MONTHLY REPORT

FEBRUARY 2023

Unit Price and FUM

Indicative Unit Price	$1.2235^	FUM Size	$13.4 Million

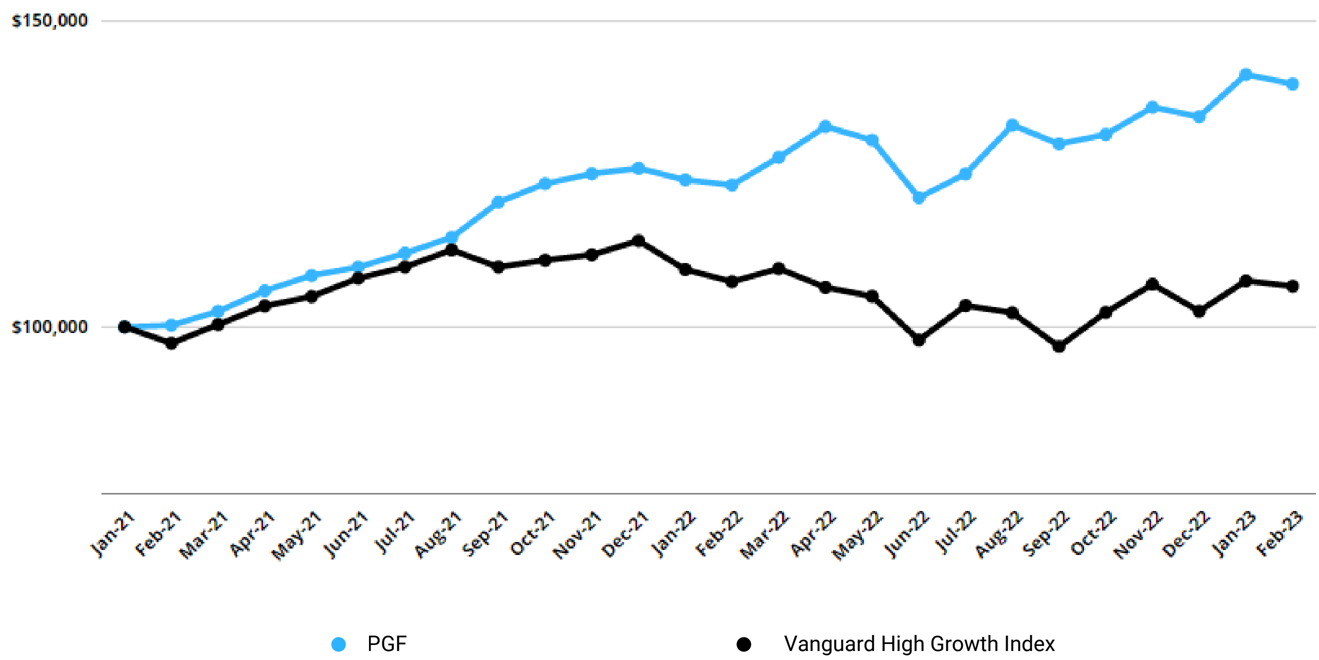
Indicative unit price is quoted on an ex-distribution basis. FY22 distribution 5.12c, FY21 distribution 8.91c.

Performance Table Net of Fees

As at 28 February 2023	PGF	Vanguard High Growth Index Fund	Difference
1 Month	**-1.10%**	-0.81%	-0.29%
3 Months	**2.81%**	-0.29%	3.10%
1 Year	**13.38%**	-0.28%	13.66%
3 Years p.a.			
Since Inception*	**39.72%**	7.11%	32.61%

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	**6.71**
2023	5.12	-1.10											**3.96**



*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
S&P Biotech ETF (CURE/XBI)	3.8%
Santos (ASX:STO)	2.8%
Entain (LON:ENT)	2.1%
Stanmore Resources (ASX:SMR)	1.6%
Whitehaven (ASX:WHC)	1.6%
New Hope Corporation (ASX:NHC)	1.4%
Meta Platforms (NASDAQ:META)	1.2%
Charter Hall Group (ASX:CHC)	1.2%
Star Entertainment (ASX:SGR)	1.1%
VanEck Gold Miners ETF (ASX:GDX)	1.0%

Exposure Allocation

Strategy Bucket Allocation	Portfolio Weight
#1 Cash and Fixed Interest	38.8%
Placement + IPO (ECM)	6.1%
#2 High Conviction Stocks	32.1%
#3 Options Account	8.3%
Managed Funds	7.8%
Unlisted Investments	6.9%

Fund Analytics

# of Positive Months	18/25 (72.0%)
Upside Capture	0.82
Downside Capture	0.02

Fund Commentary

In February, PGF returned -1.10%, which was slightly lower than the Vanguard High Growth Index Fund's -0.81%. The ASX 200 Index fell by -2.45%, while the MSCI World Ex-Aus Index rose by 2.09%, primarily due to the depreciation of the Australian Dollar. The ASX Small Companies Index, representing small and micro cap ASX shares, fell by -3.70%.

During the month, PGF participated in 16 placement and initial public offering (ECM) activities, which was an increase from the 6 deals in January. Overall, ECM activities had a positive impact on the fund, with gains from SRG Global (ASX:SRG) +8.3%, AmI3D (ASX:AL3) +40.1%, and Strickland Metals (ASX:STK) +58.8%, while Anteris Technology (ASX:AVR) fell 16.7% and Culpeo Minerals (ASX:CPO) declined by -28.0%. We have noticed a net increase in placement deals, but the IPO market remains almost non-existent. There is an increased level of capital raises to repay debt, as the rising cost of interest is affecting profitability and loan covenants and the quickest and easiest way to fix the problem is to raise equity.

Our high conviction long-term positions contributed positively to the fund's performance, with top performers including Stanmore (ASX:SMR) +3.2%, ARK Innovation (NYSE:ARKK) +3.8%, Horizon Oil (ASX:HZN) +13.3%, Jindalee Resources (ASX:JRL) +19.8%, Meta Platforms (NASDAQ:META) +22.8% and Patriot Battery Metals (ASX:PMT/TSXV:PMET) +61.4%. Meta continued its positive momentum from January, buoyed by CEO Mark Zuckerberg's announcement during the company's February earnings call that 2023 will be a "year of efficiency" aimed at reducing costs and boosting profitability. This announcement was well-received by the market,. However, by the end of the month, Meta's valuation had stretched to 18 times its projected 2023 earnings, compared to the 11x when we initially invested. Despite our confidence in Meta's outlook for the remainder of 2023, we have decided to reduce our position in the company due to the now fairer valuation.

Key detractors were Entain (LON:ENT) -6.8%, Coronado (ASX:CRN) -7.1%, TUAS (ASX:TUA) -7.3%, New Hope (ASX:NHC) -7.3%, VanEck Gold Miners ETF (ASX:GDX) -11.0%, Whitehaven (ASX:WHC) -11.2%, City Chic (ASX:CCX) -27.9%, Academies Australasia (ASX:AKG) -30.8%, Terra Uranium (ASX:T92) -37.5% and Temple and Webster (ASX:TPW) -40.0%. We have sold some of our Whitehaven position due to the sharp decline in premium thermal coal prices. Although Whitehaven and New Hope are cheaply valued, negative price trends mean negative price action will persist. Therefore, we are happy to reduce the weighting in these names for now. Energy companies now represents 10.3% of the total fund, down from the 20-25% level for much of last year.

Star Entertainment (ASX:SGR)

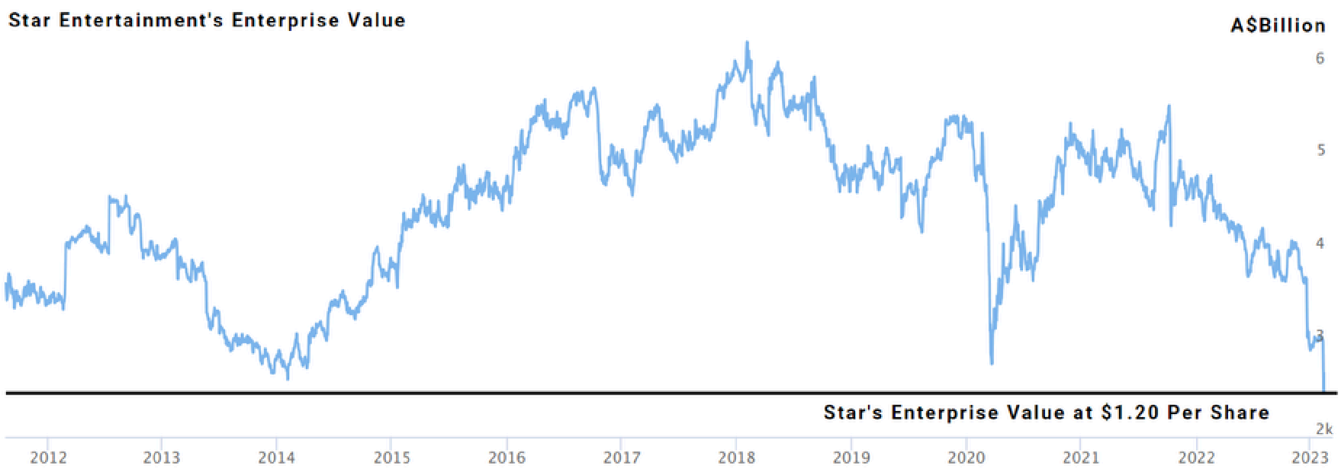
Star Entertainment Group operates three major casino complexes in prime locations across Australia, including Sydney, Brisbane, and the Gold Coast, alongside a portfolio of luxurious hotels and resorts. The company's robust market position in Australia's thriving casino and entertainment industry has earned it a reputation as a key investment opportunity.

However, in recent years, Star has faced several investigations related to its use of third-party agents known as junket operators, who bring high-rolling gamblers to casinos. The company failed to comply with Anti-Money Laundering (AML) obligations, leading to significant pressure and internal restructuring, including a board shuffle, CEO replacement, and strategy reset. Furthermore, the company has been impacted by increased NSW gaming tax, potential fines from the Australian Transaction Reports and Analysis Centre (AUSTRAC), a shareholder class action, new NSW table gaming legislation, and the looming threat of heightened competition from Crown Sydney. These challenges have resulted in a negative sentiment towards the company.

To address its financial situation, Star undertook an emergency $800 million capital raise at $1.20 in February 2023, resulting in a significant dilution of the company's capital base. As a consequence, Star's new trading range has been established at around $1.30 to $1.40.

Despite these challenges, we believe that Star's equity raise may signal the bottom for the company. We consider the properties owned by the company as a cheap asset play, worth more than the current market capitalization. However, we believe that the key to a share price re-rate for Star lies in the sustainability of its core operations. We estimate that Star, in its steady state, adjusted for potential increased gaming tax, can generate $350 million of EBITDA per year. With a current enterprise value of $2.7 billion, this translates to an EV/EBITDA of around 7.5x. To provide context, Crown was acquired by Blackstone at 12.9x EBITDA while facing similar challenges to Star. Additionally, the government's focus on safeguarding the livelihoods of Star's 4,500 employees suggests that the company is close to overcoming its challenges.

With bad news already reflected in its share price, Star's potential for a strengthening share price has increased significantly. We are a firm believer in mean reversion, a financial concept that refers to the tendency of asset prices to revert to their long-term average values over time. Although the company still faces several uncertainties and challenges, it is easy to forget the massive tailwind of population and tourism growth that will help Star in the coming years. We believe that the potential for a mean reversion to normality is high, making Star an appealing investment opportunity at its current level.



Source: TIKR, PGF

The above reflects our opinion only and we recognize that we may be wrong with the stock falling further from the $1.20 raise price. This should not be taken as a recommendation to purchase Star stocks.

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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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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