

ACORN CAPITAL MICRO OPPORTUNITIES FUND

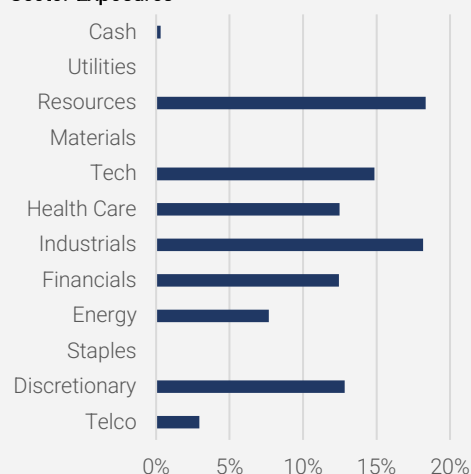


INVESTMENT UPDATE
December 2024

Top 5 Stocks

Company	Sector
Aroa Biosurgery	Health Care
Eroad	Tech
SRG Global	Industrials
Vysarn	Industrials
Meeka Metals	Resources
Weight Top 5	18.9%

Sector Exposures

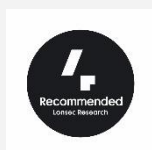


Fund Overview

APIR Code	ACQ4764AU
Benchmark	S&P ASX Emerging Companies Accumulation Index
Distributions	Annual
Management Fee	1.20%
Incentive Fee	20% above benchmark
Highwater mark	Yes
Responsible Entity	Evolution Trustees Ltd
Pricing frequency	Daily
Min. investment	\$20,000

Ratings*

Lonsec "Recommended"



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Commentary ¹

The portfolio returned -1.1% in the December quarter, underperforming the S&P/ASX Emerging Companies Index which was flat at 0.1%.

The portfolio generated positive relative outperformance in the Resources, Healthcare and Communication Services sectors but relative underperformance in the Energy, Consumer Discretionary and IT sectors led to the quarter's overall underperformance.

The benchmark's flat return for the quarter was driven by the Resources sector's -2.2% contribution being offset by the Information Technology sectors +2.1% contribution. Selling in the Resources sector was widespread rather than commodity specific while the Information Technology sector saw a handful of companies drive the sector return (Bravura Solutions +63.6%, Catapult Group +52.7% and Appen +34.7%).

Over the quarter positive portfolio performance from the Communications Services (Superloop +27.1%), Information Technology (Catapult +52.8%, Appen +37.0%) and Healthcare sectors (Aroa +36.5%, Opthea +24.1%) was offset by declines in the Energy (Peninsula Energy -33.1%, Elixir Energy -64.0%) and Resources sectors (St Barbara -45.5%, Brightstar Resources -14.2%).

At the end of the quarter the portfolio held 65 stocks with the top 10 representing 31.1% and a cash holding of 0.3%.

Performance

	1 mth %	3 mth %	6 mth %	1 year %	3 year %pa.	Since incept. % pa
Micro Opportunities Fund ²	-0.27	-1.06	10.05	15.39	-3.97	11.79
Benchmark	0.74	0.09	9.66	15.70	-3.69	15.26
Alpha	-1.01	-1.15	+0.39	-0.31	-0.28	-3.47

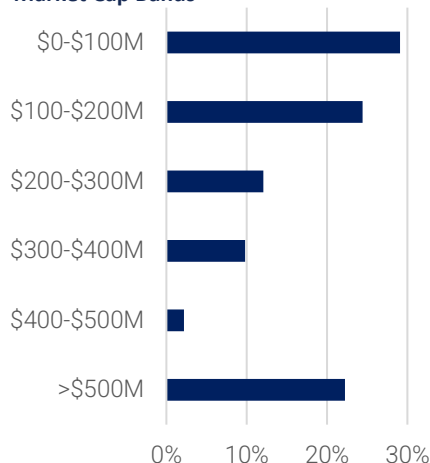
Quarterly Attribution

Contributors			Detractors		
Company	Sector	Impact %	Company	Sector	Impact %
Aroa Biosurgery	Health Care	+1.38	Marketplacer	Discretionary	-0.62
Meeka Metals	Resources	+0.89	Elixir Energy	Energy	-0.84
Superloop	Telco	+0.73	Peninsula Energy	Energy	-1.01

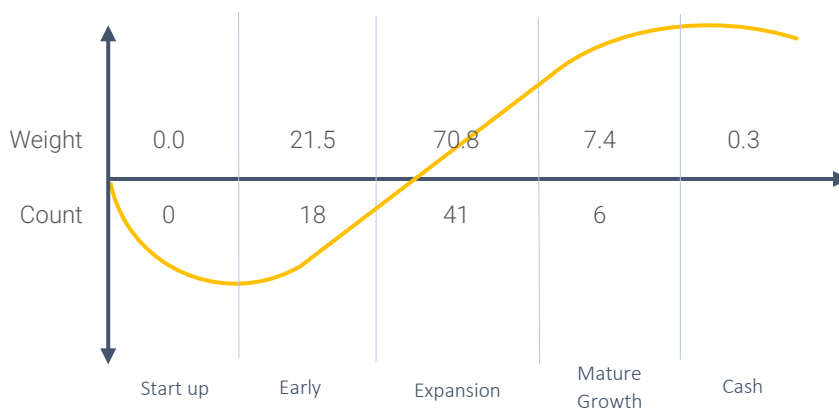
1. Commentary for quarter of December 2024 2. Net performance is based on redemption price for the period, after all fees and costs. Assumes all distributions are reinvested.



Market Cap Bands



Stage Of Development ¹



Fund Commentary

Notable positive portfolio contributors during the quarter include:

Aroa Biosurgery (+36.5%) reaffirmed FY25 guidance and also released strong real world clinical data of its soft tissue reconstruction device 'Myriad' in limb salvage which showed a high level of clinical efficiency with no infections at a price point materially lower than existing dermal substitutes. This data will support continued commercial uptake of the fast-growing Myriad franchise. In addition, during the quarter Aroa's commercialisation partner Tela Bio raised further equity capital to fuel ongoing sales growth in the Ovitex franchise, which is approximately half of Aroa's current revenue.

Meeka Metals (+45.4%) is advancing the upgrade and start-up of its Murchison Gold Project in Western Australia. The gain in share price occurred despite completing a large capital raise (about \$35m) to replace an expensive gold loan. The company is now unhedged and has no debt, so is fully exposed to the gold price. Newsflow should be strong in the coming months as the company announces results of grade control drilling, study updates and the nearing of production.

Superloop (+27.1%) provided a trading update that reaffirmed FY25 EBITDA guidance of \$83m-\$88m and showed continued momentum in all underlying business divisions, particularly in the Business and Wholesale divisions. The company delivered the successful migration of Origin Energy broadband customers to the Superloop network which underpins FY25 guidance. The company also announced the savvy acquisition of Uecomm from Optus of \$17.5m providing over 2000km of fibre networks in Sydney, Melbourne and Brisbane, complementing their existing network.

Notable negative portfolio contributors during the month included:

Peninsula Energy (-33.1%) fell sharply on announcing a modest increase in capex (about US\$9.5m) and flow rates about 30% below forecasts from the first wellfield being developed at their uranium project in the US. This was disappointing and the company now requires debt or an alternate source of capital to get through commissioning.

Elixir Energy (-64.0%) fell sharply after announcing much lower flow rates than expected from a recent exploration well. This was not expected after initial positive results. However, delays caused by equipment availability appear to have compromised the well. We have exited the stock during the month.

Marketplacer (Unlisted -30.2%) successfully raised \$20 million via a convertible note offering, which was strongly supported by existing shareholders. While the company is demonstrating meaningful growth, the market's subdued appetite for cash flow negative companies (Marketplacer is projected to breakeven this calendar year) has weighed on the valuation achieved through the convertible note pricing. We remain optimistic about the outlook for Marketplacer, particularly as some of its major contracts start to mature with management projecting a return to positive cash flow by October 2025. The valuation mark for Marketplacer reflects the convertible note pricing.

1. As defined by Acorn Capital

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