

# ACORN CAPITAL MICRO OPPORTUNITIES FUND

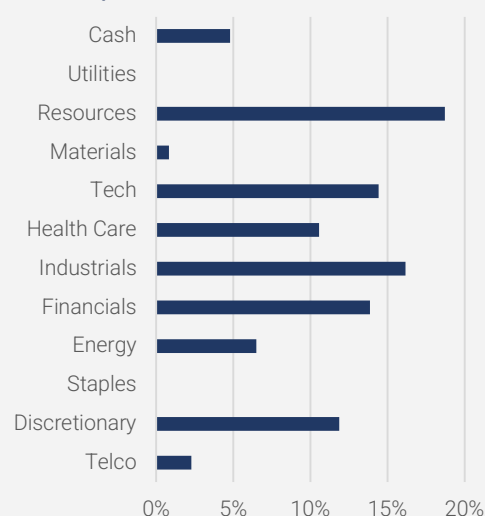


INVESTMENT UPDATE  
February 2025

## Top 5 Stocks

Company	Sector
Aroa Biosurgery	Health Care
Eroad	Tech
Meeka Metals	Resources
Pantoro	Resources
Vysarn	Industrials
Weight Top 5	17%

## Sector Exposures

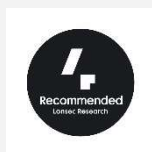


## Fund Overview

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 <sup>1</sup>

In February, the S&P/ASX Emerging Companies Index (XECAL) fell by 1.96%, outperforming the S&P ASX Small Ordinaries Index, which declined by 2.80%. The market experienced continued volatility during the month, amplified by a high volume of interim and annual results reporting. UBS noted that share prices were especially volatile on reporting days, with average intraday swings of approximately 7%. Resources remained the benchmark's best-performing sector, rising 2.4% in February—a performance largely driven by strong gains in gold stocks, with the top five resource names each posting returns in excess of 15%. Conversely, the IT sector underperformed, primarily due to Appen's steep decline of 52.6% following its annual results.

The portfolio recorded a return of -5.61% for the month, underperforming the benchmark by 3.65%. The most significant detractor was BSA, which fell 91.8% after it was announced that a material contract with NBN would not be renewed or awarded. BSA was considered a calculated risk and was therefore limited to 1% of the portfolio. We believed that there was a reasonable chance of BSA securing the NBN contract—either fully or partially—which would have generated a significant valuation uplift through fully franked dividends and potential corporate actions. Despite the adverse outcome, we will maintain a focus on pursuing asymmetric opportunities identified through our research, confident in our risk management and portfolio diversification framework to support exposure to prospects with the potential for outsized returns.

On a positive note, the Resources sector within the portfolio was the strongest performer, rising by 2.76%, again buoyed by our exposure to gold. In particular, Meeka Metals and Pantoro experienced notable gains on the back of positive drilling results, while Predictive Discovery advanced following significant strategic investments from two major gold mining companies.

## Performance

	1 mth %	3 mth %	6 mth %	1 year %	3 year % pa.	Since incept. % pa
Micro Opportunities Fund <sup>2</sup>	-5.61	-4.00	0.46	18.10	-1.68	10.48
Benchmark	-1.96	-0.86	5.59	14.23	-1.00	14.31
Alpha	-3.65	-3.14	-5.13	+3.87	-0.68	-3.83

## Attribution

Contributors			Detractors		
Company	Sector	Impact %	Company	Sector	Impact %
Meeka Metals	Resources	0.63	BSA Limited	Industrials	-1.02
Pantoro	Resources	0.44	Appen	Tech	-0.84
Predictive Discovery	Resources	0.28	Petratherm	Resources	-0.60

1. Commentary for month of February 2025 2. Net performance is based on redemption price for the period, after all fees and costs. Assumes all distributions are reinvested.

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