PGF

MONTHLY REPORT

AUGUST 2022

Unit Price and FUM

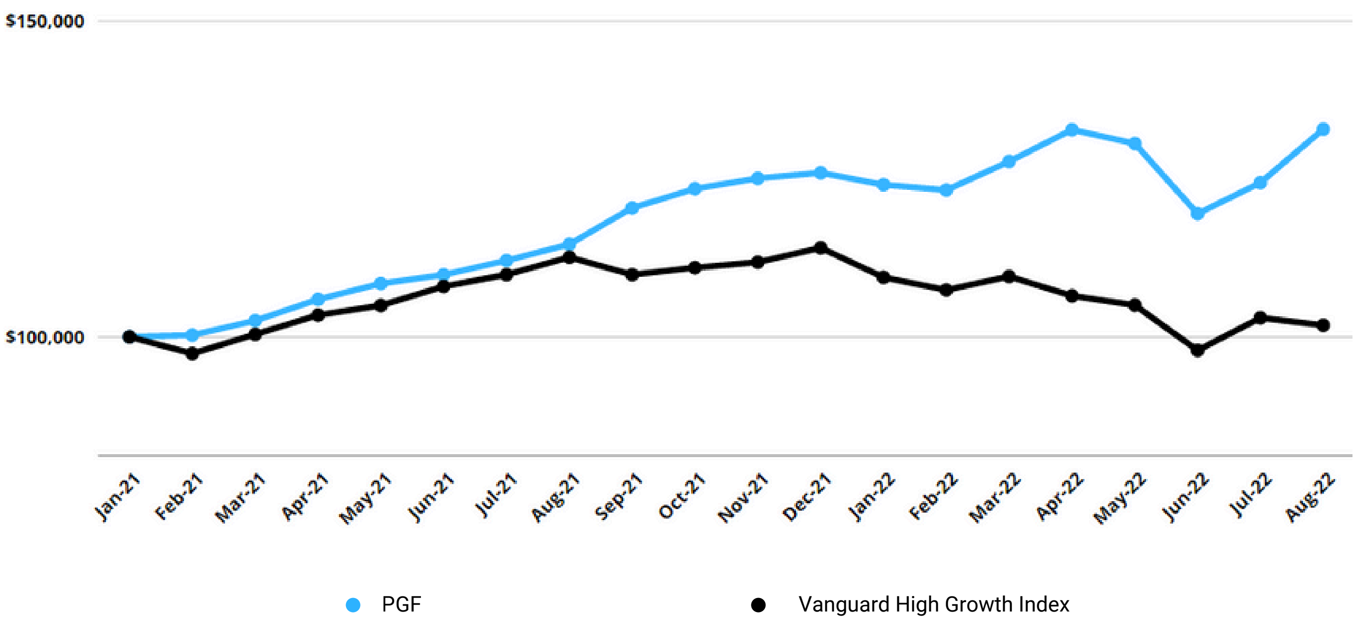
Indicative Unit Price	$1.2309^	FUM Size	$10.6 Million

Performance Table Net of Fees

As at 31 August 2022	PGF	Vanguard High Growth Index Fund	Difference
1 Month	**6.82%^**	-1.14%	7.96%
3 Months	**1.76%**	-2.61%	4.37%
1 Year	**15.89%**	-8.75%	24.64%
3 Years p.a.	**-**	-	-
Since Inception*	**32.85%**	1.83%	31.02%

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	-1.50	-0.68	3.66	3.94	-1.62	-8.49	*4.10^*	*6.82^*					**5.52**



*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. Final July and August returns will be published once the FY22 tax return for the fund is issued. This is expected to occur at the end of September.

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Top 10 Listed Equity Positions

Stock Name	Portfolio Weight
Patriot Battery Metals (TSXV:PMET)	5.9%
Santos (ASX:STO)	4.0%
ETFS S&P Biotech ETF (ASX:CURE)	3.1%
Whitehaven (ASX:WHC)	3.0%
New Hope Corporation (ASX:NHC)	1.6%
Woodside Energy (ASX:WDS)	1.4%
Stanmore Resources (ASX:SMR)	1.3%
Charter Hall Group (ASX:CHC)	1.3%
Hartshead Resources (ASX:HHR)	1.2%
Bowen Coal (ASX:BCB)	1.2%

Exposure Allocation

Strategy Bucket	Portfolio Weight
Cash and Fixed Interest Placement, IPO and Trading	13.1% 23.7%
High Conviction Stocks	39.8%
High Conviction Funds	20.1%
Unlisted Investments and Pre-IPOs	3.3%

Fund Analytics

# of Positive Months	15/19 (78.9%)
Upside Capture	1.03
Downside Capture	(0.14)

Fund Commentary

PGF's estimated August 2022 return is 6.82% compared to the Vanguard High Growth Index at -1.14%. At the start of the month, equity markets continued July's positive momentum but swiftly gave it all back. Jerome Powell's Jackson Hole speech had lines such as *'...maintaining a restrictive policy stance for some time'* and *'we must keep at it until the job is done'*, which propelled markets to erase all their earlier gains. Despite the roller coaster ride, there were plenty of ECM activities and our core positions performed well. We are pleased to report that we have outperformed the index by almost 8% in August.

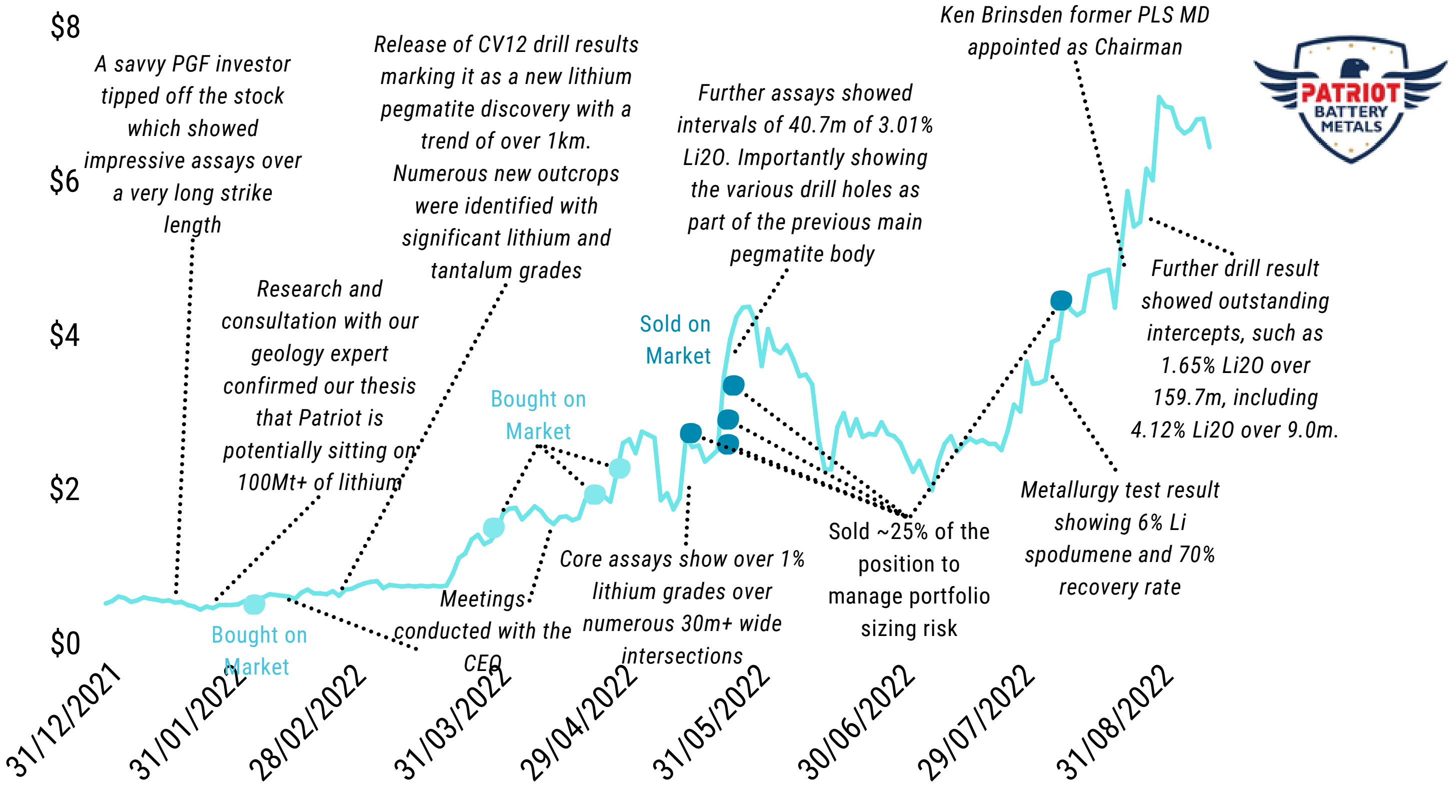
Positive contributors in August were Biotech ETF (ASX:CURE) +3.1%, Charter Hall (ASX:CHC) +7.1%, Woodside (ASX:WDS) +7.1%, Santos (ASX:STO) +7.6%, Horizon Oil (ASX:HZN) +8.9%, New Hope (ASX:NHC) +9.2%, Entain (LSE:ENT) +15.7%, Coronado (ASX:CRN) +16.0%, Yancoal (ASX:YAL) +17.6%, Stanmore (ASX:SMR) +18.6%, Pacific Current Group (ASX:PAC) +20.0%, Arafura (ASX:ARU) +25.6%, Bowen (ASX:BCB) +27.4%, Whitehaven (ASX:WHC) +28.2% and Lithium Plus (ASX:LPM) +39.5%.

Patriot Battery Metals (TSXV:PMET) rocketed +136.5% as it announced a series of excellent news. Patriot reported a 6% lithium spodumene concentrate grade in its drill core's metallurgical test with a 70% recovery rate. Metallurgy is important and Patriot's result indicates that the deposit can generate commercial level high-quality spodumene concentrates. Secondly, Patriot appointed Ken Brinsden as a non-executive chairman. Ken was the CEO of the $13 billion market cap Pilbara Minerals (ASX:PLS), who took Pilbara from an explorer to a world-leading lithium producer. Ken's experience will benefit Patriot immensely, especially if Patriot eventually develops its Corvette Project.

Lastly, Patriot released six further assays that showed outstanding intercepts, such as 1.65% Li_2O over 159.7m, including 4.12% Li_2O over 9.0m. A good result would be just over 1% with widths of 20-30m, so when the assays returned 1.65% at 159.7m it shows how enormous Patriot's mineralisation system can be. Refer to the next page for our journey in Patriot so far.

According to Benchmark Mineral Intelligence, the world needs over 300 new mines to feed a 500% increase in battery demand by 2035, so lithium is a long-term structural thematic despite any potential dip that may occur in the near term.

Patriot Battery Metals - Journey So Far



Patriot Battery Metals Chart to 12/9/22
Source: Yahoo Finance, Patriot Battery Metals

During the month, we had two large performance detractors: American Rare Earths (ASX:ARR) -20.8% and Pointsbet Holdings (ASX:PBH) -21.2%. We took the American Rare Earth placement at 29 cents on the back of our recent success with Arafura. However, being at an earlier stage than Arafura, the stock suffered from selling pressure as the market rolled off towards the end of August. The same applied to Pointsbet, where we bought a small position at $3.70 only to see it getting sold off aggressively as sentiment turned. We have reduced some of our Pointsbet holdings and booked a loss. We are happy to take losses when we are proved wrong.

A Sideway Market?

Using the S&P 500 Index as a proxy, we can see that since PGF's inception 19 months ago, markets have traded sideways. It has been a challenging market to navigate but still one where we delivered a solid performance to our investors. We do not usually comment on macro conditions, but we believe that the market may trend sideways for the next 6 to 12 months for the following reasons:

1) We are in a high inflationary environment and a monetary tightening cycle
2) Market valuations still not cheap enough
3) Geopolitical risks provide an overhang and even possibly lead to a black swan event

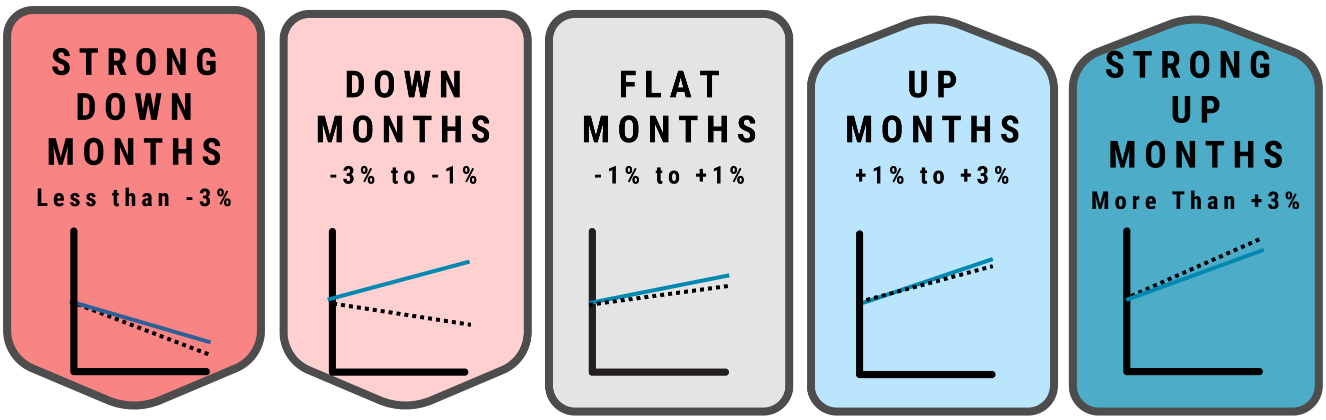
The above three headwinds will eventually fade, but what *if* markets trade sideways in the next 6 to 12 months? What should an investor do to capitalise on it? We think it will be difficult to profit from holding onto passive index-style investments, and instead, it will be a playground for active traders to capitalise. Our short-term placement strategy resembles that of an active trader as we participate in deals and trade them out if they no longer fit into our long-term investment thesis. We are very active in this strategy, and the constant churn ensures the clipping of profit along the way whilst the market stagnates.

We highlight PGF's performance under various market conditions on the next page. You can see that the only period we produced disappointing returns is when the market was gapping down indiscriminately. We are continuously improving our approach to manage the drawdown during these selloffs.

S&P 500 Index January 2021 to October 2022, Source: TradingView

PGF Since Inception Return Profile Vs Vanguard

Vanguard High Growth Return .... PGF Return ———



# of Occurences	2	6	1	7	3
Average Market Return	-5.47%	-2.04%	0.79%	1.94%	3.81%
Average PGF Return	**-5.00%**	**2.29%**	**1.33%**	**2.12%**	**3.22%**
Explanation	When market gaps down aggressively it is difficult to exit opportunistic positions quickly. Capital preservation kicks in as opportunistic positions are sold typically at a loss.	In most instances PGF will produce a flat to positive return as market decline is not large enough to impact profit from opportunistic positions.	Flat markets offer the optimal operating condition for the fund, profits are made from opportunistic investments despite flat market return.	When market is up, opportunistic positions are frequently initiated and they are expected to remain strong in an up market. This typically results in strong gains for the fund.	During strong up months, PGF typically lags in return as the cash drag used in opportunistic investments lag the market.

Source: PGF, Vanguard

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

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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Jack Hu, CFA | jack@pgf.net.au

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Operations Manager
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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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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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