



MONTHLY REPORT

JULY 2022

Unit Price and FUM

Indicative Unit Price

\$1.1536[^]

FUM Size

\$9.8 Million

Performance Table Net of Fees*

As at 31 Jul 22	PGF	Vanguard High Growth Index Fund	Difference
1 Month	4.10%[^]	5.27%	-1.17%
3 Months	-6.31%	-2.84%	-3.47%
1 Year	10.98%	-6.50%	17.48%
3 Years p.a.	-	-	-
Since Inception*	24.38%	3.00%	21.38%

*Inception date is 8 February 2021

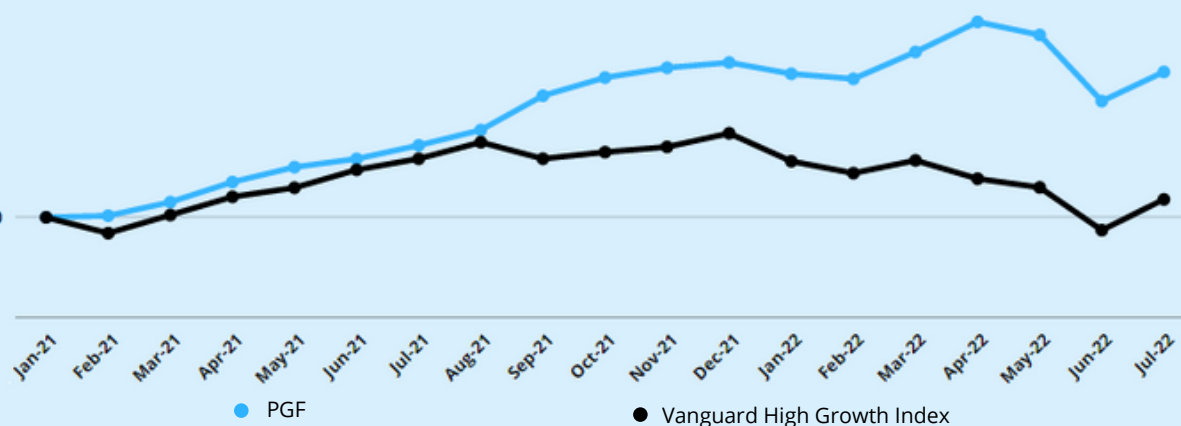
[^]The latest monthly unit price and return figure are provided on an estimated basis only and may be subject to change.

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

Year	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%						-1.24%

\$150,000

\$100,000



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
Santos (ASX:STO)	3.3%
Patriot Battery Metals (TSXV:PMET)	3.1%
Whitehaven (ASX:WHC)	2.5%
ETFS S&P Biotech ETF (ASX:CURE)	2.4%
New Hope Corporation (ASX:NHC)	1.6%
Woodside Energy (ASX:WDS)	1.4%
Entain (LSE:ENT)	1.2%
Stanmore Resources (ASX:SMR)	1.2%
Coronado Global Resources (ASX:CRN)	1.1%
Pacific Current Group (ASX:PAC)	1.0%

Exposure Allocation

Strategy Bucket	Portfolio Weight
Cash and Fixed Interest	28.3%
Placement, IPO and Trading	8.6%
High Conviction Stocks	37.9%
High Conviction Funds	21.6%
Unlisted Investments and Pre-IPOs	3.6%

Fund Analytics

# of Positive Months	14/18 (77.8%)
Upside Capture	1.0
Downside Capture	0.2

Fund Commentary

PGF's estimated July 2022 return is 4.10% compared to the Vanguard High Growth Index's 5.27%*. Global markets rallied in July from an oversold position as inflationary pressure appeared to be peaking. Sentiment has turned positive again, with the unprofitable technology and biotech sectors leading the gain. With a large cash balance for most of the month, PGF lagged the index return but managed to capture the bulk of it as we began deploying cash from mid-July. Initially scarce, placement became abundant in the latter half of the month. Cash deployment accelerated with further deals taken up at the end of the month, which will settle in August. Therefore, we should experience a lagging effect with some July placement gains recorded in August.

Positive contributors in July were widespread, with traditional fossil fuel, lithium and growth names recording the biggest gains. Winners were Origin Energy (ASX:ORG) +3.4%, Horizon Oil (ASX:HZN) +3.7%, Biotech ETF (ASX:CURE) +7.0%, Arizona Lithium (ASX:AZL) +8.3%, Pacific Current Group (ASX:PAC) +9.7%, Patriot Battery Metals (TSXV:PMET) +11.2%, ARK Innovation (NASDAQ:ARKK) +11.6%, Galileo Mining (ASX:GAL) +15.4%, Bowen Coal (ASX:BCB) +26.5%, New Hope Corporation (ASX:NHC) +27.3%, Whitehaven (ASX:WHC) +28.3%, Pinnacle (ASX:PNI) +39.2% and Oceana Lithium (ASX:OCN) +51.8%. We have noticed the strength in the unprofitable growth names, which appear to be pivoting in July. We have slightly added back our growth exposure via Biotech ETF, ARK, and high-growth ASX companies via placements.

Detractors were Santos (ASX:STO) -1.6%, Entain (LSE:ENT) -4.6%, Cooper Energy (ASX:COE) -11.3%, Regener8 Resources (ASX:R8R) -2.1%, Yancoal (ASX:YAL) -7.1% and Alibaba (HKG:9988) -18.0%.

Moving into August, we have deployed more cash into placement opportunities. We are witnessing renewed investor interest which feeds into a positive loop as more interest means more raisings. We have been swamped in the last two weeks, reviewing as many as ten placements daily (compared to only one or two a day in July). We are also seeing signs of the IPO market opening up. We have reviewed four IPO opportunities in August (zero in July) and are particularly excited about two. The first one is the heavily oversubscribed Terra Uranium (ASX:T92) which has exploration acreage in Canada's Athabasca Basin. The Athabasca Basin hosts many of the world's high-grade uranium mines. T92 will look for uranium mineralisation within unconformity deposits deep down, dense and compact. This means that it will be hard to hit uranium, but should they find some the grade is likely to be very high. T92's projects are located close to the well-known McArthur River and Cigar Lake mines, management is also a plus as the company is heavily endowed with geologists and uranium industry veterans. T92 represents a compelling asymmetrical return profile at circa \$2m enterprise value. The company will list on the 7th of September.

Fund Commentary Continued

The other IPO we have bid for is LGI Limited (ASX:LGI), which installs and runs biogas extraction systems for landfill owners. Its main revenue stream comes from electricity generation and Australian Carbon Credit Units (ACCU) from emission abatement. We all know that electricity cost has been rising this year and as a seller of electricity from converting landfill biogas, LGI will benefit from increased national electricity pricing. On the [AEMO website](#) you can see live electricity data in five-minute increments. LGI has recently optimised its delivery via its 'DACS' system to generate optimal electricity prices at exactly five-minute intervals. Due to LGI's exposure to ACCUs, it is one of the few leveraged exposures to Australian carbon credits on the ASX. We can sense that there is great interest from institutional investors in LGI. The stock is expected to list on the 4th of October.

With market conditions improving, we expect more quality IPOs to hit our desk in the coming weeks.

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

Options, Options, Options

Many placement opportunities provide free options for participating investors. They usually come in terms such as 1 for 2, meaning that an investor will receive one free option for each share subscribed in the placement. For example, in the February 2021 Core Lithium (ASX:CXO) placement which was done at 25 cents, for every two shares subscribed in the placement, PGF received one free option with an exercise price of 45 cents and an expiry of two years.

We receive two types of free options:

- **Listed options** - these free options are listed on the ASX and are tradable before expiry. Most of the time they have embedded time value even if the option is out of the money. For example, ASX:ESROA is a listed option for Estrella Resources (ASX:ESR) with an exercise price of 2 cents expiring on 31 July 2023. On 31 July 2022, ESR closed at 1.6 cents, but ESROA closed at 0.5 cents, so even if ESR traded under the exercise price, the out-of-the-money ESROA still had an embedded time value. As listed options have a market value, **we capture and value them accordingly in PGF.**
- **Unlisted options** - these free options are not listed and can not be traded. Even though they are not tradable, their valuation methodology is near identical to their listed counterpart. I.e. if the ESR options mentioned above are unlisted, they will have a theoretical value of 0.5 cents. However, as these options are not traded, **we value them at zero in PGF.** This is despite many of them being worth thousands in value. PGF investors are effectively holding onto these options for free!

Since PGF's inception, we have received 106 tranches of free options, of which:

- 12 have expired worthless
- 41 have been sold on the market or exercised and sold
- 29 are listed and currently sit in the portfolio
- 24 are unlisted and are valued at zero

A full list of those 24 unlisted options can be found on the next page. Many will likely be worth tens of thousands of dollars before expiration.

Our two most successful option stories are the previously mentioned Core Lithium, which was exercised at 25 cents and sold at close to \$1. Cobalt Blue Holdings (ASX:COB) was the other big success, which conducted a placement at 30 cents in June 2021 and attached a 1 for 2 free option exercisable at 45 cents. We exercised the option close to its expiry and sold the stocks at 81 cents.

PGF Unlisted Option Holdings - As at 31 July 2022

ASX Code	Exercise Price	Expiry Date	Option Quantity
ANP	\$0.48	20/12/2024	34,500
AQD	\$0.04	1/02/2023	353,500
AVR	\$10.00	9/08/2023	2,625
IMI	\$0.30	14/05/2023	75,000
IVZ	\$0.35	30/05/2023	83,447
LRS	\$0.22	23/04/2027	25,000
MIO	\$0.65	7/04/2024	80,000
MLM	\$0.06	24/04/2024	200,000
MQR	\$0.12	1/12/2022	250,000
NRZ	\$0.28	23/06/2024	200,000
NTU	\$0.07	4/02/2024	212,766
NVU	\$0.06	9/04/2023	265,604
OVN	\$0.24	1/04/2023	10,733
OXX	\$0.08	30/04/2023	100,000
RML	\$0.02	31/07/2025	937,500
RR1	\$0.02	28/02/2023	625,000
SCU	\$0.04	23/04/2024	413,760
SFG	\$0.10	5/07/2024	121,964
SHE	\$0.04	9/04/2023	227,726
SLM	\$0.30	9/05/2023	100,000
TEG	\$0.04	9/08/2023	931,818
TEG	\$0.03	9/05/2025	1,032,525
WFL	\$0.15	1/02/2023	87,073
WRM	\$0.77	28/04/2024	17,157

The table provides some context for PGF investors to appreciate the number of unlisted options within the fund, all valued at zero. We are significantly growing our unlisted options portfolio, so the chance for us to land on some real outsized winners becomes larger by the day! This table will continue to be updated and outcome for investors will be maximized as much as possible to help generate investor returns.

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.

***Past performance is not indicative of future performance.**

Specific risks of the Fund may impact on the possibility of such a return in future.

Portfolio Manager

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

Responsible Manager

Benjamin Peters | ben@pgf.net.au

Enquiries

Linda Carroll | info@boutiquecapital.com.au

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

Disclaimer

Emerald Capital Pty Ltd is a corporate authorised representative (CAR) of Boutique Capital Pty Ltd (BCPL) AFSL 508011, CAR Number 1288386. CAR is the investment manager of Phoenix Growth Fund (Fund).

To the extent to which this document contains advice it is general advice only and has been prepared by the CAR for individuals identified as wholesale investors for the purposes of providing a financial product or financial service, under Section 761G or Section 761GA of the Corporations Act 2001 (Cth).

The information herein is presented in summary form and is therefore subject to qualification and further explanation. The information in this document is not intended to be relied upon as advice to investors or potential investors and has been prepared without taking into account personal investment objectives, financial circumstances or particular needs. Recipients of this document are advised to consult their own professional advisers about legal, tax, financial or other matters relevant to the suitability of this information.

The investment summarised in this document is subject to known and unknown risks, some of which are beyond the control of CAR and their directors, employees, advisers or agents. CAR does not guarantee any particular rate of return or the performance of the Fund, nor does CAR and its directors personally guarantee the repayment of capital or any particular tax treatment. Past performance is not indicative of future performance.

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.

This document was prepared as a private communication to clients and is not intended for public circulation or publication or for the use of any third party, without the approval of CAR. Whilst this report is based on information from sources which CAR considers reliable, its accuracy and completeness cannot be guaranteed. Data is not necessarily audited or independently verified. Any opinions reflect CAR's judgment at this date and are subject to change. CAR has no obligation to provide revised assessments in the event of changed circumstances. To the extent permitted by law, BCPL, CAR and their directors and employees do not accept any liability for the results of any actions taken or not taken on the basis of information in this report, or for any negligent misstatements, errors or omissions.

This Document is informational purposes only and is not a solicitation for units in the Fund. Application for units in the Fund can only be made via the Fund's Information Memorandum and Application Form.