



MONTHLY REPORT

OCTOBER 2022

Unit Price and FUM

Indicative Unit Price

\$1.1535[^]

FUM Size

\$10.8 Million

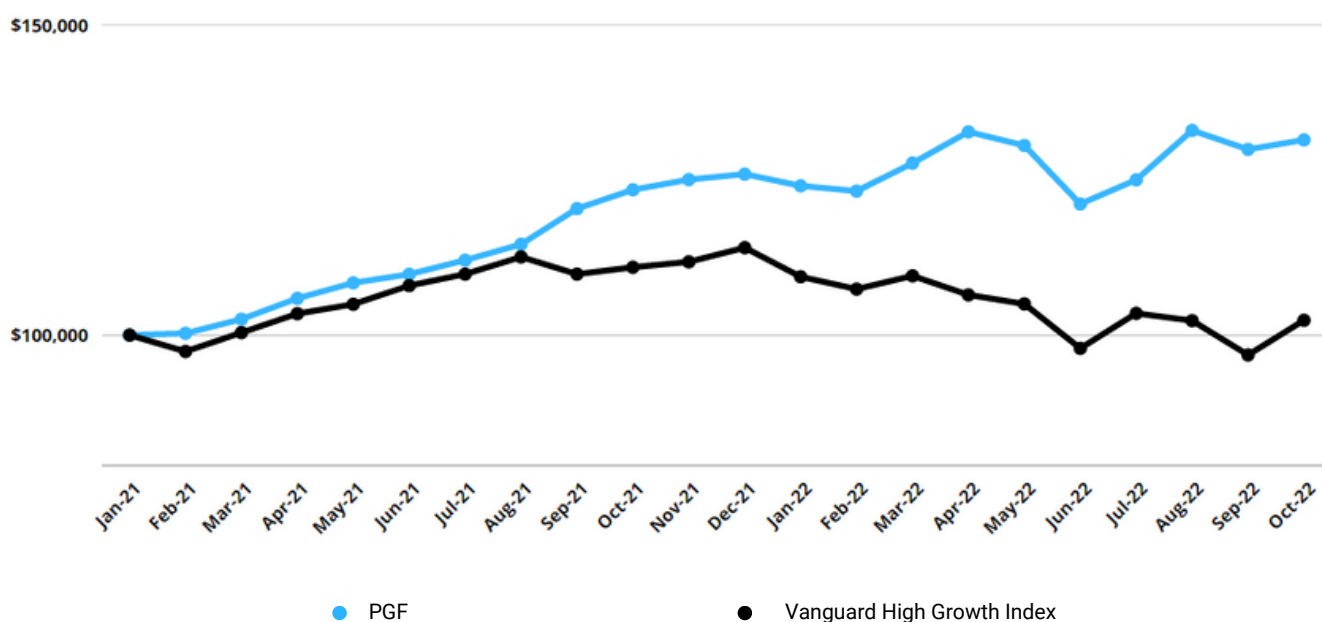
Indicative unit price is quoted on an ex-distribution basis. FY22 distribution 5.12c, FY21 distribution 8.91c.

Performance Table Net of Fees

As at 31 October 2022	PGF	Vanguard High Growth Index Fund	Difference
1 Month	1.45%	5.77%	-4.32%
3 Months	5.00%	-1.08%	6.08%
1 Year	6.73%	-7.32%	14.05%
3 Years p.a.	-	-	-
Since Inception*	31.73%	2.81%	28.92%

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	1.45 [^]			4.60



*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 (TSXV:PMET)	4.3%
Santos (ASX:STO)	3.9%
Whitehaven (ASX:WHC)	3.4%
ETFS S&P Biotech ETF (ASX:CURE)	2.5%
New Hope Corporation (ASX:NHC)	2.3%
Stanmore Resources (ASX:SMR)	1.6%
Woodside Energy (ASX:WDS)	1.5%
Terra Uranium (ASX:T92)	1.4%
Charter Hall Group (ASX:CHC)	1.2%
Ramsay Healthcare (ASX:RHC)	1.1%

Exposure Allocation

Strategy Bucket	Portfolio Weight
Cash and Fixed Interest	18.9%
Placement, IPO and Trading	18.3%
High Conviction Stocks	40.2%
High Conviction Funds	19.3%
Unlisted Investments and Pre-IPOs	3.2%

Fund Analytics

# of Positive Months	16/21 (76.2%)
Upside Capture	0.80
Downside Capture	(0.06)

Fund Commentary

PGF's estimated October 2022 return is 1.40% compared to the Vanguard High Growth Index at 5.77%. It was one of the rare months where placement activities produced a negative return to the portfolio which we will discuss below.

Positive contributors in October were VanEck Gold ETF (ASX:GDX) +4.0%, Coronado (ASX:CRN) +6.6%, ETFS Biotech ETF (ASX:CURE) +7.3%, Origin Energy (ASX:ORG) +7.7%, Horizon Oil (ASX:HZN) +9.6%, Charter Hall (ASX:CHC) +12.7%, Woodside (ASX:WDS) +13.6%, Stars Entertainment (ASX:SGR) +14.0%, Pacific Current (ASX:PAC) +14.3%, LGI Limited (ASX:LGI) +19.2%, Camplify (ASX:CHL) +21.2%, Voltaic Strategic (ASX:VSR) +24.6%, Forrester Resources (ASX:FRS) +26.4%, Stanmore (ASX:SMR) +35.9%, Academies Australiasia (ASX:AKG) +35.9% and Calima Energy (ASX:CE1) +36.3%.

Detractors were New Hope (ASX:NHC) -3.3%, Basin Energy (ASX:BSN) -7.5%, Terra Uranium (ASX:T92) -9.1%, Omega Oil and Gas (ASX:OMA) -10.1%, TUAS (ASX:TUA) -10.5%, Patriot Battery Metals (TSXV:PMET) -10.6%, Bowen (ASX:BCB) -13.0%, GME Resources (ASX:GME) -16.7%, Valor (ASX:VAL) -18.8%, Australia Pacific Coal (ASX:AQC) -19.3%, Hastings Tech (ASX:HAS) -19.3% and Alibaba (HKG:9988) -20.2%. Nathan Tinkler bid for AQC at \$1 per share back in September, only to lose to a consortium of investors who raised capital at 34 cents per share in October. We participated in the raise but quickly exited the stock for a 20% loss once we saw an ABC report indicating a ban on open-cut mining in Dartbrook. AQC's Dartbrook Mine near the Hunter Valley is an underground operation, but the uncertainty associated with the government's ban put pressure on the share price. Primarily due to AQC's performance and no specific 'large wins', our placement strategy recorded a relatively weak October.

We have started to pivot PGF this month into investments outside of energy, with diversification made into healthcare, technology and financial service companies. We feel there are ample opportunities now present in sectors outside of energy.

Separately, we have written down one of our unlisted positions Low6 by 75% to reflect the company's latest capital raising price. Low6 has been caught in the unlisted tech liquidity crunch and now represents 0.17% of our portfolio. Approximately 3% of the fund is still held in unlisted companies, the most significant being Xpansiv at 1.6%. Xpansiv is scheduled to be sold to a consortium of industry super fund, fund manager and private equity investors in December for US\$10.07 per share. This price represents an excellent return for our Xpansiv investment. The remaining unlisted position will be approx. 1.5% of the fund, made up of four small positions. One of these positions is a mining pre-IPO stock called Lightning Minerals which will IPO in November.

Fund Commentary (Continued)

Upcoming IPOs

After a quiet second half, we are finally seeing an increased level of IPO activities towards the end of the year. We are getting excited and have subscribed for shares in these upcoming IPOs.

November Listing.

- Lightning Minerals (ASX:L1M) - vended its Dundas lithium project from FMG with proximity to Liontown's project. Less than \$10m market cap.

December Listings

- Richmond Vanadium Technology (ASX:RVT) - Richmond has a vanadium project in Queensland. Australian and US governments list Vanadium as a 'Critical Mineral'.
- ACDC Metals (ASX:ADC) - rare earth play with heavy mineral sands assets and proprietary rare earth element processing technology.
- Patriot Lithium (ASX:PAT) - not to be confused with Patriot Battery Metals... PAT holds high-grade hard rock lithium in South Dakota. Whilst the company has merits on its own, it may well be bid up because of its connotation to Patriot Battery Metals...
- **Patriot Battery Metals (ASX:PMT)** - Patriot will be listing on the ASX on the 7th of December in the form of a dual listing. Canadian listed Patriot shares can be transferred to the ASX for trading. Whilst we do not intend to trade our shares, we believe PMT will trade higher than what it is trading at in Canada at that point in time. Interestingly, the ASX IPO price was A\$6, materially higher the CAD\$5 price PMET was trading at before the IPO closed.

January Listings

- VHM Limited (ASX:VHM) - it has taken rare earth player VHM a long time to finally list, as now the macro climate has become very advantageous to VHM given the demand for this critical mineral. Market also likes the fact that it is close to development and Chris Ellison from Min Res is a substantial shareholder.
- Acusensus (ASX:ACE) - you may have seen these cameras that detect mobile phone usage at traffic stops. Acusensus is fast becoming the preferred supplier of this equipment to the government. A sought-after IPO with a tight existing register.

Invictus Energy (ASX:IVZ) Part II

We discussed Invictus Energy in our September newsletter in a timely report as the stock jumped more than 200% in mid-November. On the 10th of November, Invictus confirmed elevated gas shows up to 65 times above background levels and fluorescence in its Mukuyu Prospect. The market got very excited as these indicated a working hydrocarbon system. Invictus is expected to analyse the wireline log and provide the market with a final evaluation result to confirm whether they have a discovery.

Fund Commentary (Continued)

How high can Invictus go? The Mukuyu Prospect is the largest undrilled conventional oil and gas prospect in onshore Africa. ReconAfrica (TSXV:RECO) has an onshore project in Namibia with a prospective resource base of 1.2 billion barrels of oil equivalent (boe) was valued at more than CAD\$2 billion when it first confirmed a working hydrocarbon system. Invictus, valued at a market cap of AUD\$280 million, is targeting 4.5 billion boe and is at a similar stage during the April 2021 ReconAfrica run-up.

Before we get too carried away, we would like to remind our investors that we don't have a particular view on Invictus nor insight into whether they will find discovery in the coming days. The stock will end up in a binary outcome worth close to nothing or over a dollar. What we are highlighting is that PGF's strategy allows us to get the upside optionality on investments such as Invictus for free. Our IVZ options are unlisted and marked at zero in the fund. Should a discovery eventuate, these options will be of tremendous value upon exercise.



Source: CommSec, Invictus Energy Chart

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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Application and Redemptions

<https://www.registrydirect.com.au/offer/phoenix-growth-fund/>

Website

<https://www.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

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

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