



MONTHLY REPORT

DECEMBER 2023

Unit Price and FUM

Indicative Unit Price

\$1.2311[^]

FUM Size

\$18.5 Million

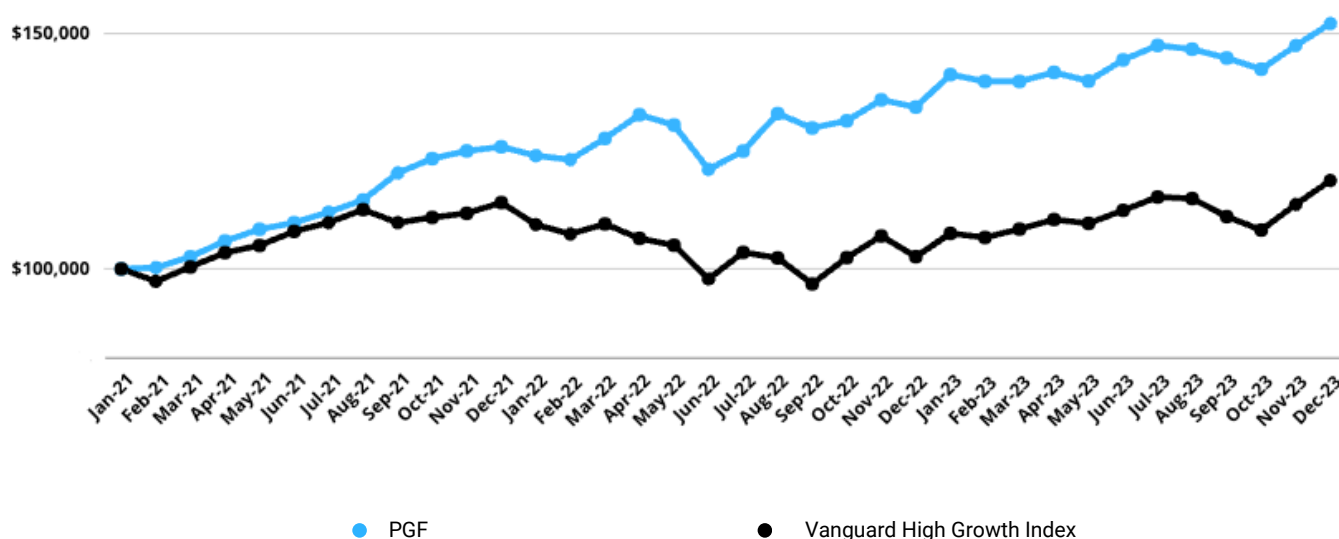
Past distributions paid: FY23: 9.61c, FY22 5.12c, FY21 8.91c.

Performance Table Net of Fees

As at 31 December 2023	PGF	Vanguard High Growth Index Fund	Difference
1 Month	3.17%	4.46%	-1.29%
3 Months	5.06%	6.90%	-1.84%
1 Year	13.20%	15.78%	-2.58%
3 Years p.a.	-	-	-
Since Inception*	52.14%	19.27%	32.87%

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	3.53	3.17 [^]	13.20



*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.

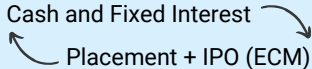
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Past performance is not indicative of future performance. Specific risks of the Fund may impact on the possibility of such a return in future.

Top 10 Listed Equity Positions

Stock Name	Portfolio Weight
NB Global Income (ASX:NBI)	5.8%
Magellan Global (ASX:MGF)	3.6%
Neuren Pharmaceuticals (ASX:NEU)	3.4%
S&P Biotech ETF (ASX:CURE/NYSE:XBI)	3.1%
Santos (ASX:STO)	2.1%
VanEck Gold Miners (ASX:GDX)	1.8%
NextDC (ASX:NXT)	1.7%
Stanmore Resources (ASX:SMR)	1.4%
Meta Platforms (NASDAQ:META)	1.2%
Genex Power (ASX:GNX)	1.1%

Exposure Allocation

Strategy Bucket Allocation	Portfolio Weight
#1 Cash and Fixed Interest 	16.8%
Placement + IPO (ECM)	20.4%
#2 High Conviction Stocks	40.8%
#3 Options Account	8.6%
Managed Funds	5.9%
Unlisted Investments	7.5%

Fund Analytics

# of Positive Months	23/35 (65.7%)
Upside Capture	0.76
Downside Capture	0.16

Fund Commentary

PGF's estimated return for December stands at +3.17% compared to the Vanguard High Growth Index Fund's +4.46%. During the same period, the ASX 200 Index saw a strong rally of +7.26%, whereas the MSCI World Ex-Aus Index posted a more modest gain of +1.83%.

This month, under our Bucket #1 strategy, PGF engaged in 21 placements and 1 block trade. We expect to receive free attaching options in 10 of these deals. We observed an uptick in ECM activities, buoyed by improving market sentiment. Notable contributors to our returns included PharmaAust (ASX:PAA) with a +15.0% increase, Brazilian Rare Earth (ASX:BRE) +16.8%, Mitre Mining (ASX:MMC) +18.4%, and Yandal Resources Tranche 2 (ASX:YRL) soaring +59.6%. On the downside, material detractors were Noble Helium (ASX:NHE) at -11.6%, Great Western Exploration (ASX:GTE) -21.5%, and Scorpion Minerals (ASX:SCN) declined by -29.9%. After a challenging 2022 and 2023, we are optimistic about 2024, bolstered by the peaking global interest rates.

We also wish to briefly discuss the recent media reports regarding the Labor proposal that may double the income and wealth thresholds for sophisticated/wholesale investor classification from the current \$250,000/\$2.5m. Should this change materialise, it could structurally **benefit** our fund, particularly PGF's Bucket #1 strategy. This is because a reduction in eligible wholesale investors – estimated to be around 300,000 less, will necessitate changes in placement offerings. As demand size reduces with less participants, companies are likely to reduce the placement size, lowering offer prices or adding incentives like free options. Unfortunately, those no longer qualifying as wholesale investors would have to turn to on market purchases rather than getting stocks via the placement.

Our Bucket #2 high-conviction portfolio has shown impressive performance. Significant contributors to this success included Meta (NASDAQ:META) with a gain of +6.3%, Stanmore Resources (ASX:SMR) rising +8.0%, Nick Scali (ASX:NCK) up +12.1%, Pinnacle (ASX:PNI) achieving +14.2%, Charter Hall (ASX:CHC) at +15.8%, Immutep (ASX:IMM) with +17.0%, Biotech ETF (ASX:CURE) gaining +19.4%, Tuas (ASX:TUA) up by +31.7%, and notably, Neuren Pharma (ASX:NEU) soaring to +62.4%. We have sold half of our position in Meta, marking the first sale since our initial acquisition a year ago. Meta's value share price has surged from \$90 to \$360 and the sale process have been rotated into newly identified opportunities. Neuren Pharma reported positive results from its Phelan-McDermid Phase 2 trial, indicating the effective performance of its drug NZ-2591. This development is significant, as NZ-2591 has a considerably larger addressable market in a range of indications when compared to Neuren's existing drug, Daybue. We intend to buy the stock on weakness and believe Neuren is one of those market stories that can be held until the end goal - a takeover.

Fund Commentary (Continued)

Unlisted Options Update

In our June 2023 update to investors, we provided an update of PGF's unlisted option holdings. Over the past six months, we had a number of options expired and exercised, but our unlisted options book has once again experienced strong growth, expanding from 43 to 60.

As a reminder, we receive two types of options from placements, both attached as free issuances from our allocation from placements:

- Listed options - these free options are listed on the ASX and can be sold or exercised before expiry. They have a market price just like a stock and therefore **are valued in the fund** according to their market value in our portfolio.
- Unlisted options - these free options are not listed and hence **we value them at zero** in PGF despite their material worth. To calculate their theoretical value, we employ the Black-Scholes option model, where the only subjective aspect lies in the implied volatility input. We have evaluated these options using two implied volatility values to demonstrate to our investors the additional hidden value within PGF, which is not currently reflected in its unit price.

ASX Code	Market Price	Exercise Price	Option Quantity	Expiry Date	Option Value @100% Vol
NTU	\$0.029	\$0.074	212,766	4/2/2024	\$0
MIO	\$0.150	\$0.650	80,000	7/4/2024	\$31
BP8	\$0.001	\$0.040	413,760	23/4/2024	\$0
MLM	\$0.026	\$0.060	200,000	24/4/2024	\$500
TMX	\$0.006	\$0.015	3,333,334	21/5/2024	\$2,204
NRZ	\$0.013	\$0.280	200,000	23/6/2024	\$0
SVY	\$0.044	\$0.150	166,667	30/6/2024	\$551
GUE	\$0.155	\$0.300	45,329	1/7/2024	\$1,925
SFG	\$0.005	\$0.098	121,964	5/7/2024	\$0
ATH	\$0.005	\$0.007	9,142,858	31/8/2024	\$22,995
AUN	\$0.031	\$0.250	200,000	31/8/2024	\$87
SP3	\$0.017	\$0.066	277,778	7/9/2024	\$503
VTM (Pre-1VG)	\$0.210	\$0.300	43,250	29/9/2024	\$4,666
EMS	\$0.036	\$0.300	41,675	25/10/2024	\$41
VTM (Post-1VG)	\$0.210	\$0.300	141,140	11/11/2024	\$16,027
G6M	\$0.076	\$0.280	109,706	28/11/2024	\$1,564
SPN	\$0.350	\$1.000	21,058	30/11/2024	\$1,997
ARD	\$0.009	\$0.040	536,586	30/11/2024	\$578
SEN	\$0.017	\$0.025	476,190	4/12/2024	\$4,383
GML	\$0.021	\$0.300	220,589	15/12/2024	\$57
PER	\$0.057	\$0.480	34,500	20/12/2024	\$92
GRL	\$0.042	\$0.060	238,095	31/12/2024	\$5,677
4DX	\$0.640	\$1.365	7,208	31/12/2024	\$1,873
AVR	\$18.000	\$29.000	1,042	9/2/2025	\$10,148

Fund Commentary (Continued)

ASX Code	Market Price	Exercise Price	Option Quantity	Expiry Date	Option Value @100% Vol
RCL	\$0.050	\$0.100	155,020	6/3/2025	\$3,667
PEN	\$0.130	\$0.100	1,635,501	17/3/2025	\$169,447
AR3	\$0.145	\$0.570	27,413	9/5/2025	\$1,132
TKM	\$0.042	\$0.085	225,045	7/6/2025	\$4,900
ODE	\$0.008	\$0.025	504,348	7/6/2025	\$1,509
BKT	\$0.073	\$0.200	57,983	9/6/2025	\$1,769
ZEO	\$0.028	\$0.100	278,059	30/6/2025	\$2,692
GTE	\$0.023	\$0.080	721,154	15/7/2025	\$6,015
BKG	\$0.061	\$0.230	119,720	23/7/2025	\$2,504
DTZ	\$0.140	\$0.350	75,000	29/7/2025	\$4,982
KSN	\$0.076	\$0.140	176,471	31/7/2025	\$7,686
ASO	\$0.021	\$0.090	250,000	31/7/2025	\$1,629
RML	\$0.003	\$0.015	937,500	31/7/2025	\$754
VRX	\$0.105	\$0.180	91,875	31/8/2025	\$5,857
ICL	\$0.058	\$0.105	134,610	13/9/2025	\$4,649
MEK	\$0.041	\$0.060	375,000	11/10/2025	\$10,240
RDM	\$0.097	\$0.130	153,233	25/10/2025	\$10,308
YRL	\$0.110	\$0.110	454,423	17/11/2025	\$38,477
TG1	\$0.059	\$0.120	133,929	28/11/2025	\$4,655
SGQ	\$0.033	\$0.100	48,779	28/11/2025	\$763
LIN	\$0.145	\$0.300	22,905	7/12/2025	\$1,951
NHE	\$0.098	\$0.200	576,924	18/12/2025	\$33,657
HPC	\$0.025	\$0.070	305,556	31/12/2025	\$3,902
PV1	\$0.043	\$0.075	375,000	15/1/2026	\$10,431
PAA (Unlisted)	\$0.135	\$0.150	152,912	30/4/2026	\$15,986
CCO	\$0.006	\$0.006	5,139,334	30/6/2026	\$22,254
VSR	\$0.016	\$0.080	215,175	30/6/2026	\$1,484
HMD	\$0.025	\$0.120	53,571	7/7/2026	\$595
ATV	\$0.092	\$0.200	150,000	24/8/2026	\$9,033
QPM	\$0.048	\$0.100	257,143	28/8/2026	\$8,211
ATH	\$0.005	\$0.010	3,047,619	31/8/2026	\$10,287
SGQ	\$0.033	\$0.060	488,151	18/11/2026	\$11,488
3DA	\$0.240	\$0.240	197,188	28/11/2026	\$38,881
88E (Unlisted)	\$0.005	\$0.008	740,667	8/12/2026	\$2,793
LRS	\$0.235	\$0.220	71,034	27/4/2027	\$14,130
IVZ	\$0.115	\$0.400	684,783	30/5/2027	\$49,260
Total					\$593,876

Although every effort has been made to ensure the completeness and accuracy of the information provided above, no explicit representation or warranty is given regarding its precision. The information is presented to the best of our abilities. Market price is as at 17 January 2024.

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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/>

Disclaimer

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The materials contained herein represent a general summary of Emerald Capital's current portfolio construction approach. Emerald Capital 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, Emerald Capital may pursue other objectives or strategies considered appropriate and in the best interest of portfolio performance.

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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