MONTHLY REPORT

NOVEMBER 2022

Unit Price and FUM

Indicative Unit Price	$1.1939^	FUM Size	$11.2 Million

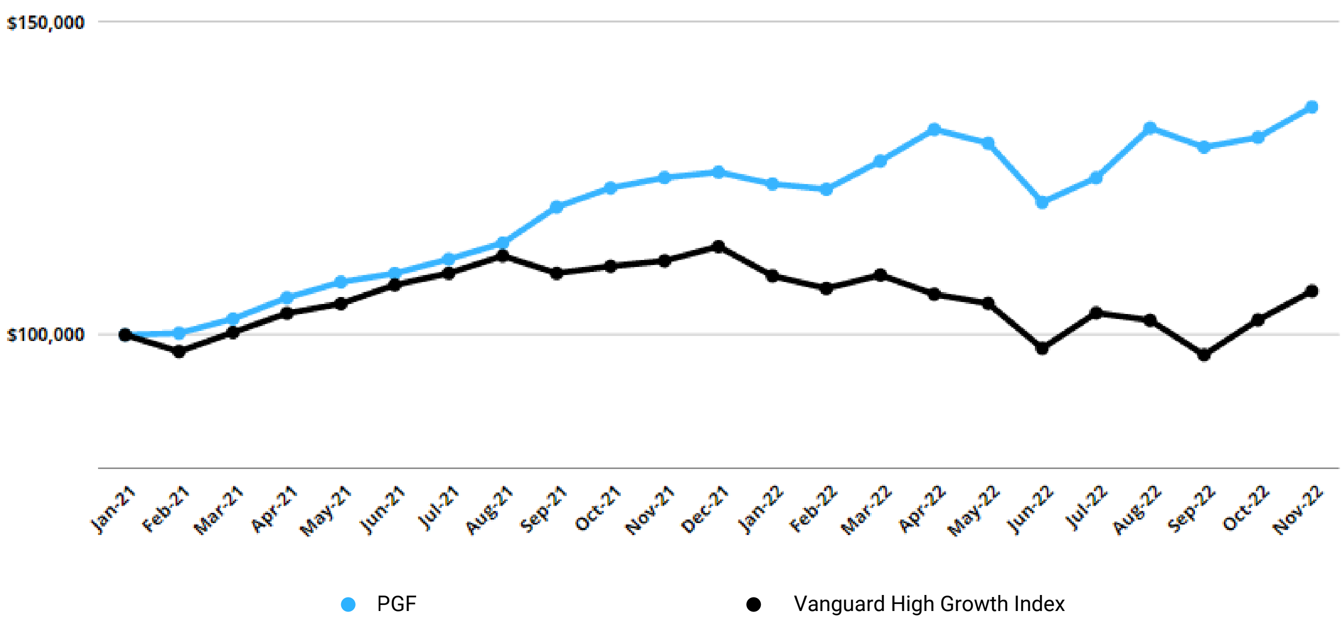
Indicative unit price is quoted on an ex-distribution basis. FY22 distribution 5.12c, FY21 distribution 8.91c.

Performance Table Net of Fees

As at 30 November 2022	PGF	Vanguard High Growth Index Fund	Difference
1 Month	**3.41%^**	4.49%	-1.08%
3 Months	**1.75%**	4.55%	-2.80%
1 Year	**9.02%**	-3.92%	12.94%
3 Years p.a.	**-**	-	-
Since Inception*	**36.34%**	7.42%	28.92%

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	3.41^		**8.26**



*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
Patriot Battery Metals (TSXV:PMET)	5.1%
Santos (ASX:STO)	3.5%
Whitehaven (ASX:WHC)	3.5%
Meta Platforms (NASDAQ:META)	2.4%
ETFS S&P Biotech ETF (ASX:CURE)	2.4%
New Hope Corporation (ASX:NHC)	2.2%
Entain (LON:ENT)	2.0%
Woodside Energy (ASX:WDS)	1.5%
Charter Hall Group (ASX:CHC)	1.4%
Stanmore Resources (ASX:SMR)	1.4%

Exposure Allocation

Strategy Bucket	Portfolio Weight
Cash and Fixed Interest	23.7%
Placement, IPO and Trading	13.8%
High Conviction Stocks	41.4%
High Conviction Funds	18.1%
Unlisted Investments and Pre-IPOs	3.0%

Fund Analytics

# of Positive Months	17/22 (77.3%)
Upside Capture	0.80
Downside Capture	(0.06)

Fund Commentary

PGF's estimated November 2022 return is 3.41% compared to the Vanguard High Growth Index's 4.49%. Global markets rallied in November as inflationary pressure appeared to be easing.

During the month, there was relatively strong placement volume with many deals being secured. However, returns were generally small, with the exception of Southern Cross Gold. As we approach the Christmas holiday, deal flow has decreased, which is typical for this time of year. We expect that volume will significantly increase in January and February, presenting ample opportunities for PGF to capitalise on.

As mentioned in our October monthly, we have gradually increased our exposure to 'longer duration' investments and reduced our energy holdings. We have also increased our Chinese exposure as momentum finally turned positive after a four-year-long decline.

Our long-term holding in Origin Energy got a takeover offer from US-based EIG Partners at $9 per share. The stock rallied briefly above $8, where we decided to take some profit off the table due to the offer being non-binding, conditional and will take at least half a year to settle. Having gone through the KKR and Ramsay fiasco, we have learnt to lock in profits when the opportunities present themselves under such scenarios.

Positive contributors were New Hope (ASX:NHC) +5.3%, Meta Platforms (NASDAQ:META) +5.3%, Entain (LON:ENT) +7.7%, TUAS (ASX:TUA) +8.3%, Charter Hall (ASX:CHC) +8.8%, Whitehaven (ASX:WHC) +11.2%, Ramsay Healthcare (ASX:RHC) +12.4%, Betashares Asia Tiger ETF (ASX:ASIA) +15.1%, Lightning Minerals (ASX:L1M) +20.2%, Coronado (ASX:CRN) +21.8%, Itech Minerals (ASX:ITM) +21.9%, Loyal Lithium (ASX:LLI) +24.5%, Hyterra (ASX:HYT) +25.0%, Alibaba (HKG:9988) +25.3%, Southern Cross Gold (ASX:SXG) +40.4%, Patriot Battery Metals (TSXV:PMET) +41.8% and Origin Energy (ASX:ORG) +43.1%. Southern Cross Gold reported a drilling result of 305.8m @ 2.4g/t Au equivalent, a phenomenon figure. We studied the drill result and put SXG on our watchlist for further consideration should the price drop. Fortunately, we were invited to bid for discounted Southern Cross Gold shares through a placement at 58 cents just one day later.

Detractors were Santos (ASX:STO) -3.9%, Stanmore Resources (ASX:SMR) -5.2%, Pacific Current Group (ASX:PAC) -6.9%, Star Entertainment (ASX:SGR) -7.8%, ETFS S&P Biotech ETF (ASX:CURE) -7.8%, Jervois Global (ASX:JRV) -19.2%, Orbital Corp (ASX:OEC) -19.5%, Marley Spoon (ASX:MMM) -24.9% and Emperor Energy (ASX:EMP) -43.4%.

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Fund Commentary (Continued)

Meta Platforms

Meta Platforms (formerly Facebook) owns Facebook, Instagram, WhatsApp and Messenger. It is also at the forefront of developing hardware and software applications for the 'Metaverse'. In the world of easy monetary settings last year, investors' enthusiasm towards Metaverse propelled Meta to over $385 a share. However, sentiment took a 180-degree turn as money exited non-profitable growth companies, causing Meta stock to fall 75% from its all-time high to below $90 per share. Peak to trough Meta has declined by over $800 billion, more than the market caps of BHP, CSL, Woodside, Macquarie, Fortescue, Wesfarmers, Telstra, Transurban, Rio Tinto, Woolworths and the big four banks combined...

It is worth further examination why Meta, which was once valued at over $1 trillion, has caused such significant value destruction. There were likely factors contributing to Meta's success in reaching a trillion-dollar valuation in the first place and surely these factors will be worth a lot when the tide turns in Meta's favour again.

To break Meta down, we can consider its two core divisions:

The "**Family of Apps**" division, which includes Facebook, Instagram, and WhatsApp, is responsible for generating over 99% of the company's revenue in the past year, with a total of $116 billion. This division typically has a high operating margin of around 40% and is the only contributor to the company's profits. However, there have been concerns about the declining usage of Meta's products, particularly Facebook, as new platforms like TikTok has emerged. Despite this, Meta has seen some success in user growth in developing countries outside of the western world. Additionally, Facebook and Instagram have a significant lead in terms of monthly active users, with 3.71 billion MAUs. While this comparison may be simplistic, it illustrates the large user base these platforms have compared to their competitors. It is expected that the earnings for this division will dip to $21 billion in 2023, but recover to $25 billion by 2024. This puts Meta at a price-to-earnings ratio of 15x in 2023 and 12x in 2024, which we believe represents a compelling valuation.

Pure Play Social Media Companies	Stock Code	Social Media Platforms	Market Cap ($US)	Monthly Active Users (billion)	Revenue Per User ($US)
Meta Platforms	NASDAQ:META	Facebook, Instagram, WhatsApp, Messenger	$319b	3.71	$32.6
Bytedance	Unlisted	TikTok, DouYin (China)	$300b	2.10	$18.0
Pinterest	NYSE:PINS	Pinterest	$16b	0.45	$6.4
Snap Inc	NYSE:SNAP	Snapchat	$15b	0.36	$13.6
Twitter	Unlisted	Twitter	$44b	0.33	$20.0

Source: Company Filings and Presentations

The "**Reality Labs**" division, also known as the Metaverse division, has been highly valued by the market in 2021, but it has also been a source of financial losses for the company. Despite contributing to less than 1% of total revenue, this division has incurred losses of $12.7 billion over the past four months. Despite these losses, Meta's CEO Mark Zuckerberg remains committed to the division. However, our investment thesis includes the assumption that this division will continue to incur losses in the future.

To summarize, Meta has faced several challenges in recent years, including slowing ad spending, increased competition, changes to Apple's privacy settings, a reduced valuation multiple for tech companies, and losses from the Metaverse division. Despite these issues, the stock is currently priced at a level that could make it susceptible to price increases.

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