Phoenix Growth Fund

October 2026 Monthly Report

ESTIMATED NET RETURN

−3.67%*

SINCE INCEPTION	BENCHMARK SAME PERIOD	RELATIVE PERFORMANCE
+151.49%	+73.64%	**+77.85%**

INDICATIVE UNIT PRICE	DISTRIBUTIONS PAID (IF CASH)	DISTRIBUTIONS PAID (IF REINVESTED)	FUND SIZE	INCEPTION	POSITIVE MONTHS
$1.5740	$0.6242	$0.9409	$53.8m	8 Feb 2021	52/69 (75.4%)

PERFORMANCE NET OF FEES · AS AT 31 OCTOBER 2026

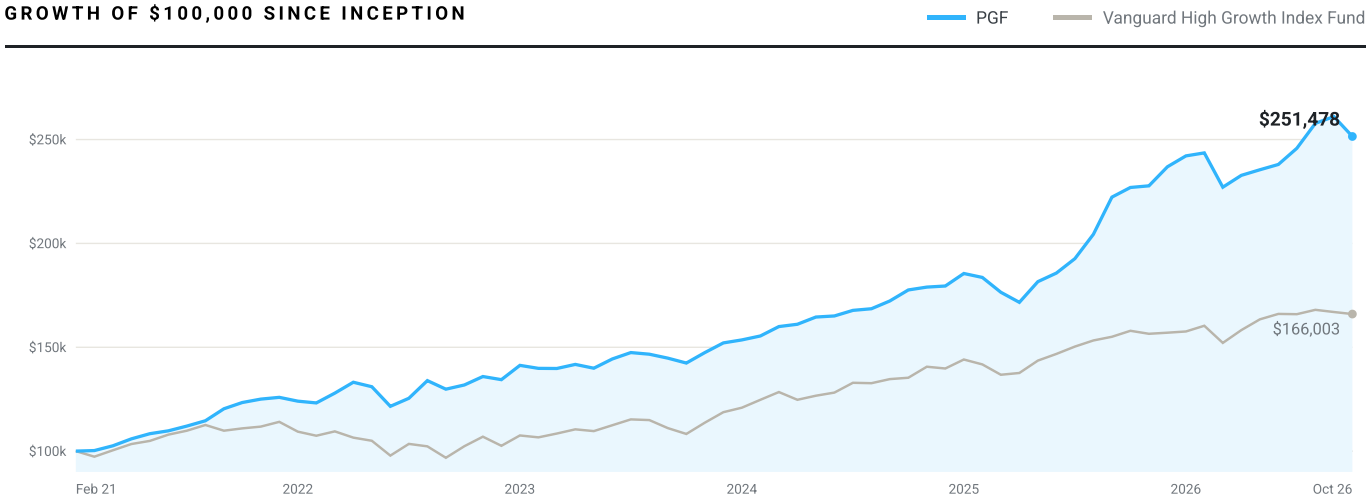
PERIOD	PGF	BENCHMARK	DIFFERENCE
1 Month	−3.67%*	−0.58%	**−3.09%**
3 Months	2.33%	0.02%	**+2.31%**
1 Year	10.83%	5.09%	**+5.74%**
3 Years p.a.	20.87%	15.31%	**+5.56%**
5 Years p.a.	15.30%	8.48%	**+6.82%**
Since Inception	**151.49%**	73.64%	**+77.85%**

Past performance is not indicative of future performance.

MONTHLY RETURNS NET OF FEES

YEAR	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL
2021	–	0.28	2.27	3.25	2.38	1.28	2.06	2.29	5.02	2.52	1.33	0.70	**25.93**
2022	−1.48	−0.68	3.80	4.10	−1.62	−7.21	3.21	6.80	−3.09	1.54	3.08	−1.11	**6.72**
2023	5.12	−1.01	−0.02	1.38	−1.30	3.21	2.13	−0.54	−1.28	−1.64	3.52	3.19	**13.21**
2024	0.93	1.22	2.94	0.69	2.16	0.29	1.63	0.47	2.23	3.08	0.77	0.29	**17.98**
2025	3.36	−1.02	−3.89	−2.73	5.77	2.30	3.74	6.07	8.76	2.08	0.35	4.04	**31.99**
2026	2.19	0.60	−6.76	2.49	1.17	1.07	3.27	4.90	1.26	−3.67*			**6.15***

GROWTH OF $100,000 SINCE INCEPTION



*Latest monthly unit prices and return figures are provided on an estimated basis only and may be subject to change. Inception date is 8 February 2021. The Vanguard High Growth Index Fund is chosen as PGF's benchmark for its representation of ASX and global equity market indices. Distributions paid: FY26 22.99c, FY25 11.77c, FY24 4.02c, FY23 9.61c, FY22 5.12c, FY21 8.91c. Past distribution rates are not indicative of future payments.

Level 6, 7 Macquarie Place, SYDNEY NSW 2000, info@boutiquecapital.com.au

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Fund Commentary

BUCKET #1 · CASH AND ECM

We participated in only 19 deals during the month which is less than half of a usual month. We expect to receive free attaching options from 8 of these deals. It has been a very quiet period in the ECM space given the weakness in small cap indices. That has worked in our favour, as it forced us to preserve capital and build up a large defensive cash and fixed income position which increased from an already elevated 26% in September to 30% in October.

CONTRIBUTORS	
L1 Global Long Short GLS	+16.1%
Minbos Resources MNB	+33.8%

DETRACTORS	
First Mining Gold TSX:FF	−17.3%
Blue Moon Metals TSXV:MOON	−19.5%
Meeka Metals MEK	−23.9%
White Energy WEC	−25.2%
Unity Metals UM1	−25.5%
Piche Resources PR2	−37.1%
Resolution Minerals RML	−45.9%
FBR FBR	−84.2%

Secondary capital raised on the ASX fell to $1.8b in October, down from $5.7b in the same month last year, as the RBA lifted the cash rate for the fifth time this year. Small caps (XSO) fell 6.4% in the month and lagged the ASX 200 by 8%. The flip side is that the deals getting done now come on far more attractive terms. Companies that need capital are raising at deeper discounts to share prices that are already depressed, often with free attaching options. So our entry points are the best we have seen in some time. History shows these conditions do not last. The last time the small cap discount was this wide, near the 2009 GFC lows, it went on to outperform large caps by more than 50% over the next two years. Our large cash position means we are well placed when deal flow returns.

BUCKET #2 · HIGH CONVICTION STOCKS

CONTRIBUTORS	
Light & Wonder LNW	+15.1%
European Lithium EUR/EUROC	+15.1%
Pro Medicus PME	+19.1%

DETRACTORS	
Regal Partners RPL	−6.6%
FDC Consol. Holdings FDC	−9.3%
VanEck Gold Miners GDX	−10.0%
SpaceX SPCX	−10.2%
Benz Mining BNZ	−22.3%
Stellar Resources SRZ	−25.3%
Broken Hill Mines BHM	−40.0%
Strickland Metals STK	−40.6%
Maas Group MGH	−44.9%

The merger of European Lithium into Nasdaq listed Critical Metals completed on 5 November. EUR holders received 0.045 CRML shares for each share and EUROC holders 0.0353 CRML shares for each option, with EUR suspended from the ASX after 27 October. Our combined shares and options returned 15.1% in October.

We also initiated a small new position in Regis Healthcare (REG). The stock has fallen from a 52-week high of $8.20 to as low as $3.85, as the government's AN-ACC funding rose below cost inflation. We feel the sell-off is overdone. Regis grew revenue 16% in FY26 and lifted underlying operating profit 10%. Listed aged care operators have also proven to be takeover targets, with Bain Capital taking over Estia Health private in 2023. At today's depressed price, Regis carries the same appeal especially if regulatory headwind eases.

FUND ANALYTICS

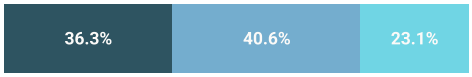
POSITIVE MONTHS	SHARPE RATIO
75.4%	1.31
52 of 69 months	Since inception
UPSIDE CAPTURE	**DOWNSIDE CAPTURE**
0.98	0.31
vs benchmark	vs benchmark

CONTRIBUTION TO NET RETURN



Bucket #1 | Bucket #2 | Bucket #3

EXPOSURE ALLOCATION



Target 50% | Target 35% | Target 15%

Bucket #1	**36.3%**
Cash and fixed interest	30.1%
Placement + IPO (ECM)	6.2%
Bucket #2	**40.6%**
High conviction stocks	40.6%
Bucket #3	**23.1%**
Hedging account	17.5%
Managed funds	2.6%
Unlisted investments	2.9%

TOP 10 LISTED EQUITY POSITIONS

Benz Mining BNZ	3.8%
European Lithium EUR/EUROC	3.5%
Metrics Opportunities MOT	2.9%
SpaceX SPCX	1.4%
EQT Holdings EQT	1.3%
L1 Global Long Short GLS	1.1%
HealthCo Healthcare Wellness HCW	1.1%
Regal Partners RPL	1.1%
Neuren Pharmaceuticals NEU	1.1%
Waratah Minerals WTM	1.0%

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Anthropic IPO (NASDAQ:ANT) ANTHROP\C

A NOTE ON WRITING ABOUT INDIVIDUAL STOCKS

We take considerable care when writing about specific stocks in detail. In the past, we have written in depth on a few select stocks and with a growing reader base, even more considerations are added when publishing about individual stocks. This report aims not to encourage our readers to buy or sell the companies mentioned but to provide insight into some of the opportunities we are seeing in the fund from time to time. This is not a recommendation to purchase any of the stocks mentioned. Our positions in these stocks may change at any time without notice.

We have been aggressively using both ChatGPT and Claude (Anthropic's model) across all aspects of our business. The innovation the models have opened up for a small investment team is tremendous and we are seeing the advances in model capability and enterprise use firsthand. We believe enterprise penetration of AI is only in its infancy. AI capex spending will go through up and down cycles, but the longer term growth trend is inevitable.

Anthropic is very well positioned with a frontier model and an early to market advantage. Revenue went from US$386 million in 2024 to US$4.6 billion in 2025, then US$33.2 billion in the first nine months of 2026 alone and the company's own forecast is circa US$200 billion of revenue in 2028. At the final IPO price of US$83 a share, above the US$70 to US$78 range, the pre-dilution value is around US$1.1 trillion (about US$1.5 trillion fully diluted), or under 6 times 2028 revenue. For a business compounding at this pace and scale, we find that very appealing and in a way very unprecedented.

KEY FIGURES (US$)

Value at $83, pre-dilution	~$1.1t
2028 revenue forecast	$190–200b
Revenue CAGR 2026–2028	~92%
Value / 2028 revenue	~5.6x

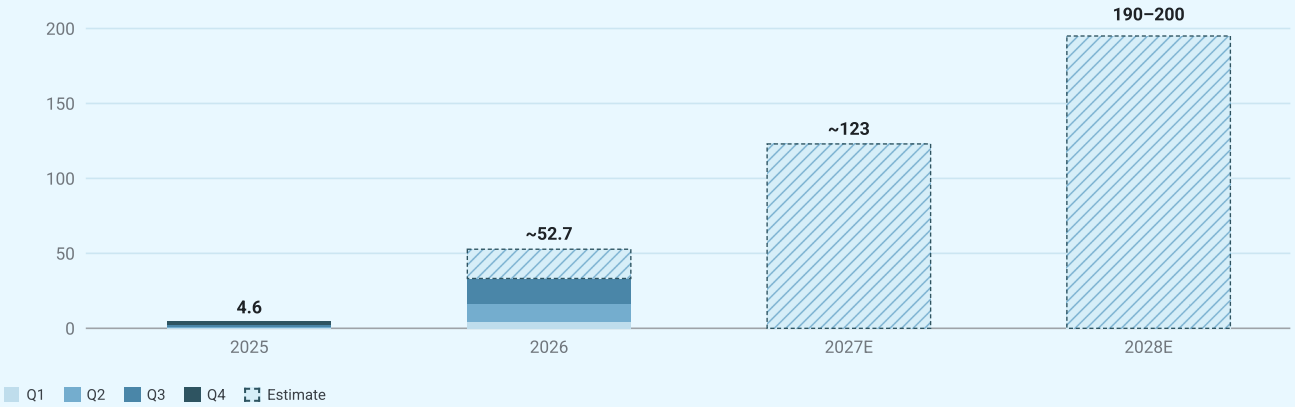
Source: Anthropic S-1 and amendments, Reuters.

AGENTS ARE THE NEXT LEG

We see large potential for further revenue, led by agents. We already run agents across our own workspace, checking emails and organising our daily schedules. One example: our agent sifts through hundreds of broker research notes, company commentary and news articles on the stocks held in PGF, then delivers what matters to us on demand or on a schedule. That sharpens our decision making and massively increases our ability to cover multiple companies at once. This simply could not be done efficiently or proactively without agents.

We are clearly not alone. Anthropic had more than 11,900 customers spending over US$100,000 a year at the end of September, nearly double the number three months earlier.

ANTHROPIC REVENUE BY YEAR (US$B)



Actuals: Anthropic S-1. Q4 2026 (~$19.5b) is a PGF estimate from the reported run-rate. 2027: Decoding Discontinuity central case. 2028: company forecast per Reuters.

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Fund Commentary

BIGGEST BID OF 2026

Our bid of around 20% of fund FUM was strategically sized on a risk-adjusted basis, taking into account the tools for de-risking we have in place. That is a larger bid than we made for SpaceX. The book was reported at six to seven times covered. The deal priced at US$83 on 18 November, above the US$70 to US$78 range, and was upsized to 980 million shares to raise US$81.3 billion. Seven of the largest technology suppliers, including Nvidia, Microsoft and Google, have also committed US$26 billion at the IPO price.

We see the same structure here that we saw in SpaceX, which closed 19% above its US$135 offer price on its first day of trading. A heavily oversubscribed book, a free float of only around 7% of shares on issue and pent-up demand from investors who missed out on allocations all point to strong early trading. Our plan is to take some profit in the early days while retaining a core position for the longer term.

Grey markets are already pricing in a strong debut. As at 18 November, perpetual contracts on Hyperliquid and other platforms were trading Anthropic at around US$100 a share, about 20% above the final US$83 IPO price. We are finding these perpetual grey markets to be very good indicators of day one post listing pricing.

IPO TERMS

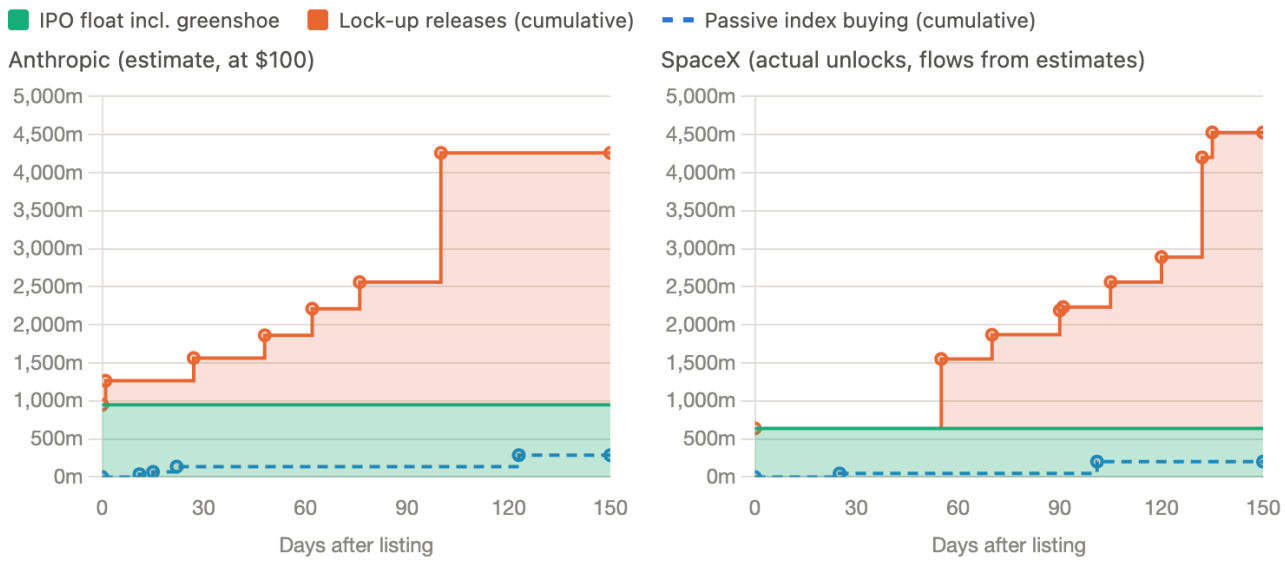
Exchange / ticker	**Nasdaq: ANT**
Final price (range US$70–78)	**US$83**
Gross raise (pre-greenshoe)	**US$81.3b**
Shares offered	**980m**
Supplier placement	**US$26b**
Book coverage (reported)	**6–7x**
Free float	**~7%**
First trade	**19 Nov (US)**

SPACEX DEBUT REFERENCE

IPO price	**US$135**
First-day close	**US$160.95**
First-day gain	**+19.2%**
Peak price	**US$225.64**
Max gain on IPO price	**+67.1%**

FLOAT, LOCK-UPS AND PASSIVE DEMAND: ANTHROPIC VS SPACEX

The supply and demand set-up is very similar to SpaceX. Both list with a tight IPO float including the greenshoe, around 1.1 billion shares for Anthropic after the upsize against about 650 million for SpaceX. Lock-up releases then step up over the first 150 days while passive index buying builds as the stock enters the major indices. The one difference is that Anthropic has a block of around 300 million pre-IPO shares that are free to trade from day one, whereas SpaceX had no unlocks until around day 55.



Source: PGF estimates. Anthropic modelled at US$100 per share on the original 825 million share offer; SpaceX actual unlocks with estimated passive flows.

Whatever the first days of trading bring, we are excited to see a major artificial intelligence company come to the public market. We will be watching its development closely over the coming years.

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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.

THREE STRATEGIES AND THEIR TARGET WEIGHTS

BUCKET #1 **50%**

Cash + ECM (Equity Capital Market) Deals

Cash and Fixed Interest

Placement and IPOs

High turnover, high touch.
Low beta, consistent return profile.

BUCKET #2 **35%**

High Conviction Stocks

Listed ASX and Global Stocks

Low turnover, fundamental driven.
Market beta.

BUCKET #3 **15%**

Alternatives

Options trading strategy

Managed funds

Unlisted investments

Inversely correlated with equity markets.

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
Suggested holding period	3+ years

CONTACT

PORTFOLIO MANAGER
Jack Hu, CFA, BCom
jack@pgf.net.au

RESPONSIBLE MANAGER
Benjamin Peters, GDFP
ben@pgf.net.au

OPERATION MANAGER
Alice Zhang
alice@pgf.net.au

APPLICATION AND REDEMPTIONS

registrydirect.com.au/offer/phoenix-growth-fund

www.pgf.net.au

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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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