



MONTHLY REPORT

NOVEMBER 2023

Unit Price and FUM

Indicative Unit Price

\$1.1935[^]

FUM Size

\$17.6 Million

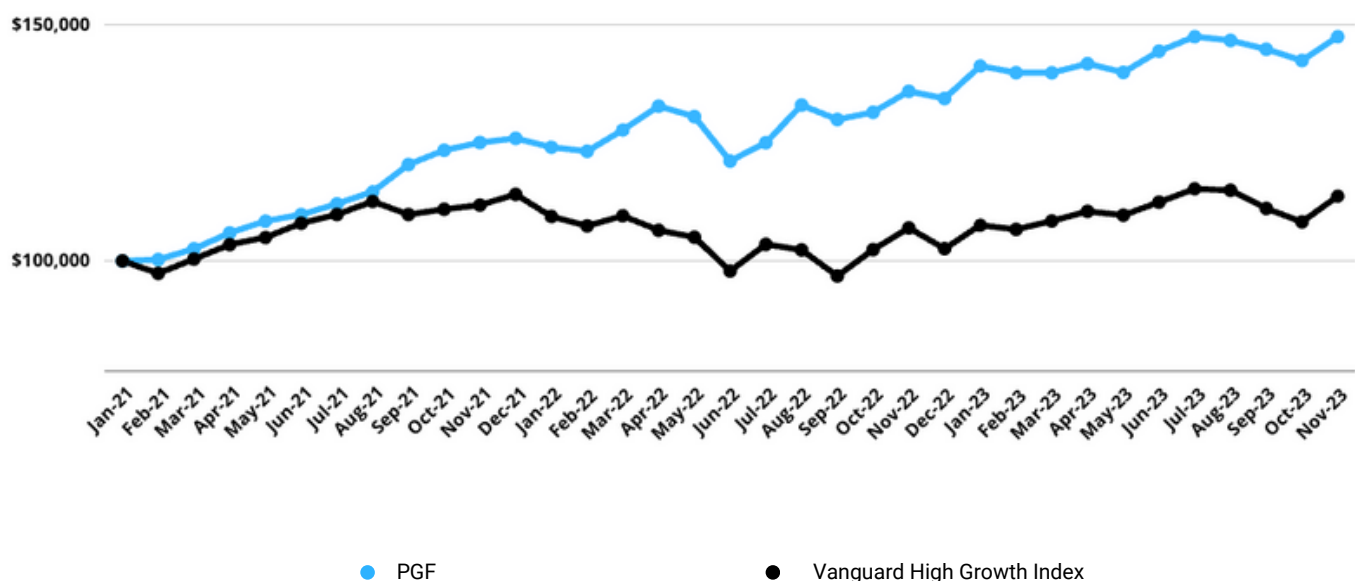
Past distributions paid: FY23: 9.61c, FY22 5.12c, FY21 8.91c.

Performance Table Net of Fees

As at 30 November 2023	PGF	Vanguard High Growth Index Fund	Difference
1 Month	3.54% [^]	5.04%	-1.50%
3 Months	0.54%	-1.08%	1.62%
1 Year	8.51%	6.29%	2.22%
3 Years p.a.	-	-	-
Since Inception*	47.47%	14.18%	33.29%

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	3.21	2.13	-0.54	-1.28	-1.64	3.54 [^]		9.72



*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.

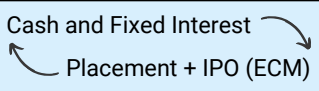
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Past performance is not indicative of future performance. Specific risks of the Fund may impact on the possibility of such a return in future.

Top 10 Listed Equity Positions

Stock Name	Portfolio Weight
Santos (ASX:STO)	2.5%
Neuren Pharmaceuticals (ASX:NEU)	2.5%
NB Global Income (ASX:NBI)	2.2%
S&P Biotech ETF (ASX:CURE/NYSE:XBI)	2.1%
Meta Platforms (NASDAQ:META)	2.1%
Magellan Global (ASX:MGF)	1.9%
NextDC (ASX:NXT)	1.8%
VanEck Gold Miners (ASX:GDX)	1.7%
Stanmore Resources (ASX:SMR)	1.4%
Genex Power (ASX:GNX)	1.1%

Exposure Allocation

Strategy Bucket Allocation	Portfolio Weight
#1 Cash and Fixed Interest 	16.0%
Placement + IPO (ECM)	16.5%
#2 High Conviction Stocks	43.6%
#3 Options Account	9.4%
Managed Funds	6.7%
Unlisted Investments	7.9%

Fund Analytics

# of Positive Months	22/34 (64.7%)
Upside Capture	0.78
Downside Capture	0.16

Fund Commentary

PGF's estimated November return is +3.54%, underperforming the Vanguard High Growth Index Fund's +5.04%. The ASX 200 Index rallied +5.04% and the MSCI World Ex-Aus Index jumped by +4.43% during the same period.

In our Bucket #1 strategy this month, PGF participated in 29 placements and 2 IPOs. From these transactions, we anticipate receiving free attaching options for 20 deals. Since most of these options are either not yet issued or are unlisted, they will be accounted for with zero value in the fund, despite several being already in the money. ECM activities have seen a substantial uptick in November and coupled with a more bullish market sentiment, we have started to increase our bids more aggressively. Consequently, our cash levels have decreased as more attractive deals presented themselves. We anticipate a year-end surge in December deal flows with favourable terms to new investors as bankers aim to wrap up 2023 with high deal volumes. Key themes for the month included lithium, gold, and uranium, which we will explore in further detail below.

Lithium

Despite being in a bear market for lithium as lithium prices reached record lows this year, there has been notable activity among smaller explorers. For instance, Techgen Metals (ASX:TG1) increased +51.8% after it raised capital at 5.6 cents plus by free options, to advance its work on the WA Ida Valley Project. Chariot Corporation (ASX:CC9) experienced a remarkable rally of +110.2% in November. We took a position in Chariot's pre-IPO at 25 cents, and it launched its IPO in October at 45 cents. However, holders immediately sold off the stock at listing causing it to go under 30 cents. Chariot rallied to close at 62 cents by the end of November but rocketed as high as \$1.36 on robust trading volumes, translating to an intra-month gain of +361%.

Gold

Gold price was strong and is a trend that we are bullish on. Among the standout performers was Yandal Resources (ASX:YRL) at +71.2%. Yandal undertook a capital raise at 5.2 cents plus free options, to further progress on its WA gold projects. At the time of the raise, Yandal's valuation was notably low, especially considering its half-million-ounce gold resource. Having tracked Yandal previously, we seized the opportunity with a material bid. Elsewhere Pantoro (ASX:PNR) rose +35.4%. We participated in Pantoro's 6 cents placement in March and August this year, only to see the stock decline to as low as 3 cents recently. In November, Pantoro announced the complete transfer of its lithium rights to Mineral Resources, resulting in an immediate cash injection and easing concerns about another capital raise. With the strengthening gold prices, we decided to increase our stake on market around 4 to 5 cents.

Fund Commentary (Continued)

Uranium

One of our most significant bids in November was for Peninsula Energy (ASX:PEN). Peninsula embarked on a capital raise of \$60 million at the end of the month, offering shares at 7.5 cents with 1-for-2 free options exercisable at 10 cents, expiring in March 2025. Peninsula found itself in a unique position as an emerging uranium producer with its US-based Lance Project. However, due to a strategy change in construction and project development, it needed to raise further capital to progress to production. For a company with a market capitalisation of \$155 million at the raise price, Peninsula was very cheap after taking into account its near \$100 million in cash and uranium inventory.

Peninsula, while being one of the higher-cost uranium producers, also has its advantages, especially in a bullish uranium market. It is perceived as one of the names most leveraged to the uranium spot price, potentially leading to a significant re-rating should uranium price rise further from here. To illustrate, an increase in the spot price of uranium from US\$80/lb to US\$100/lb could lead to a disproportionately higher rise in Peninsula's share price compared to a lower-cost producer, all other factors being equal. Additionally, the stock was 'cum-raise' as the market had anticipated the need for capital raising, given the well-communicated capital expenditures required. All these factors combined presented us with a compelling opportunity to participate in the deal.

Peninsula Energy ended the month trading at 10 cents. However, we have yet to account any gains from this position, as the shares are scheduled for settlement in January next year. Elsewhere in our Bucket #1, there were a few detractors, with the most significant losses coming from Avecho (ASX:AVE) -25.0%, and Asra Minerals (ASX:ASR) dropping -40.0%.

Our Bucket #2 high-conviction portfolio made a positive contribution to the fund's overall return. Major contributors included Biotech ETF (ASX:CURE) +9.4%, NextDC (ASX:NXT) +10.9%, Abacus Storage King (ASX:ASK) +14.1%, Charter Hall (ASX:CHC) +17.3%, Tuas (ASX:TUA) +17.9%, Regal (ASX:RPL) +32.6%, Temple and Webster (ASX:TPW) +45.3%, and Neuren Pharma (ASX:NEU) +53.7%. Neuren experienced a strong rally as its distribution partner Acadia reported better than expected quarterly sales results for Daybue, reaching \$67m in 3Q 2023 and surpassing the consensus estimate of \$50m and Acadia's own projections. Acadia's also guided to a strong sales outlook of \$80-87.5m for 4Q 2023. Anecdotal evidences suggest patients are remaining on Daybue longer than expected despite the challenging diarrhea side effect. Beyond Daybue, Neuren is set to announce its Phelan-McDermid Phase 2 trial result in December, representing a significant catalyst for potential further share price appreciation. At the current price of \$15, the market seems to ascribe little to the company's potential beyond Daybue.

Our overweight energy exposure was the main performance drag in November. We saw some decent loss in names such as Whitehaven (ASX:WHC) -3.5%, Woodside (ASX:WDS) -9.5% and Santos (ASX:STO) -9.9%. At the time of writing in early December, market has become aware of a potential merger between Santos and Woodside to create an Australian energy behemoth. Consolidation between oil companies has been a recent trend across the world and whilst in early days, there are a number of benefits of a larger scale producer. Interestingly this coincides with some highly influential shareholders on its register getting impatient and started to push for a change in its company structure in order to create more value for shareholders. Santos has been a frustrating story for shareholders and we have held onto Santos for a long time. We have not managed to achieve much capital gains for our holding but we have continuously written covered calls on the company that has generated in excess of 20% p.a. in additional yield. As Santos fell to \$7 at the time of renewing our monthly expiring calls, we have elected to not write new calls at our previous \$8 level due to the low premium on offer. We will reassess the current corporate situation with the stock and may re-initiate our covered call program on Santos as deemed fit.

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

Responsible Manager

Benjamin Peters | ben@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

Application and Redemptions

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

Website

<https://www.pgf.net.au/>

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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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