

ACORN CAPITAL MICRO OPPORTUNITIES FUND

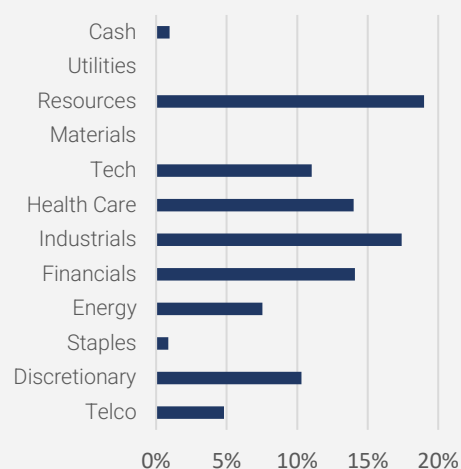


INVESTMENT UPDATE
June 2024

Top 5 Stocks Held

Company	Sector
Aroa Biosurgery	Health Care
Clarity Pharmaceuticals	Health Care
Global Data Centre Group	Financials
SRG Global	Industrials
Superloop	Telco
Weight Top 5	18.9%

Sector Exposures

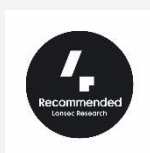


Fund Overview

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 generated a +2.9% return in the June quarter, outperforming the S&P/ASX Emerging Companies Index (-0.5%). The portfolio generated positive quarterly returns in 8 of 12 industry sectors led by Health Care (+16.8%), REITs (+24.7%) and Industrial Ex-Capital Goods (+17.9%). Relative outperformance versus the benchmark was driven by holdings in the Healthcare, Discretionary, Energy and REITs sectors.

Of note was the increase in corporate activity in the quarter, led by the successful Guzman y Gomez IPO, heralding a potential reopening of primary capital markets. The portfolio's MRM position benefitted from receiving a higher offer, while Webjet is exploring a demerger and Myer announcing the proposed acquisition of Premier's apparel brands for scrip bringing them closer together, and CAJ/IDX a potential merger. While a decline in interest rates and the cost of capital appears to have been delayed, stalling the microcap rally since November 2023, microcap stocks have outperformed the larger indices over the past 3 and 6 months, following a sustained period of underperformance through 2022-23.

The portfolio holds 68 stocks with the top 10 representing 30.5%, and a cash position of 1.0% at the end of the quarter.

Performance

	Since incept. % pa	3 year % pa.	1 year %	6 mth %	3 mth %	1 mth %
Micro Opportunities Fund ²	10.72	-3.20	7.62	4.85	2.89	-1.08
Benchmark	14.67	1.56	5.29	5.51	-0.46	-3.73
Alpha	-3.95	-4.76	+2.33	-0.66	+3.35	+2.65

Quarterly Contributors/Detractors

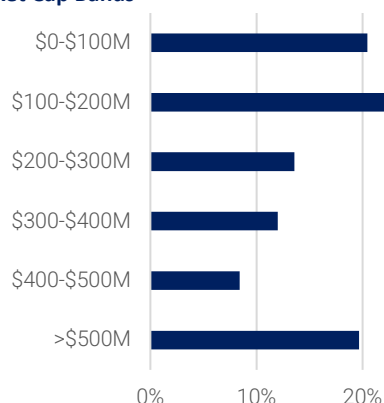
Contributors			Detractors		
Company	Sector	Impact %	Company	Sector	Impact %
Clarity Pharma	Health Care	2.94	NextEd	Discretionary	-0.64
Mitre Mining Corp	Resources	1.10	Wisr	Financials	-0.73
Global Data Centre	Financials	0.86	Meteoric Res.	Resources	-1.34

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

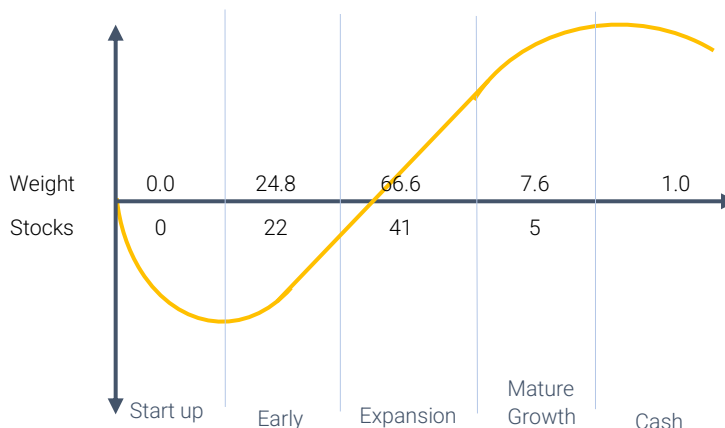




Market Cap Bands



Stage Of Development ¹



Fund Commentary

Notable positive portfolio contributors during the June 2024 quarter include:

Clarity Pharmaceuticals (+100.0%) Clarity announced in April that the first patient to receive multiple doses (2 doses) of their prostate cancer therapy (Cu-67 SAR-bisPSMA) had a complete response (no trace of tumour detectable). This followed several patients experiencing large declines in PSA after a single dose of the therapy. The therapy program is still early but signs are very promising in a sector that is currently experiencing high levels of M&A activity as large pharmaceutical companies establish radiopharmaceutical franchises within their oncology businesses.

Mitre Mining Corporation (+81.5%) owns the Cerro Bayo silver-gold mine in Chile and benefitted for a strong rise in silver prices during the quarter. Cerro Bayo is currently on care and maintenance, and thus has the potential to restart production quickly with modest capital expenditure. The company is currently drilling several high-quality targets and should generate good news flow over the coming months. Furthermore, the rarity of quality silver stocks on the ASX means there is limited competition for investors wanting to get exposure to the rising silver price.

Global Data Centre (+39.4%) Global Data Centre completed two significant divestments over the quarter. The first, in April, involved the sale of its Perth Data Centre for \$39 million. In May, GDC divested its European edge data centre platform, Etix, for net proceeds of \$175 million, equating to \$2.26 per security, a 52% increase on the carrying value of the Etix investment. The remaining investment is a 1% stake in Air Trunk through Macquarie Asset Management, with recent news articles speculating bids for Air Trunk at a \$15 billion valuation. The final bids should conclude over the next 6 months.

Notable negative portfolio contributors during the June 2024 quarter included:

Meteoric Resources (-37.2%) has a high-quality rare-earth project in Brazil, but the stock has experienced high levels of volatility that broadly reflect oscillations in the spot price for rare earth elements. Despite successfully trading the stock during the quarter, Meteoric was a negative contributor for the quarter. Importantly, the company continues to advance its project and is scheduled to release a Scoping Study in the September quarter. The results are expected to show the project could be profitable at current rare-earth prices so we remain positive on the stock.

Wisr (-25.0%) There was no negative news from Consumer Finance business Wisr during the quarter to explain the price weakness. Wisr did make one positive announcement regarding their funding position, with a new \$50m debt facility from Tier 1 Japanese Bank, Nomura. The funding will be used by Wisr to fund its growth ambitions in FY25, through to profitability. We suspect the price weakness is related to macro-economic issues, with expectations of interest rate cuts being pushed into CY25 which is likely to weigh on the consumer in the next 6 months.

NextEd (-36.6%) declined as the federal government continued with policy amendments for foreign students. NextEd provided a trading update, advising international students growth up 11% (vs Dec-23), while maintaining visa approval rates higher than the industry average. They continue to expand vocational courses in the high demand sectors of healthcare and hospitality, with higher margins offsetting the weakness in the English language students. We expect NextEd to emerge with a higher market share, as other competitors close in the difficult environment.

1. As defined by Acorn Capital

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