



MONTHLY REPORT

SEPTEMBER 2023

Unit Price and FUM

Indicative Unit Price

\$1.2744[^]

FUM Size

\$17.1 Million

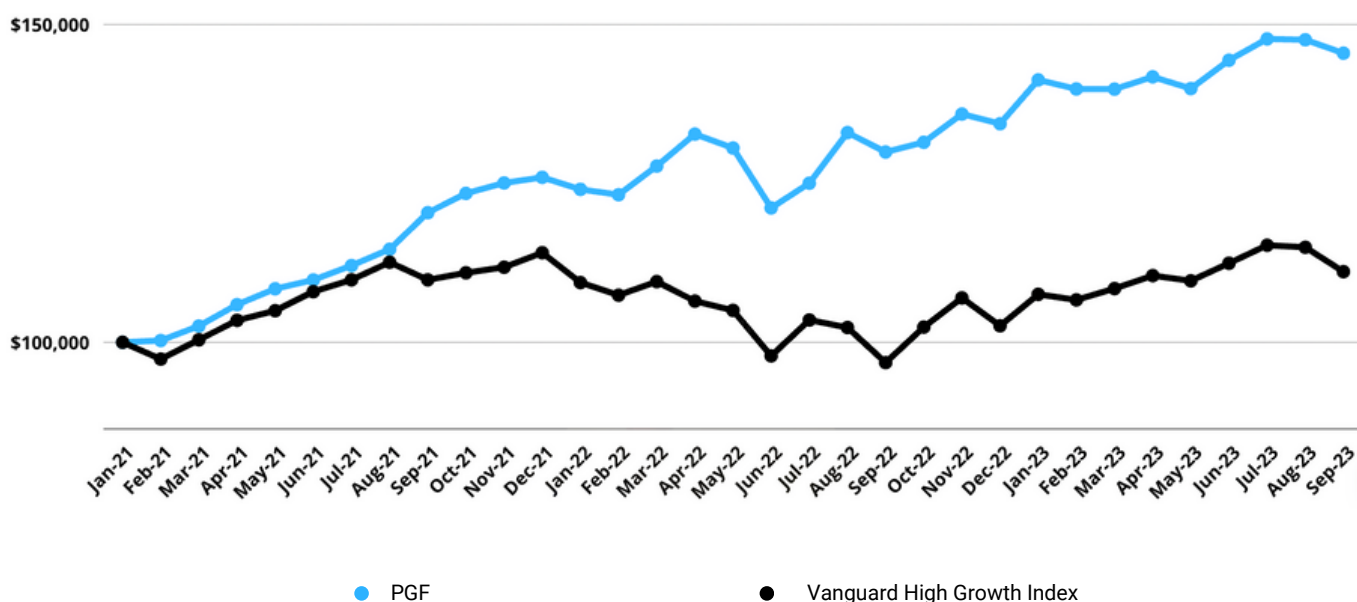
Indicative unit price is quoted on an cum-distribution basis until FY23 tax return is lodged. Past distributions paid: FY22 5.12c, FY21 8.91c.

Performance Table Net of Fees

As at 30 September 2023	PGF	Vanguard High Growth Index Fund	Difference
1 Month	-1.43%	-3.34%	1.91%
3 Months	0.77%	-1.18%	1.95%
1 Year	12.05%	14.80%	-2.75%
3 Years p.a.	-	-	-
Since Inception*	45.49%	11.57%	33.92%

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	-1.12	6.72
2023	5.12	-1.01	-0.02	1.38	-1.30	3.19	2.32 [^]	-0.09 [^]	-1.43 [^]				8.25



*Inception date is 8 February 2021

[^]The latest monthly unit prices and return figures are provided on an estimated basis only and may be subject to change.

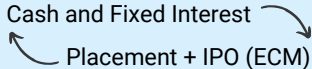
Suite 211, 3 Eden Street, North Sydney NSW 2060, info@boutiquecapital.com.au

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

Top 10 Listed Equity Positions

Stock Name	Portfolio Weight
Partners Group Global (ASX:PGG)	5.9%
Santos (ASX:STO)	2.5%
Meta Platforms (NASDAQ:META)	2.1%
S&P Biotech ETF (ASX:CURE/NYSE:XBI)	2.0%
Neuren Pharmaceuticals (ASX:NEU)	1.9%
NextDC (ASX:NXT)	1.7%
Entain (LON:ENT)	1.6%
VanEck Gold Miners (ASX:GDX)	1.5%
Whitehaven (ASX:WHC)	1.4%
Stanmore Resources (ASX:SMR)	1.3%

Exposure Allocation

Strategy Bucket Allocation	Portfolio Weight
#1 Cash and Fixed Interest 	28.0%
Placement + IPO (ECM)	7.1%
#2 High Conviction Stocks	42.7%
#3 Options Account	9.5%
Managed Funds	4.7%
Unlisted Investments	8.0%

Fund Analytics

# of Positive Months	21/32 (65.6%)
Upside Capture	0.80
Downside Capture	0.10

Fund Commentary

In September, PGF recorded an estimated return of -1.43%, surpassing the performance of the Vanguard High Growth Index Fund, which registered a return of -3.34%. Concurrently, the ASX 200 Index decreased by -2.84%, and the MSCI World Ex-Aus Index dropped by -4.01%. It's noteworthy to mention that smaller companies had a more challenging month; the ASX Small Ordinaries saw a decline of -4.04%, and the ASX Emerging Companies were down by -4.94%.

In our Bucket #1 strategy, PGF engaged in 26 placements and IPOs throughout September. From these, we are set to receive free attaching options for 13 stocks: 9 of which will be listed and 4 unlisted. The majority of these *listed* options are scheduled for issuance in the forthcoming EGM/AGMs in October and November; therefore, we haven't incorporated their value into our September return figure. As always, we also don't value our *unlisted* options even if they are in the money. Notable contributors from the Bucket #1 strategy this month were Toro Energy (ASX:TOE) +8.2%, Magnetic Resources (ASX:MAU) +11.1%, Redflow (ASX:RFX) +18.2%, Novo Resources (ASX:NVO) +27.5%, Firetrail Resources (ASX:FTL) +30.1% and Errawarra Resources (ASX:ERW) +52.9%. Main detractors were Codrus Minerals (ASX:CDR) -16.3% and Avecho Biotech (ASX:AVE) -35.4%.

Uranium sector emerged prominently this month, and we were active participants, engaging in two of the three capital raises in the sector. Alligator Energy (ASX:AGE) executed a raise at 5.2 cents, accompanied by a 1-for-2 two-year option with an exercise price of \$0.078. Similarly, Toro Energy (ASX:TOE) conducted a raise at 1 cent, paired with a 1-for-2 free two-year option at an exercise price of \$0.015. We are happy with receiving those options as they can provide material upside should the bull thesis on uranium continue to play out as many in the industry expect it to.

Our Bucket #2 high-conviction portfolio was the primary detractor for the month. Gains mostly came from energy names, including New Hope (ASX:NHC) +12.8%, Whitehaven (ASX:WHC) +16.4%, Stanmore Resources (ASX:SMR) +28.0% and Bowen (ASX:BCB) +50.0%. Beyond energy, Meta Platforms (NASDAQ:META) +2.3% and TUAS (ASX:TUA) +11.7% also made material contributions. Key detractors came from the Biotech ETF (ASX:CURE) -7.2%, VanEck Gold Miners (ASX:GDX) -7.9%, NextDC (ASX:NXT) -8.5%, Neuren Pharma (ASX:NEU) -10.1%, Nick Scali (ASX:NCK) -11.4%, Abacus Storage King (ASX:ASK) -16.7% and Entain (LON:ENT) -21.3%. Particularly, Entain was a notable drag on the fund's performance this month. We began to reduce our portfolio with reductions in spaces such as biotech whilst increasing our exposure to other beaten down names. We remain convicted with PGF's current portfolio holdings and are not concerned about their short-term impact on the fund over the past two months.

Fund Commentary (Continued)

December 2023 Quarter Outlook

Bucket #1

The Australian IPO landscape has undoubtedly been subdued in both 2022 and 2023. Despite our initial anticipation of an uptick in activities, local IPOs remain quiet, in contrast to the US where several large-cap companies successfully launched in the third quarter of 2023. Given the current climate, we are cautious about predicting a come back in local IPOs for the remainder of the year. There are however signs that a few high quality companies may opt for listings in the upcoming months.

In the absence of robust IPO activities, we continue to capture gains in placement deals. The current market sentiment has logically led companies to offer deals at progressively favourable terms. Gone are the days of mere 10-15% discounts; we are now seeing discounts more in the 20-30% range, often accompanied by free options. While the gains on these deals might be smaller now at the headstock level, we are accumulating so many options that they may become a major source of return in future months. **For context, PGF had roughly 70 options (both listed and unlisted) as of June 2023 but has accumulated 36 more in the September quarter alone.** We're noticing an accelerated issuance of these options and aim to continue capitalising on this trend while the market remains subdued.

In summary, we remain confident in the strategies anchoring Bucket #1. We expect the strategy to execute well over the remaining three months of the year, making modest contributions in the last quarter of the year, with the anticipation of larger gains from the potential realisation of these options in the medium to longer term.

Bucket #2

We suffered some significant drawdowns in August and September from a few stocks in our portfolio but managed to outperform the ASX 200 Index during the same period. The fundamentals of each company remain very strong, but shorter-term market fluctuations do impact their returns. We have taken advantage of the recent market weakness to add to some exciting positions, including Neuren Pharma (ASX:NEU), which was hammered due to overall biotech weakness and the market's fear of upcoming trial results for a competing drug. After extensive research, we concluded that the market is overestimating the financial impact on Neuren from the competitor, which is years away from commercialisation, even if the clinical trial readout is successful. We are capitalising on the sell-off to accumulate more stocks.

Considering that September is typically a weak period for equities, and returns are generally stronger towards the Christmas period, we have good reasons to believe that the recent weakness in our high conviction portfolio can be reversed and a bounce may occur.

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.

Portfolio Manager Jack Hu, CFA jack@pgf.net.au	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
Responsible Manager Benjamin Peters ben@pgf.net.au	
Operations Manager Alice Zhang alice@pgf.net.au	
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. Investors balance may even fall in value.

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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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