



MONTHLY REPORT

MAY 2024

Unit Price and FUM

Indicative Unit Price

\$1.3290[^]

FUM Size

\$21.0 Million

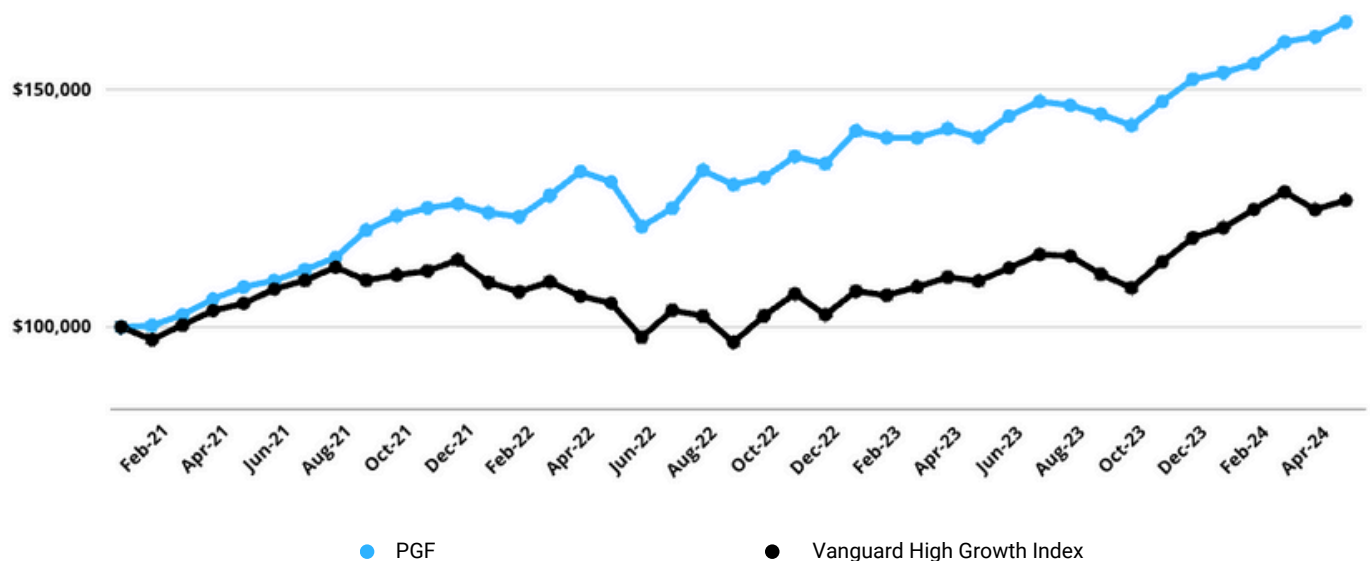
Past distributions paid: FY23: 9.61c, FY22 5.12c, FY21 8.91c.

Performance Table Net of Fees

As at 31 May 2024	PGF	Vanguard High Growth Index Fund	Difference
1 Month	1.92%	1.59%	0.33%
3 Months	5.64%	1.55%	4.09%
1 Year	17.36%	15.51%	1.85%
3 Years p.a.	16.04%	6.62%	9.42%
Since Inception*	64.21%	27.21%	37.00%

Monthly Performance Net of Fees and Growth of \$100,000

Return %	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	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	3.21	2.13	-0.54	-1.28	-1.64	3.53	3.19	13.21
2024	0.93	1.22	2.94	0.69	1.92								7.92



*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.

[^]The latest monthly unit prices and return figures 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
S&P Biotech ETF (ASX:CURE/NYSE:XBI)	4.3%
Magellan Global (ASX:MGF)	3.0%
Neuren Pharmaceuticals (ASX:NEU)	2.6%
Santos (ASX:STO)	1.8%
VanEck Gold Miners (ASX:GDX)	1.8%
Nick Scali (ASX:NCK)	1.4%
Meta Platforms (NASDAQ:META)	1.4%
Stanmore Resources (ASX:SMR)	1.3%
Whitehaven (ASX:WHC)	1.2%
NextDC (ASX:NXT)	0.9%

Exposure Allocation

Strategy Bucket Allocation	Portfolio Weight
#1 Cash and Fixed Interest Placement + IPO (ECM)	4.7%
#2 High Conviction Stocks	41.2%
#3 Options Account Managed Funds Unlisted Investments	9.0% 6.5% 9.4%

Fund Analytics

# of Positive Months	28/40 (70.0%)
Upside Capture	0.74
Downside Capture	0.13

Fund Commentary

PGF's estimated return for May was +1.92%, compared to the Vanguard High Growth Index Fund's +1.59%. During the same period, the ASX 200 Accumulation Index rose +0.92%, and the MSCI World Ex-Australia Index increased by +2.02%. US equity markets were a strong contributor to MSCI's return during May as major US indices bounced back from their April sell-off.

This month, under our Bucket #1 strategy, PGF participated in 38 placements, 5 IPOs and 3 block trades, with the anticipation of receiving free attaching options in 17 of these deals. The issuance of most of these options is pending, and we expect them to be allocated to the fund over the coming months. Deal flow was very strong again in May, and we expect this trend to continue given the market backdrop. Our cash level is now among the lowest it has ever been at just 4.7% of the total portfolio.

Top performers included Dalrymple Bay (ASX:DBI) +12.4%, Regal Partners (ASX:RPL) +14.0%, Metro Mining (ASX:MMI) +21.2%, Coda Minerals (ASX:COD) +29.6%, The Calmer Co (ASX:CCO) +35.4%, Murray Cod (ASX:MCA) +42.9%, Hyterra (ASX:HYT) +43.3%, Stellar Resources (ASX:SRZ) +52.1%, Turaco Gold (ASX:TCG) +58.3%, Helix Resources (ASX:HLX) +63.8% and Metals Grove (ASX:MGA) +100.0%. Regal was part of our Bucket #2 high conviction holds, and we had the opportunity to top up at \$2.84 via a block trade. We continued to increase our Regal position in June, recognising that the market has underappreciated the significant performance fees it is set to generate in the current and upcoming earning periods. Regal is experiencing strong growth both organically and through acquisitions, all while trading at an attractive valuation multiple.

Main detractors in our deal flow strategy were Nick Scali (ASX:NCK) -2.8%, Clean Teq Waster (ASX:CNQ) -8.8%, Brazilian Critical Minerals (ASX:BCM) -13.0%, Cufe (ASX:CUF) -15.0% and Manuka Resources (ASX:MKR) -32.7%. Nick Scali raised at \$13.20 to acquire the specialist UK home furniture retailer, Fabb. The market initially loved the acquisition, pushing Nick Scali to as high as \$16 following the placement, only to see the share price dropping afterwards as domestic consumer readings came in weaker than expected. We believe in management's ability to execute and used the placement as an opportunity to top up our longer-term Nick Scali holding. We topped up our Stellar position at 1.9 cents along with Paradise and Regal both joining the register as substantial shareholders.

In our Bucket #2 high conviction strategy, key positive contributions came from Meta Platforms (NASDAQ:META) +6.7%, Tencent (HKG:700) +7.8%, NextDC (ASX:NXT) +10.3%, Life360 (ASX:360) +11.1%, Richemont (SIX:CFR) +11.6%, Neuren (ASX:NEU) +11.8%, A2 Milk (ASX:A2M) +14.0%, Pinnacle (ASX:PNI) +16.3% and Gentrack (ASX:GTK) +17.3%. Detractors were Flight Centre (ASX:FLT) -11.1%, Entain (LON:ENT) -14.4% and Opthea (ASX:OPT) -19.1%.

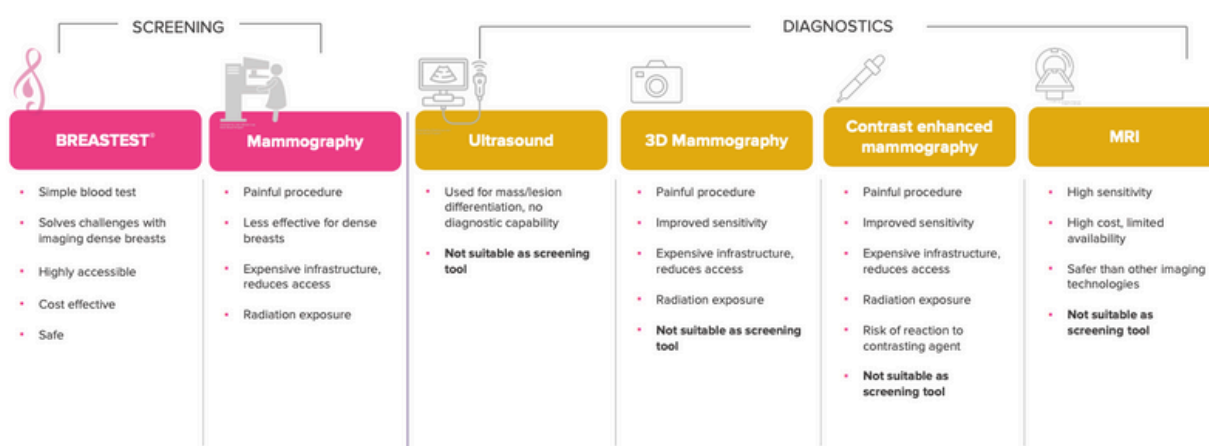
BCAL Diagnostics Limited (ASX:BDX)

BCAL Diagnostics (BDX) is a screening and diagnostic company focused on transforming breast cancer detection. The company's flagship product, BREASTEST®, is a blood test designed to identify early-stage breast cancer. This non-invasive test offers a patient-friendly and potentially more effective alternative to traditional mammography.

Mammography, the current standard for breast cancer screening, faces several challenges: it can produce false positives and negatives, is less effective in women with dense breast tissue, involves a time-consuming process, and is often uncomfortable due to breast compression and radiation exposure. Mammograms are offered free of charge for Medicare holders in Australia for those aged 50-74 once every two years. However, the national age-standardised participation rate for free mammogram screenings among women aged 50-74 was only 54% in 2022. The rate remains low due to factors such as awareness, accessibility, cultural beliefs, and fear of the procedure.

In contrast, BCAL's procedure is a simple standard blood test that can be done at the GP, which is then sent to its North Ryde lab, negating many of the challenges associated with mammograms.

BREASTEST® WILL BE USED AS A SCREENING TOOL



BREASTEST® vs. Current Screening and Diagnostics Options, Source: BDX Corporate Presentation May 2024

To commercially release the BREASTEST® blood test, BCAL Diagnostics must complete the final stages of the SENSIBLE-3 study, finalise the lipid panel and diagnostic algorithm, and achieve NATA accreditation. Successful completion of these steps will support regulatory approval and market entry in Australia by late 2024 and in the US, Europe in future years. NATA accreditation will allow BCAL to legally market and sell the test in Australia, confirming its compliance with high standards and enhancing credibility and market acceptance.

BCAL Diagnostics has indicated that NATA accreditation may be achieved in the second half of 2024, presenting a significant catalyst for the company. While nothing is guaranteed in investing and we may be completely wrong, our observations of the board, management quality, previous studies, and feedback from industry experts have been positive, increasing our confidence in a potential accreditation.

Achieving NATA accreditation will be a pivotal event for BCAL, as its current market capitalisation pales in comparison to the commercial potential of their product.

BCAL Diagnostics Limited (ASX:BDX) - Continued

PGF participated in the recent placement, which raised \$10.5 million at 10 cents per share. This funding will see BDX being fully funded until NATA accreditation. First revenue should flow soon after, and the economics of each test look as follows:

BREASTEST® Economics (AUD)	Number of Tests (Capacity or Missed Mammograms)	Revenue Per Test	Cost Per Test	Gross Profit Per Test	Total Gross Profit	Current Fully Diluted Market Cap
1st Full Year at Current Lab Capacity	40,000	\$300	\$120	\$180	\$7m	\$36m
Potential Australian Tests	800,000				\$144m	
Potential US and Europe Tests	29,000,000				\$5,220m	

Source: PGF estimates

Based on BCAL Diagnostics' current lab capacity of 40,000 tests per year, a crude back-of-the-envelope calculation suggests substantial revenue potential. With each test generating \$300 in revenue and costing \$120, the gross profit per test is \$180. At full capacity, just 40,000 tests equate to an annual gross profit of \$7.2 million. Note this is a simple calculation and does not account for corporate costs, research and development, scaling costs, or potential price adjustments.

The potential addressable market for BREASTEST®, however, is much larger than 40,000 tests. In Australia, approximately 800,000 mammogram screenings are missed annually by those who choose not to participate. In the US and Europe, this figure rises to an estimated 29 million missed screens. Additionally, BREASTEST® is designed to complement mammograms, potentially adding an additional 46.7 million tests on top of the figures already quoted. This obviously very blue-sky scenario displays the asymmetrical return potential of the company.

While BCAL Diagnostics presents a compelling opportunity, the business carries inherent risks. The most significant risk lies in the relatively binary nature of obtaining regulatory approval, which can make or break the company. Additionally, the sales cycle in the healthcare sector can be lengthy and complex, involving multiple stakeholders and rigorous validation processes. However, much of the work has already been done, the development of the test has been 14 years in the making and BCAL is close to a pivotal moment in its history.

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 company 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 BDX. Again, BDX is a highly speculative stock, and our position in BDX may change at any time without notice.

If for nothing else, we hope this report serves as a reminder for those eligible to take up their mammogram test.

Sources and References

[1] *MST BCAL Diagnostics Initiation of Coverage 25 October 2021*

[2] *MST BCAL Diagnostics Update 22 February 2024*

[3] *BDX Diagnostics Company Announcements and Company Website*

[4] *BreastScreen NSW*

[5] *Australian Government - Department of Health and Aged Care - Book Your Free BreastScreen Mammogram Appointment*

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, BCom | jack@pgf.net.au

Responsible Manager

Benjamin Peters, GDFP | ben@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

Application and Redemptions

<https://www.registrydirect.com.au/offer/phoenix-growth-fund/>

Website

<https://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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