



MONTHLY REPORT SEPTEMBER 2022

Unit Price and FUM

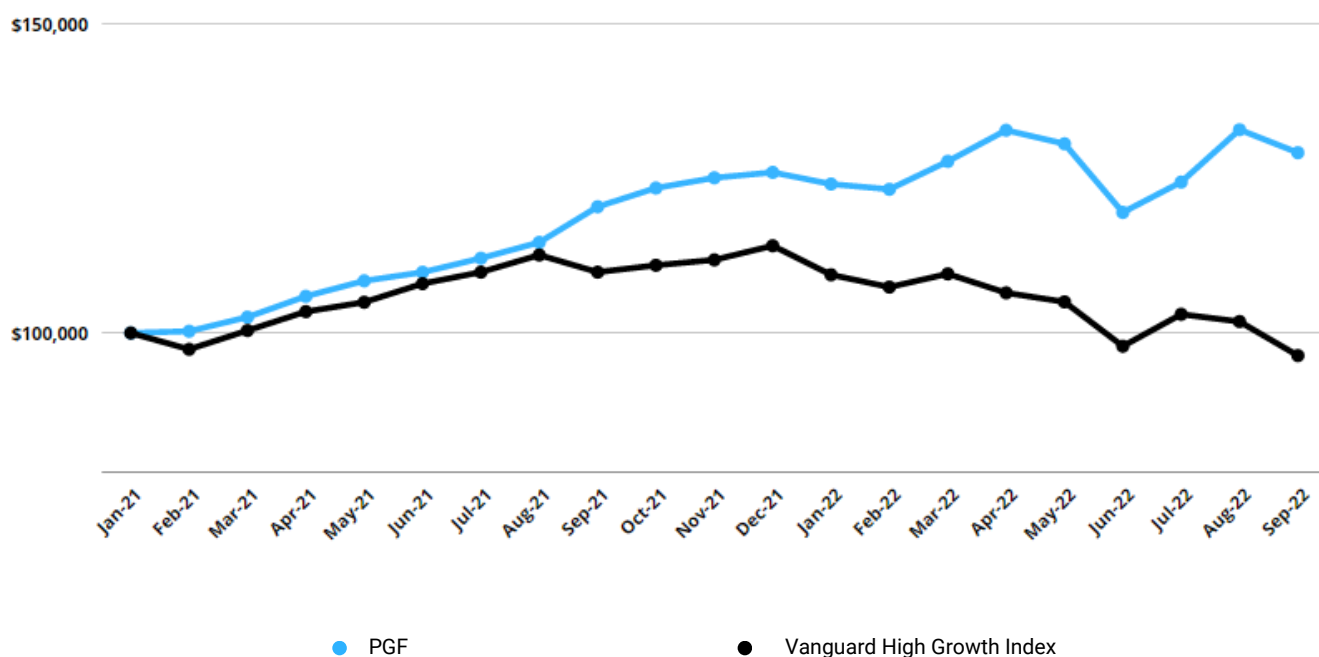
Indicative Unit Price	\$1.1964[^]	FUM Size	\$10.6 Million
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Performance Table Net of Fees

As at 30 September 2022	PGF	Vanguard High Growth Index Fund	Difference
1 Month	-2.80%	-5.40%	2.60%
3 Months	8.09%	-1.08%	9.17%
1 Year	7.26%	-11.50%	18.76%
3 Years p.a.	-	-	-
Since Inception*	29.13%	-2.80%	31.93%

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	-1.50	-0.68	3.66	3.94	-1.62	-8.49	4.10 [^]	6.82 [^]	-2.80 [^]				2.54



*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. Final July, August and September returns will be published once the FY22 tax return for the fund is issued. This is expected to occur by mid November.

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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
Patriot Battery Metals (TSXV:PMET)	4.9%
Santos (ASX:STO)	3.7%
Whitehaven (ASX:WHC)	3.4%
ETFS S&P Biotech ETF (ASX:CURE)	2.6%
New Hope Corporation (ASX:NHC)	2.1%
Terra Uranium (ASX:T92)	1.6%
Woodside Energy (ASX:WDS)	1.4%
Stanmore Resources (ASX:SMR)	1.3%
Coronado Global Resources (ASX:CRN)	1.1%
Charter Hall Group (ASX:CHC)	1.1%

Exposure Allocation

Strategy Bucket	Portfolio Weight
Cash and Fixed Interest	25.8%
Placement, IPO and Trading	11.3%
High Conviction Stocks	38.8%
High Conviction Funds	20.4%
Unlisted Investments and Pre-IPOs	3.8%

Fund Analytics

# of Positive Months	15/20 (75.0%)
Upside Capture	0.98
Downside Capture	(0.03)

Fund Commentary

PGF's estimated September 2022 return is -2.80% compared to the Vanguard High Growth Index at -5.40%. We performed relatively well compared to the market's dismal return.

Name	September 2022 Monthly Return	September 2022 Quarterly Return	Quarterly Outperformance
PGF*	-2.80%	+8.09%	NA
Vanguard High Growth	-5.40%	-1.08%	+9.17%
ASX 200 Total Return	-6.07%	+0.36%	+7.73%
MSCI World Ex-Aus Total Return	-3.23%	+0.35%	+7.74%
ASX Small Ordinaries Total Return	-11.20%	-0.50%	+8.59%

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

Positive contributors in September were Coronado (ASX:CRN) +6.7%, Desert Metals (ASX:DM1) +9.1%, Whitehaven (ASX:WHC) +13.2%, Hartshead Resources (ASX:HHR) +21.9%, New Hope (ASX:NHC) +28.4% and Terra Uranium (ASX:T92) +65.0%.

Detractors were Woodside (ASX:WDS) -3.0%, TUAS (ASX:TUA) -3.9%, Stanmore Resources (ASX:SMR) -6.3%, Academies Australasia (ASX:AKG) -7.7%, Santos (ASX:STO) -10.0%, Bowen Coal (ASX:BCB) -10.1%, Charter Hall (ASX:CHC) -15.0%, Pacific Current Group (ASX:PAC) -16.7% and Patriot Battery Metals (TSXV:PMET) -17.3%. We have begun accumulating a position in AKG given the recent dramatic increase in international student arrival in Australia.

So what helped our relative performance in September?

- A large overweight in the energy sector. We are seeing the supply response muted despite the high prices. Energy prices also remain well supported even though the world is potentially entering into a recession. This phenomenon is the result of two decades in the making, and our base case is for high energy prices to last in the medium term. We do not fall in love with our longer-term stocks and will decisively sell out of energy positions should there be better opportunities. However, we are finding energy continues to be the best sector in this market.

Fund Commentary (Continued)

- Overweight in cash due to product design where half of PGF cycles through shorter-term deal flow trading.
- Placement and IPO opportunities including Terra Uranium (+65%) and Hartshead Resources (+22%). We continue to believe that we are in a sideways trending market, with opportunities to trade and capitalise on market movement both ways. Our placement strategy is working well because a lack of investor interest is seeing many deals getting priced very attractively. A good deal under normal conditions is priced at a 10% discount but we are seeing many 'hot' deals getting priced at a 15% to 25% discount with free attaching options. Options offer tremendous upside optionality for free, and the current market condition allows us to accelerate our unlisted option portfolio.

As mentioned, our strategy works in a bull market, sideways market and even a slow bear market. But a month like September where everything gaps down makes it almost impossible to deliver positive return. We are however content with our September return being a lot better than the market. In the 1.5 years that we have been running PGF, we have now outperformed the Vanguard High Growth Index by ~32% net of fees.

Invictus Energy (ASX:IVZ) Unlisted Options Case Study

Invictus Energy is a gas exploration company that is currently drilling in a large prospect in Zimbabwe. We participated in IVZ's 23 cents placement in August this year, which entitled subscribers to a **1 for 1 unlisted option with an exercise price of 40 cents and a five-year expiry at no cost**. We have subsequently sold our IVZ headstock for a small loss, given our view that the upcoming drilling result represents a fairly binary outcome.

We will not be drilling (pun intended) into IVZ in detail, but the idea is if drill results prove the estimated prospective resource of 20 TcF and 845 mmbbls, then we will immensely benefit from the unlisted options. If the company comes up with a duster, we are not hurt either as the options were free with no impact to PGF given they are carried in the fund at zero.

IVZ may have its drilling results out before Christmas but whether the company becomes a multiple of its current value or ends up meaningfully less is beyond our control. If the former eventuates, we will have a nice little option to deliver meaningful returns for PGF investors. Below we represent the benefit to PGF under various IVZ price scenarios based on the September month-end FUM.

IVZ Share Price	\$0.00	\$0.15	\$0.25	\$0.50	\$0.75	\$1.00	\$1.50	\$2.00
Option Intrinsic Value	\$0.00	\$0.00	\$0.00	\$0.10	\$0.35	\$0.60	\$1.10	\$1.60
Dollar Return to PGF	\$0	\$0	\$0	\$76,823	\$268,880	\$460,937	\$845,052	\$1,229,166
Percent Return to PGF	0.00%	0.00%	0.00%	0.72%	2.54%	4.35%	7.97%	11.60%

**Based on PGF's entitled unlisted IVZ options and assuming they are not expired. Dollar return reflect the intrinsic value of the options and time value of the options are excluded. The table is provided as an illustrative example only.*

Again, this exercise does not aim to predict what IVZ will do but provides some context on unlisted options' impact on the fund. We have had some previous great successes with unlisted options including Cobalt Blue (ASX:COB), Core Lithium (ASX:CXO) and Anteris Technologies (ASX:AVR).

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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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

*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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