



MONTHLY REPORT

AUGUST 2023

Unit Price and FUM

Indicative Unit Price

\$1.2925[^]

FUM Size

\$17.1 Million

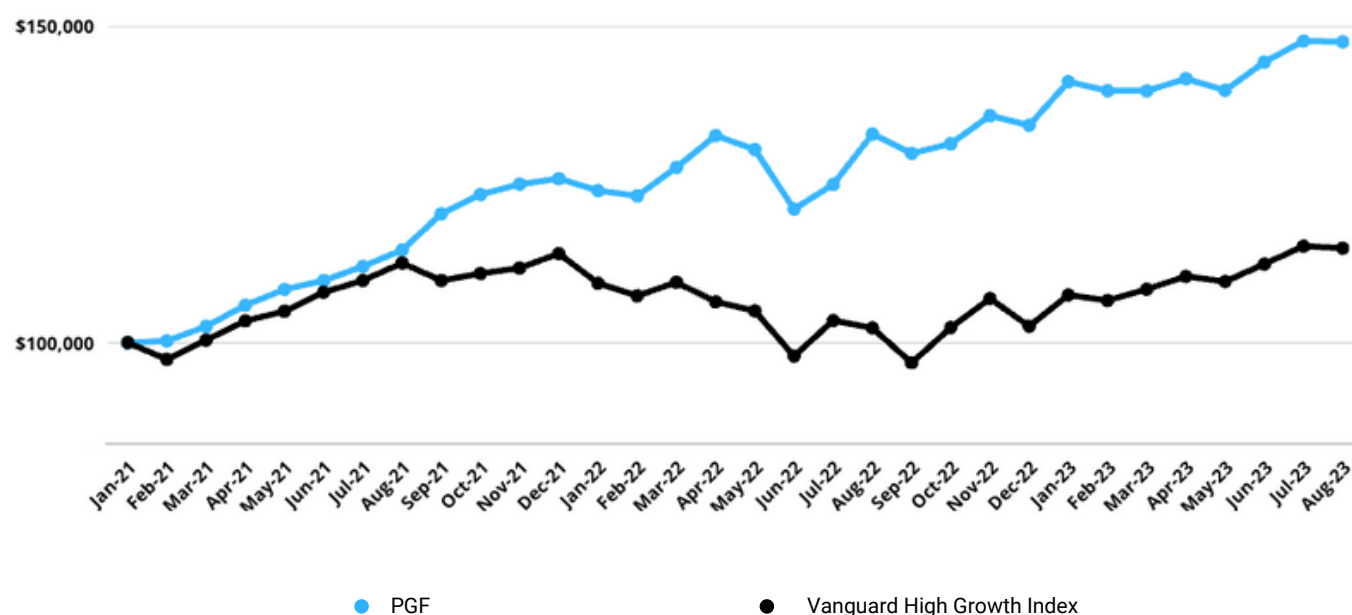
Indicative unit price is quoted on an cum-distribution basis until FY23 tax return is lodged. Past distributions paid: FY22 5.12c, FY21 8.91c.

Performance Table Net of Fees

As at 31 August 2023	PGF	Vanguard High Growth Index Fund	Difference
1 Month	-0.09%	-0.28%	0.19%
3 Months	5.49%	4.81%	0.68%
1 Year	10.15%	12.35%	-2.20%
3 Years p.a.	-	-	-
Since Inception*	47.59%	15.42%	32.17%

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	3.19	2.32 [^]	-0.09 [^]					9.82



*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.

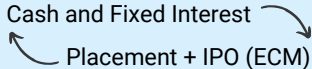
Suite 211, 3 Eden Street, North Sydney NSW 2060, info@boutiquecapital.com.au

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
Partners Group Global (ASX:PGG)	5.6%
S&P Biotech ETF (ASX:CURE/NYSE:XBI)	4.7%
Santos (ASX:STO)	2.6%
Entain (LON:ENT)	2.1%
Meta Platforms (NASDAQ:META)	2.0%
NextDC (ASX:NXT)	1.9%
Neuren Pharmaceuticals (ASX:NEU)	1.5%
Whitehaven (ASX:WHC)	1.0%
Stanmore Resources (ASX:SMR)	1.0%
Woodside Energy (ASX:WDS)	0.9%

Exposure Allocation

Strategy Bucket Allocation	Portfolio Weight
#1 Cash and Fixed Interest 	18.6%
Placement + IPO (ECM)	15.5%
#2 High Conviction Stocks	44.7%
#3 Options Account	9.5%
Managed Funds	5.0%
Unlisted Investments	6.7%

Fund Analytics

# of Positive Months	21/31 (67.7%)
Upside Capture	0.80
Downside Capture	0.07

Fund Commentary

In August, PGF posted an estimated return of -0.09%, outperforming the Vanguard High Growth Index Fund, which returned -0.28%. During the same period, the ASX 200 Index declined by -0.73%, while the MSCI World Ex-Aus Index increased by +1.60%.

In our Bucket #1 strategy, PGF participated in 20 placements and three new IPOs during the month. Of these, we will be allocated free attaching options for nine. Contributors to returns included Hazer Group (ASX:HZR) +4.2%, Oneview Healthcare (ASX:ONE) +23.4%, and Calmer Co (ASX:COO) +68.6%. Notable underperformers were Abacus Storage (ASX:ASK) -14.2% and Dateline Resources (ASX:DTR) -15.9%.

We invested in Abacus Storage following its demerger from Abacus Group at the price of \$1.41. Our investment thesis posited that Abacus Storage was trading at a broader discount to Net Tangible Assets (NTA) compared to its ASX-listed peer, NSR. This thesis was not validated by the market, as both ASK and NSR declined, presumably due to investor skepticism regarding the stated NTA values in a high-yield environment. However, we believe a sufficient buffer exists in ASK's current share price of \$1.19 compared to its NTA of \$1.59, a discount of 25.2%, as opposed to NSR's 8.8% discount.

In other activities, we took part in the Azure Minerals (ASX:AZS) placement at \$2.40. Azure has one of the most promising new lithium projects following Patriot Battery Metal's Corvette Project in James Bay, Quebec. Azure's Andover Lithium Project, located in our own backyard in the Pilbara, has demonstrated geological features containing lithium-rich, spodumene-bearing pegmatites. Subsequent drill holes confirmed Andover as a world-class lithium project. The project is supported by mining billionaire Mark Creasy and its success has sparked interest in nearby tenements owned by other ASX listed companies. We've previously mentioned our investment in Greentech (ASX:GRE) and we have also recently participated in Errawarra Resources (ASX:ERW) placement at 12 cents. Errawarra, post-raise, has a market cap of roughly \$15 million and compares favorably to Azure's billion-dollar valuation. The company's targets are along strike and part of a mineralised trend that runs through Azure's Andover.

Turning to our high-conviction portfolio, positive performances came from New Hope (ASX:NHC) +6.0%, NextDC (ASX:NXT) +6.2%, Pacific Current Group (ASX:PAC) +8.6%, AMP (ASX:AMP) +12.0%, and Nick Scali (ASX:NCK) +16.9%. On the downside, key detractors were Neuren Pharma (ASX:NEU) -2.7%, Santos (ASX:STO) -3.6%, Meta Platforms (NASDAQ:META) -4.3%, Pinnacle (ASX:PNI) -11.0%, Whitehaven (ASX:WHC) -12.0%, and Entain (LON:ENT) -14.9%. Entain was a significant drag on the fund's performance as market continues to punish it for raising equity at £11.86 but dismissing bids for it at much higher prices over the past two years. We are disappointed with our investment in Entain and has adjusted our target exit price accordingly.

Fund Commentary (Continued)

Bucket #1 - Position Sizing (Continued From Last Newsletter)

We adhere strictly to disciplined portfolio sizing, specifically as a measure for risk management. While some may find our individual investment bids to be modest in size, we compensate by participating in a high volume of opportunities. Our dual focus on minimising drawdowns and achieving returns that exceed typical equity benchmarks proves that diversification can still yield strong results.

Reviewing PGF's inception data, we have the following statistics from the Bucket #1 strategy:

- Since inception to 31 August 2023, PGF has participated in **598** deals.
- The average bid size into each deal represented **1.90%** of total FUM (Funds Under Management).
- The average allocation size represented just **0.85%** of total FUM.
- For the issuance company, the median market cap is **\$56m** whilst the average market cap is **\$873m**, heavily skewed by multi-billion dollar sized companies including Carsales, ANZ, Woodside and CSL.
- The average deal size is **\$36m**, the median deal size is estimated to be **\$8m**.

The table below indicates that since its inception, each of PGF's deal allocations has constituted a mere 0.2% of the total deal size. This has occurred even as ECM volume has substantially declined since 2021 although offset by an increase in our FUM.

Bucket #1 Historical Data	2021	2022	2023 to June	Total/Average
# of Deals	1,250	894	420	2,564
Total Deal Size (\$m)	\$54,924	\$27,572	\$8,737	\$91,233
Average Deal Size (\$m)	\$43.94	\$30.84	\$20.80	\$35.58
PGF Average Allocation Size (\$m)	\$0.06	\$0.05	\$0.08	\$0.07
PGF Average FUM (\$m)	\$4.07	\$9.41	\$13.45	\$8.29
PGF Allocation Size / FUM	1.40%	0.48%	0.56%	0.85%
PGF Allocation Size / Deal Size	0.13%	0.17%	0.36%	0.20%

In 2021, our allocation size for individual deals was notably large, constituting 1.40% of our total FUM. This was primarily due to the abundance of IPOs available during that year. We tend to increase our bid sizes for IPOs, as these offerings often present the most liquidity. However, as the IPO market froze in the ensuing years, our bid sizes reflect the lack of IPO activity more recently. As we anticipate a resurgence in IPOs over the next 12 months, we plan to strategically dial up our bid sizes to capitalise on these upcoming opportunities.

Some might contend that using the average deal size doesn't accurately reflect the scope of the transactions in which we engage. This is because the average can be distorted by exceptionally large raises from large-cap companies. While we don't have specific data on the median deal size for transactions we participated in, we can make an educated assumption based on ASX Listing Rule 7.1, which generally permits companies to issue up to 15% of their existing shares. Operating under this assumption, we proceed with the following calculations.

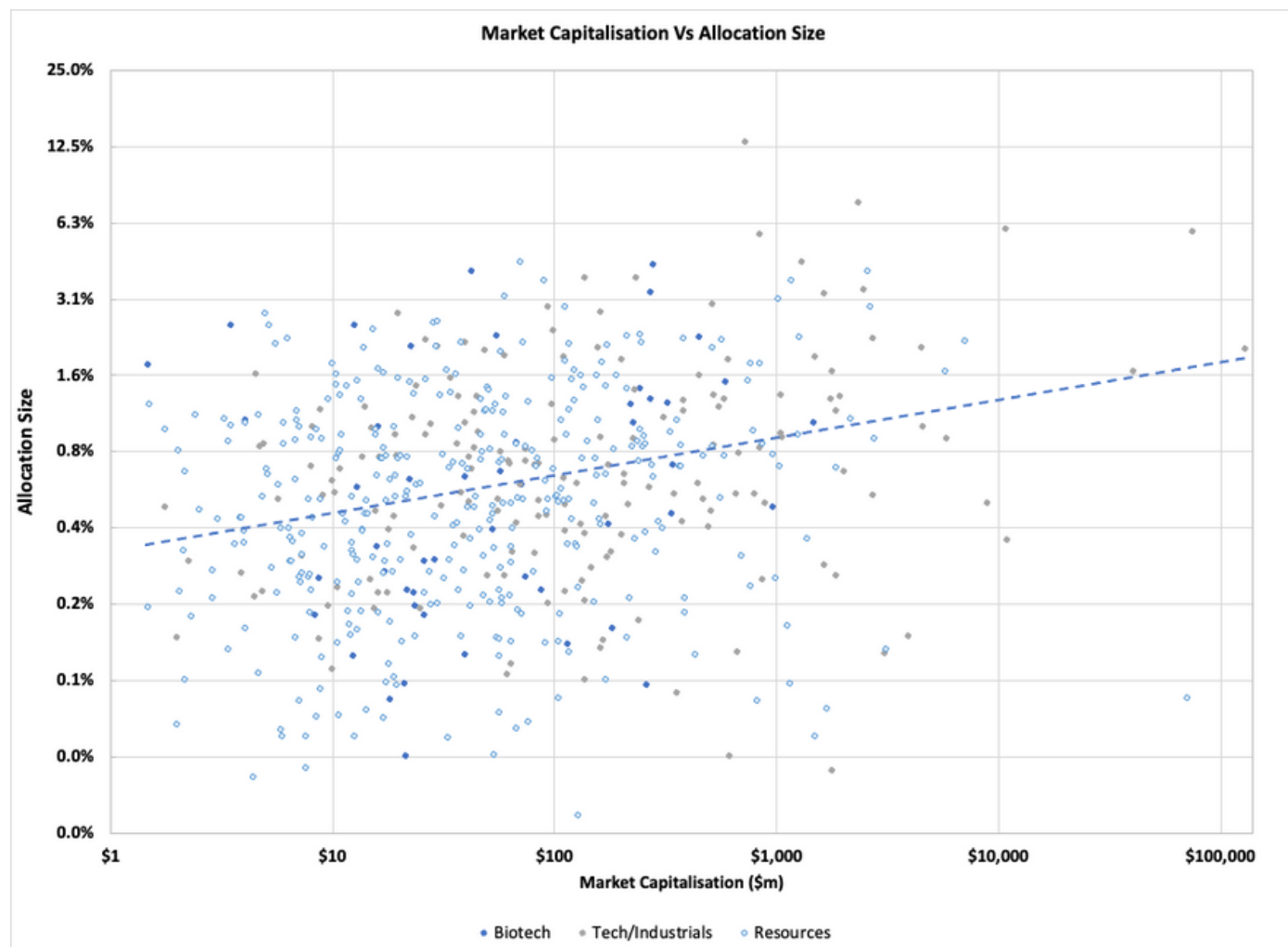
Bucket #1 Historical Data	Total/Average
Median Company Market Cap of All Deals Participated (\$m)	\$56
Deal Size at 15% Capacity (\$m)	\$8.35
PGF Average Allocation Size (\$m)	\$0.07
PGF Allocation Size / Median Deal Size	0.84%

Our current allocation size positions us well for scalability, even as our FUM continue to grow. On a median basis, our allocation remain below 1% of the total deal book, and it drops to just 0.20% on an average basis.

Fund Commentary (Continued)

The scatter chart that follows displays all the direct equity placements and IPOs that PGF has participated in since its inception. These are plotted based on the issuing company's market capitalisation against the final allocation size the fund receives. A noticeable trend emerges: we tend to secure larger allocations because we place larger bids in more sizeable deals, typically issued by larger companies. Although we bid larger in larger raises, the magnitude of the bids are still within the tolerance threshold of our risk management measures.

The chart also reveals the disciplined nature of our bidding process. Our bid sizes are influenced by our calculated estimates of what we are likely to receive in the final allocation. Maintaining this discipline is crucial to our strategy, and we have no plans to deviate from our established process.



Sources: PGF, BSCP ECM Data, ASX

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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