



MONTHLY REPORT

MARCH 2023

Unit Price and FUM

Indicative Unit Price

\$1.2249[^]

FUM Size

\$13.8 Million

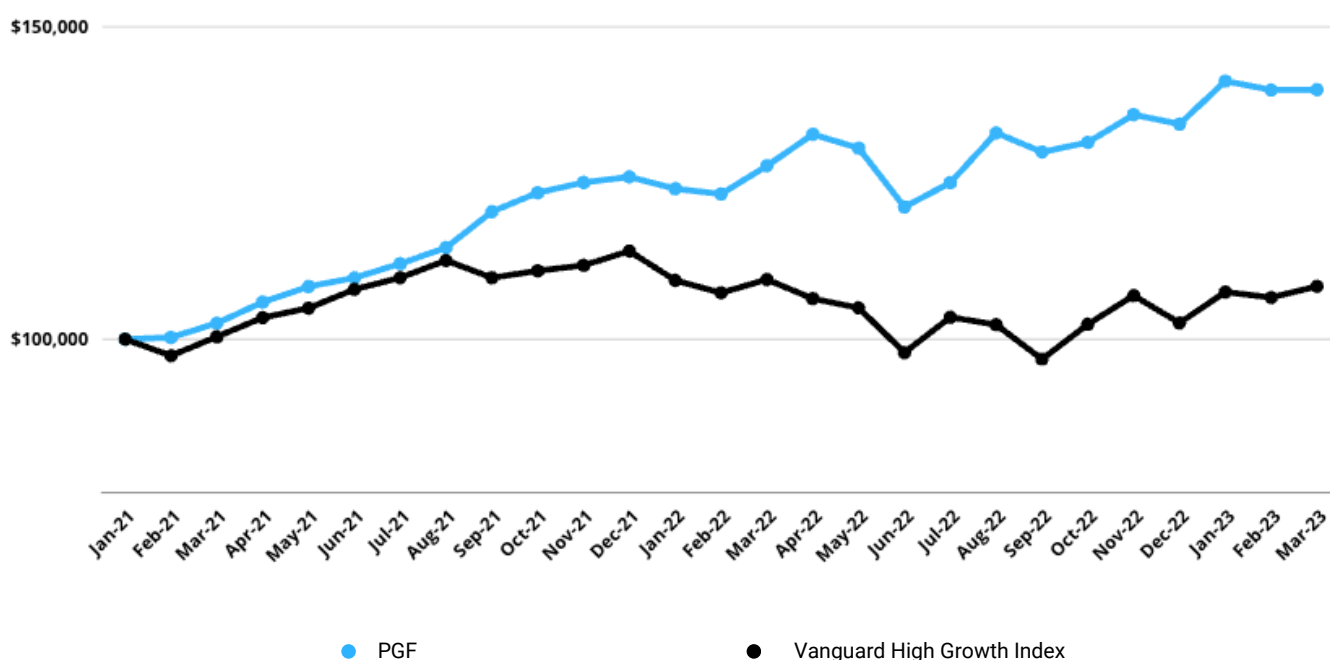
Indicative unit price is quoted on an ex-distribution basis. FY22 distribution 5.12c, FY21 distribution 8.91c.

Performance Table Net of Fees

As at 31 March 2023	PGF	Vanguard High Growth Index Fund	Difference
1 Month	0.03%	1.67%	-1.64%
3 Months	4.08%	5.71%	-1.62%
1 Year	9.36%	-0.57%	9.93%
3 Years p.a.			
Since Inception*	39.89%	8.90%	30.99%

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	-1.01	0.03										4.08



*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.

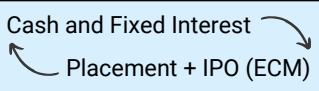
Suite 211, 3 Eden Street, North Sydney NSW 2060, info@boutiquecapital.com.au

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
S&P Biotech ETF (ASX:CURE/NYSE:XBI)	4.8%
Santos (ASX:STO)	2.8%
Entain (LON:ENT)	2.1%
Meta Platforms (NASDAQ:META)	1.7%
VanEck Gold Miners ETF (ASX:GDX)	1.6%
Stanmore Resources (ASX:SMR)	1.5%
Whitehaven (ASX:WHC)	1.5%
Star Entertainment (ASX:SGR)	1.4%
New Hope Corporation (ASX:NHC)	1.3%
Kingsgate Consolidated (ASX:KCN)	1.1%

Exposure Allocation

Strategy Bucket Allocation	Portfolio Weight
#1 Cash and Fixed Interest 	31.9%
Placement + IPO (ECM)	8.9%
#2 High Conviction Stocks	35.8%
#3 Options Account	8.4%
Managed Funds	7.8%
Unlisted Investments	7.2%

Fund Analytics

# of Positive Months	19/26 (73.1%)
Upside Capture	0.78
Downside Capture	0.02

Fund Commentary

In March, PGF had a modest return of 0.03%, which was lower than the 1.67% return of the Vanguard High Growth Index Fund, indicating underperformance. During the same period, the ASX 200 Index fell by -0.16%, while the MSCI World Ex-Aus Index rose by 3.88%. MSCI was helped by a particularly strong month for global equities, driven by the remarkable 9.85% surge of the NASDAQ Index (in AUD). Apple and Microsoft, fuelled by investors taking safety in large cap tech names now make up over 13% of the US index compared to an average of 8% over the past decade. Apple and Microsoft are both trading on lofty valuations of close to 30x.

During the month, PGF participated in 13 placements, with modest total positive contribution to the fund's return. Gains were recorded from Talon Energy (ASX:TPD) +3.3%, a block trade in Ventia Services (ASX:VNT) +3.5%, Greenx Metals (ASX:GRX) +8.0%, Patagonia Lithium (ASX:PL3) +10.0%, Kingsgate Consolidated (ASX:KCN) +10.1% and Close the Loop (ASX:CLG) +29.9%. Detractors were Silver Mines (ASX:SVL) -14.8%, Retail Food Group (ASX:RFG) -15.0% and Silex Systems (ASX:SLX) -16.8%.

As the gold sector experiences strong momentum, we have taken the opportunity to increase our gold position in addition to our core GDX ETF holding. We have participated in the following precious metal company raises in March and April:

- Silver Mines (ASX:SVL) - \$0.16 at a 18% discount to the last traded price before the capital raise
- Ora Banda Mining (ASX:OBM) - \$0.1125 at a 14% discount
- Pantoro (ASX:PNR) tranche 2 - \$0.06 at a 32% discount
- Western Mines (ASX:WMG) - \$0.34 at a 15% discount
- Genesis Minerals (ASX:GMD) - \$1.10 at a 5% premium
- Kingsgate Consolidated (ASX:KCN) - \$1.50 at a 25% discount. We have also traded Kingsgate during the month prior to the capital raise

Companies often raise capital in popular thematic areas, such as gold, lithium, or uranium. By participating in ECM deals, our investment strategy enables us to seize opportunities in these sectors and ensure that we don't miss out on potential gains.

Our high conviction long-term positions detracted from return. On the positive side, New Hope (ASX:NHC) delivered +4.1%, Global X Semiconductor ETF (ASX:SEMI) +10.5%, Alibaba (HKG:9988) +16.4%, AGL Energy (ASX:AGL) +17.9%, TUAS (ASX:TUA) +18.6%, VanEck Gold Miners (ASX:GDX) +20.8%, Meta Platforms (NASDAQ:META) +21.0%, Estia Health (ASX:EHE) +27.4% and Neuren Pharmaceuticals (ASX:NEU) +43.0%.

Fund Commentary (Continued)

Three months ago, we established a small holding in Estia Health, which recently received a bid from Bain Capital at \$3 per share. While we are pleased with the bid, we are disappointed that we didn't build a larger position in the company. Estia Health is one of the few ASX-listed healthcare stocks that had been largely overlooked due to uncertainties surrounding aged care reform impacts.

Our key detractors included Stanmore (ASX:SMR) -2.8%, Entain (LON:ENT) -4.6%, Whitehaven (ASX:WHC) -6.9%, S&P Biotech ETF (ASX:CURE/NYSE:XBI) -7.5%, Terra Uranium (ASX:T92) -14.6%, and Charter Hall Group (ASX:CHC) -17.2%. Biotech shares in the US declined after the SVB fiasco, as investors feared the loss of confidence in venture funding would impact biotech shares. This decline represents one of the largest return discrepancies we have seen in biotech compared to the NASDAQ index which typically exhibits a high level of correlation. We have used the sell-off as an opportunity to top up our holdings, as we believe the sector is inherently cheap and the high volatility presents a compelling opportunity for our covered call strategy on the sector.

Neuren Pharmaceuticals (ASX:NEU)

Neuren is currently engaged in the development of a drug to combat highly debilitating neurodevelopmental disorders. Recently, in mid-March, the company received approval from the US FDA for its trofinetide drug (marketed under the name Daybue via third party Acadia) for the treatment of Rett syndrome, a rare disorder that leads to the gradual loss of motor skills and language. The condition is estimated to affect around 5,000 individuals in the US and tens of thousands of people worldwide. Prior to the availability of Daybue, there was no treatment for this condition which frequently causes repetitive hand movements, breathing difficulties, and seizures amongst others.

As we navigate the world of investing, we frequently encounter stocks that carry positive social implications, and Neuren is undoubtedly one such company. To gain a comprehensive understanding of the disorder at hand, we scoured online videos, Facebook group posts, and blogs. What truly resonated with us was the resolute determination of caregivers and their near-unanimous agreement to try Daybue, the sole available drug for their children. We took on the opportunity to meet with Neuren's management team one day following the FDA's approval announcement and were impressed by the humility displayed by CEO Jon Pilcher and VP Corporate Development Gerry Zhao, which was unexpected on the heels of such significant positive news. In our view, the key ingredients for a successful enterprise are all present: a highly sought-after product and a focused team.

From a financial standpoint, Daybue is projected to have an average cost of US\$375k per patient per year. The drug's funding is expected to come from a combination of US Medicaid, Medicare, and private insurance, resulting in zero or minimal cost to patients. Neuren has appointed Acadia to handle Daybue's commercial sales, and will receive royalty and sales milestone payments. If half of the identified US patients use Daybue and continue treatment, it will result in approximately US\$940m in sales, with Neuren receiving an annual royalty of US\$119m (A\$178m). Furthermore, Neuren will receive US\$73m (A\$109m) in one-off payments and a tiered ratio of sales milestone payments that could amount up to US\$350m (A\$522m). With a market capitalisation of \$1.65b, Neuren is effectively trading at a \$1b enterprise value assuming the one-off sales milestones are achieved, making the A\$178m annual royalty highly attractive. Neuren also has additional potential opportunities for the drug outside of North America with potentially faster approval processes, as well as ongoing development of treatments for other neurological disorders.

We began accumulating shares of Neuren at \$10 per share the day after the meeting, but halted when the price quickly skyrocketed to \$13. While we still believe Neuren is an excellent buy, we are cautious about buying a stock that has risen significantly in price. In one of the rare instances, we would prefer Neuren's shares to be weaker so we could acquire a more substantial position in the fund.

The above reflects our opinion only and we recognise that we may be wrong. This should not be taken as a recommendation to purchase Neuren stocks.

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	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
Responsible Manager Benjamin Peters ben@pgf.net.au	
Operations Manager Alice Zhang alice@pgf.net.au	
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. Investors balance may even fall in value.

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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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