of year, it serves as a reminder of the struggles faced by the ECM sector throughout the year. As bonuses for bankers have been significantly reduced, and many are grateful simply to still have employment, the current state of the capital markets can be considered to be in a trough. PGF's strategy, which relies heavily on a steady flow of deals, would have seen stronger returns if deal flow had been more consistent in 2022. According to data from the ASX, Australian companies raised A$26.3bn in the eleven months ending November 30th, 2022, a 34% decrease from the A$39.8bn raised in the comparable period in 2021. This decline is reflected in the number of transactions, with 806 recorded during this period compared to 1,107 in the same period last year, and in the number of IPOs, which have decreased by 45%.

Positive contributors were Talon Energy (ASX:TPD) +2.6%, Alibaba (HKG:9988) +6.1%, New Hope (ASX:NHC) +6.9%, Stanmore (ASX:SMR) +8.1%, Camplify (ASX:CHL) +12.4%, Bowen (ASX:BCB) +13.8%, Arufura Rare Earth (ASX:ARU) +22.8%, Kincora Copper (ASX:KCC) +29.1%, Patriot Lithium (ASX:PAT) +85.6% and Patriot Battery Metals CDI (ASX:PMT) +173.6%. The performance of Patriot was noteworthy due to an unusual situation with its ASX listing and the subsequent valuation discrepancy between ASX:PMT and Canada's TSXV:PMET, which will be further examined in the following analysis.

The portfolio experienced some negative returns from several long-term holdings, such as Santos (ASX:STO) -3.5%, Woodside Energy (ASX:WDS) -5.0%, Terra Uranium (ASX:T92) -5.2%, Coronado (ASX:CRN) -5.7%, Whitehaven (ASX:WHC) -56.2%, Pacific Current Group (ASX:PAC) -6.3%, Entain (LON:ENT) -6.3%, TUAS (ASX:TUA) -7.0%, Patriot Battery Metals (TSXV:PMET) -10.7%, Temple & Webster (ASX:TPW) -12.1%, Charter Hall (ASX:CHC) -13.8%, Star Entertainment (ASX:SGR) -34.7% and City Chic (ASX:CCX) -41.1%. The portfolio also experienced some losses in the opportunistic bucket, including Bigtinan (ASX:BTH) -20.8%, Richmond Vanadium (ASX:RVT) -23.0%, and Lindan Resources (ASX:LIN) -35.1%. However, due to the smaller positioning sizes in these deals, the losses were kept minimal. The fund's strategy is to limit trading losses as they are not reversible, while losses in longer-term positions are acceptable as we believe that they will be reversed over the medium-term.

Fund Commentary (Continued)

The Amazing PMET & PMT Arbitrage

A year ago, we invested in Patriot Battery Metals (TSXV:PMET), with a strong interest from Australian-based investors for great lithium stories, it was only natural for PMET to list on the ASX. Eventually in December 2022, Patriot listed on the ASX (ASX:PMT) under a 10:1 CDI structure where for every 1 PMET share held, you could exchange them for 10 PMT shares and vice versa.

Arbitrage, the art of profiting from price discrepancies, is a practice that we found ourselves indulging in, as the opportunity to buy low in one market and sell high in another was simply too good to pass up. Though it was never our intention to trade around our longer-term PMET position, the profit potential on offer was too alluring to resist. The following table illustrates the prices of PMET and PMT in December, as well as their difference.

Local Trading Date	ASX:PMT (AUD)	TSXV:PMET (CAD)	Equivalent PMET Price After Adjusting PMT For FX and Size (CAD)	Price Difference
7/12/2022	1.275	9.84	11.65	**18.41%**
8/12/2022	1.76	9.55	16.16	**69.23%**
9/12/2022	1.12	8	10.32	**28.94%**
12/12/2022	0.95	8.5	8.80	3.48%
13/12/2022	0.9	7.92	8.28	4.55%
14/12/2022	0.95	7.25	8.81	**21.53%**
15/12/2022	0.825	7.05	7.67	8.73%
16/12/2022	0.85	7.41	7.78	5.06%
19/12/2022	0.83	7.15	7.60	6.26%
20/12/2022	0.8	6.5	7.32	**12.59%**
21/12/2022	0.725	6.46	6.59	2.08%
22/12/2022	0.735	6.83	6.72	-1.65%
23/12/2022	0.755	7.63	6.88	-9.89%
28/12/2022	0.79	6.91	7.19	4.02%
29/12/2022	0.765	6.71	7.02	4.60%
30/12/2022	0.75	6.6	6.88	4.20%

Source: TSXV, ASX

PMT rose dramatically from its 60 cent IPO, reaching an impressive close of $1.76 on 8/12/22, equivalent to a PMET price of $16.16, a staggering 70% premium compared to the much more liquid PMET. It was clear that PMT had outpaced itself, and the more established PMET did not align with the ASX price. In a perfect scenario, an arbitrager such as ourselves would enter the market by long PMET and short PMT to capture the price difference. However, the logistics of such a strategy are not as simple. For example, it takes 3 to 4 weeks to convert PMET shares to PMT, making it not a pure arbitrage as the arbitrager has to hold onto PMET for such a long period of time, thereby exposing them to price fluctuations.

We have put in a great deal of effort to streamline the logistics of potential arbitrage scenarios in the future. We consulted multiple brokers before the IPO to determine the most efficient method for converting PMET to PMT and vice versa. Furthermore, we went the extra mile by researching the process through late-night conversations with the Canadian PMET registry. We believe we have meticulously mapped out the entire process and are well-prepared to capitalize on future PMET/PMT arbitrage opportunities.

Fund Information

PGF was established in February 2021 with the goal of generating a net return of 20% or higher per annum net of fees* 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.

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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

Application and Redemptions
https://www.registrydirect.com.au/offer/phoenix-growth-fund/

Website
https://www.pgf.net.au/

*The target return figure provided is a target only and may not be achieved.

Disclaimer

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The materials contained herein represent a general summary of CAR's current portfolio construction approach. CAR is not constrained with respect to any investment decision making methodologies and may vary from them materially at its sole discretion and without prior notice to investors. Depending on market conditions and trends , CAR may pursue other objectives or strategies considered appropriate and in the best interest of portfolio performance.

There are risks involved in investing in the CAR'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, the CAR cannot mitigate risk completely.

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