



**MONTHLY REPORT**  
**NOVEMBER 2024**

**Unit Price and FUM**

<b>Indicative Unit Price</b>	<b>\$1.4034<sup>A</sup></b>	<b>FUM Size</b>	<b>\$25.7 Million</b>
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Past distributions paid: FY24: 4.02c, FY23: 9.61c, FY22 5.12c, FY21 8.91c.

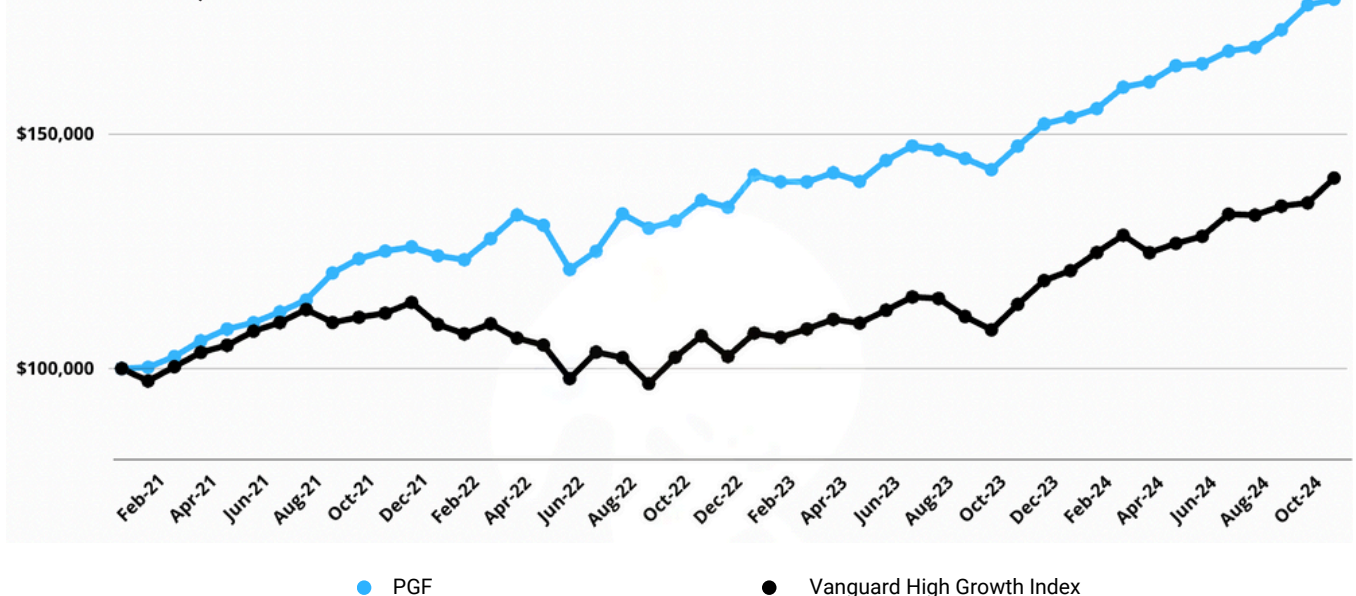
**Performance Table Net of Fees**

As at 30 November 2024	PGF	Vanguard High Growth Index Fund	Difference
1 Month	<b>0.67%</b>	3.91%	-3.24%
3 Months	<b>6.08%</b>	5.95%	0.13%
1 Year	<b>24.69%</b>	23.67%	1.02%
3 Years p.a.	<b>12.65%</b>	8.09%	4.56%
Since Inception*	<b>78.79%</b>	41.21%	37.58%

**Monthly Performances Net of Fees**

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total Return %
2021	-	0.28	2.28	3.28	2.36	1.28	2.06	2.29	5.02	2.52	1.33	0.70	<b>25.95</b>
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	<b>6.72</b>
2023	5.12	-1.01	-0.02	1.38	-1.30	3.21	2.13	-0.54	-1.28	-1.64	3.53	3.19	<b>13.21</b>
2024	0.93	1.22	2.94	0.69	2.16	0.26	1.63	0.47	2.23	3.08	0.67		<b>17.51</b>

**Growth of \$100,000**



\*Inception date is 8 February 2021. Vanguard High Growth Index Fund is chosen as PGF's benchmark for its representation of ASX and global equity market indices.  
<sup>A</sup>The latest monthly unit prices and return figures are provided on an estimated basis only and may be subject to change.

## Top 10 Listed Equity Positions

Stock Name	Portfolio Weight
S&P Biotech ETF (ASX:CURE/NYSE:XBI)	1.9%
Platinum Asia (ASX:PAI)	1.7%
VanEck Gold Miners (ASX:GDX)	1.7%
Block Inc CDI (ASX:SQ2)	1.7%
Neuren Pharmaceuticals (ASX:NEU)	1.6%
Platinum Capital (ASX:PMC)	1.5%
Kaiser Reef (ASX:KAU)	1.5%
Tesla (NASDAQ:TSLA)	1.3%
Salter Brothers (ASX:SB2)	1.2%
Pinnacle Investments (ASX:PNI)	1.0%

## Exposure Allocation

Strategy Bucket Allocation	Portfolio Weight
#1 Cash and Fixed Interest Placement + IPO (ECM)	8.3%
#2 High Conviction Stocks	37.1%
#3 Options Account	32.6%
Managed Funds	9.3%
Unlisted Investments	6.3%
	6.4%

## Fund Analytics

# of Positive Months	36/46 (78.3%)
Upside Capture	0.73
Downside Capture	0.11

## Fund Commentary

PGF's estimated return for November was +0.67%, underperforming the Vanguard High Growth Index Fund, which posted a +3.91% return. During the same period, the ASX 200 Accumulation Index rose by +3.79%, while the MSCI World Ex-Australia Index increased by +5.18%. PGF did not have significant exposure to Australian banking stocks or US technology stocks which have contributed to the bulk of the gains.

In November, under our Bucket #1 strategy, PGF participated in 37 placements, 2 block trades, and 4 IPOs, with expectations of receiving free attaching options in 10 of these deals. Although most of these options are yet to be issued, we anticipate their allocation to the fund over the coming months. Deal flow slowed compared to October but remained relatively robust.

Key contributors to returns in November included Gryphon Capital (ASX:GCI) +6.2%, Propel Holdings (TSX:RPL) +6.8%, Artrya (ASX:AYA) +9.9%, Peak Rare Earths (ASX:PEK) +17.3%, C29 Metals (ASX:C29) +23.7%, Black Cat Syndicate (ASX:BC8) +27.1%, Benz Mining (ASX:BNZ) +47.2%, and Gratifii (ASX:GTI) +51.0%. The main detractors within this strategy were Novatti Group (ASX:NOV) -10.2%, Meeka (ASX:MEK) -10.9%, Symal Group (ASX:SYL) -12.6%, Imagion Bio (ASX:IBX) -29.6%, QEM (ASX:QEM) -32.4%, Au Mega (AAM) -32.4%, and Infinity Mining (ASX:IMI) -53.3%. The Symal IPO failed to excite the market, with the stock trading near the IPO price of \$1.85 at its debut but closing at \$1.60 at the end of the month.

Our Bucket #2 high-conviction, longer-term positions fared better. Notable contributors included Metro Mining (ASX:MMI) +7.8%, NexGen Energy (ASX:NXG) +9.6%, Regal Partners (ASX:RPL) +9.9%, ZIP Co (ASX:ZIP) +13.3%, Life360 (ASX:360) +15.2%, Paragon Care (ASX:PGC) +18.2%, Alfabs Australia (ASX:AAL) +23.6%, Pinnacle (ASX:PNI) +24.4%, Tesla (NASDAQ:TSLA) +30.7%, Gentrack (ASX:GTK) +42.0%, and EML Payments (ASX:EML) +44.6%. Tesla stock surged following Donald Trump's victory in the U.S. presidential election, with Elon Musk's close relationship with Trump seen as a driver of investor optimism. Musk, a vocal supporter of Trump, has benefitted from Trump's pro-business stance and regulatory policies favouring Tesla. However, we believe Tesla has run ahead of itself in the short term, and we took the opportunity to trim our position slightly.

Key detractors in our long-term strategy bucket included Platinum Capital (ASX:PMC) -5.5% and Platinum Asia (ASX:PAI) -7.3%, as China's weakness and delays in their conversion to ETFs extended the timeline by three months. We are not overly concerned about this development, as the original investment thesis remains intact, though the time for the discount to permanently close has lengthened by a few months. Separately, Gold Miners (ASX:GDX) -7.7%, Newmont (ASX:NEM) -8.3%, Astron Corp (ASX:ATR) -10.6%, and Alibaba (HKG:9988) -10.9% also detracted from the fund's overall return.

## **Bauxite**

Bauxite is refined into alumina (aluminium oxide) and then smelted into aluminium, which is widely used in transportation, construction, packaging, and decarbonisation technologies like electric vehicles, batteries, and solar panels. Found mainly in Australia, Guinea and Indonesia, with China being the largest consumer due to its vast aluminium production needs.

Bauxite prices have surged to record highs, with benchmark Guinea-grade bauxite reaching US\$112 per tonne in early December, a 59% increase since the beginning of the year. Australian bauxite, which has a higher silica content and thus commands a lower price has also recently hit a record US\$88 per tonne as Chinese buyers increasingly diversify their supply sources.

## **Metro Mining (ASX:MMI)**

Metro Mining is one of the few pure-play bauxite producers listed on the ASX. The company operates the Bauxite Hills Mine in Cape York, Queensland, with a market capitalisation of A\$345 million and a net debt profile of approximately A\$70 million. Despite the current bauxite price boom, Metro has not been fully rewarded by the market, likely due to concerns about its debt levels, production challenges, and doubts over the sustainability of high bauxite prices. These factors contribute to Metro trading at a relatively low valuation, with a forecast 2025 EV/EBITDA multiple of 2.5x, using an assumed Australian bauxite price of A\$66 per tonne. Note that the recent Australian bauxite price hit US\$88 (A\$137) per tonne as mentioned previously.

We first invested in Metro Mining in March this year at under 4 cents per share, recognising its potential upside amidst the bauxite price run. While we continue to hold a modest position in Metro, we have been gradually reducing our exposure and rotating the sale proceeds into VBX Limited.

## **VBX Limited - A High Growth Play**

We recently participated in VBX Limited's pre-IPO raise at 40 cents per share, gaining exposure to an early-stage, high-quality bauxite developer. VBX's Wuudagu Bauxite Project in Western Australia is distinguished by its low silica and high alumina content, which commands a premium in the market. The mine is located just 30 kilometres from a deep-water port, providing cost-efficient export routes to global markets.

While VBX has a smaller production scale (targeting 3.5 Mtpa) compared to Metro's 6.5 Mtpa, it offers the potential for higher margins due to its product quality and competitive cost base. At the pre-IPO price, VBX's enterprise value is just A\$24 million, compared to Metro's A\$400 million+. Even after factoring in the capital raises required to bring VBX into production, we believe we are not paying a lot for VBX at all.

**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 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 Metro Mining or VBX. Our positions in these stocks may change at any time without notice.**

## 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

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### Responsible Manager

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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/>

## Disclaimer

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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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