

ACORN CAPITAL NEXTGEN RESOURCES FUND

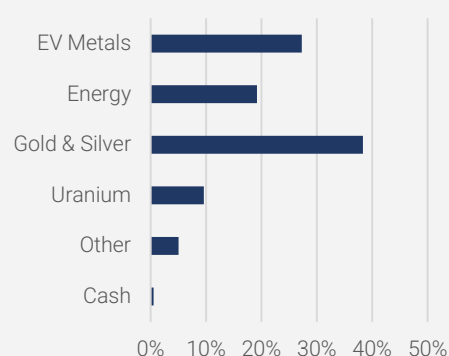


QUARTERLY INVESTMENT UPDATE
June 2024

Top 5 Stocks Held

Company	Sector
AIC Mines	EV Metals
Karoon Energy	Energy
Koumbia Bauxite Investments	Other
Peninsula Energy	Uranium
Perseus Mining	Gold & Silver
Top 5 weight	25.1%

Sector Exposures

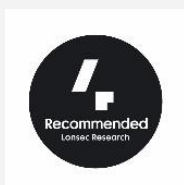


Fund Overview

APIR Code	ACQ3509AU
Benchmark	S&P ASX Small Resources Index
Distributions	Annual
Management Fee	1.35%
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 NextGen Resources Fund (Fund) continued its solid relative performance in the June quarter (+0.09% vs. -4.33% for the benchmark), despite continued volatility in the sector. Encouragingly, the Fund has generated a positive absolute return and beaten the benchmark over the last 12 months, 3 years and since inception.

At the end of June, approx. 67% of the Fund was invested in companies with a market capitalisation less than A\$1 billion. While these companies are generally more volatile than larger market capitalisation stocks, the Fund mitigates this risk by focusing on a combination of quality companies and commodity diversification. For instance, the five largest stocks at the end of the quarter were exposed to copper, oil, bauxite, uranium and gold.

Gold and silver companies comprised approx. 38% of the Fund at the end of June and represent the largest commodity exposure. With gold and silver prices near 10-year highs, producers have been the major beneficiaries. In addition, cost inflation appears to be abating for most producers for the first time in 3 years, and M&A activity has continued. To take advantage of this, the Fund is maintaining exposures in several producers, such as Perseus Mining, Ramelius Resources and Red 5. We also see strong value in quality explorers, which are an overlooked part of this large and diverse sector.

The Energy sector continues to show signs of a potential re-rate. Uranium performed strongly in late 2023 and early 2024, giving back some of those gains during the June quarter. The outlook for nuclear power remains robust, so we selectively increased our weight on this recent weakness. Domestic gas in eastern Australia is our preferred Energy commodity. In May and June, cold weather and subdued energy production from wind and solar in south-east Australia triggered sharp increases in the spot price for gas. Producers, such as Cooper Energy, are a direct beneficiary, but attention is also shifting to developers, such as Comet Ridge, who will come online and be producing gas in future years.

Our exposure to EV Metals remains high at approx. 27% with copper remaining the focus. Lithium and rare earths had a difficult quarter, but we note that EV production continues to grow in China and many of these EV Metal stocks appear oversold. We expect explorers, such as Patriot Battery Metals, Winsome and Meteoric will provide the best exposure given of the quality of their projects.

Performance²

	Since incept. pa%	3 years pa%	1 year %	6 mth %	3 mth %	1 mth %
NextGen Resources Fund ²	10.20	4.23	2.63	-1.97	0.09	-5.86
Benchmark	6.58	1.57	0.68	-2.95	-4.33	-8.02
Alpha	+3.62	+2.67	+1.95	+0.97	+4.43	+2.15

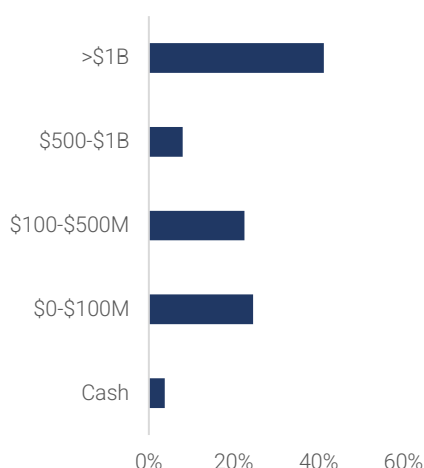
Quarterly Attribution

Contributors			Detractors		
Company	Sector	Impact %	Company	Sector	Impact %
Mitre Mining Corp	Gold & Silver	1.58	Winsome Res.	EV Metals	-1.41
Spartan Resources	Gold & Silver	1.48	Patriot Battery Metals	EV Metals	-1.96
Koumbia Bauxite	Other	1.28	Meteoric Res	EV Metals	-2.00

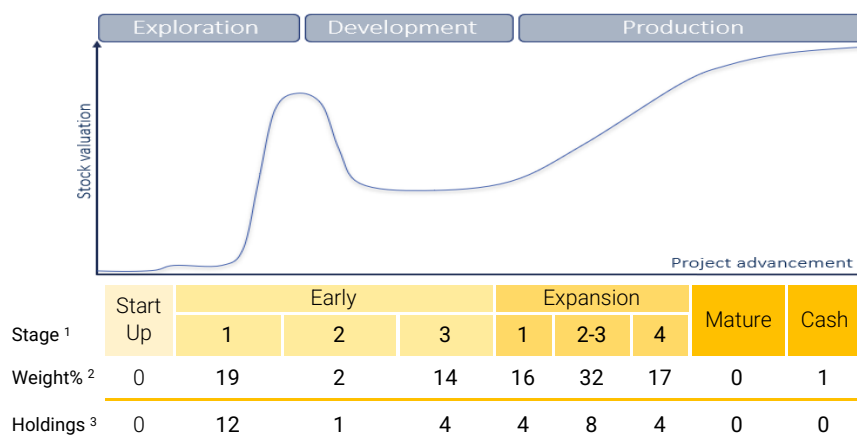
1. Commentary for June quarter 2024 2. Net performance is based on redemption price for the period, after all fees and costs. Assumes all distributions are reinvested.



Market Cap Bands



Lassonde Curve



Fund Commentary

The NextGen Resources Fund returned 0.09% in the June quarter, versus a sharp fall (-4.33%) in the benchmark. Best performers for the Fund were dominated by gold and silver stocks. This included a producer and 3 developers. The main detractors were 2 lithium, 1 rare-earth and a gold stock. All 4 detractors were explorers.

The best performers in the June 2024 quarter were:

Mitre Mining Corporation (silver developer; +85.4%) owns the Cerro Bayo silver-gold mine in Chile. The mine is currently on care and maintenance and the company is exploring for additional resources to facilitate a re-start of the operation. The jump in share price was aided by a rise in the silver price to a 10-year high. The company completed a capital raise during the quarter so is well funded to execute its upcoming drilling campaign. We keenly await the results.

Spartan Resources (gold developer; +68.8%) owns the Dalgaranga Gold Mine in Western Australia, which is currently on care and maintenance. During the quarter, the company discovered a new high-grade gold deposit, called Pepper, which is located close to the main pit. Also, Ramelius Resources purchased a major stake in the company in late June, making the company a target for M&A activity. Spartan completed a large capital raise in May, so is well funded for future activities.

Koumbia Bauxite (bauxite developer; +32.3%) is an unlisted company with a royalty-like payment facility linked to production at the Koumbia Bauxite Mine in western Guinea. The Koumbia mine is currently under construction and production is scheduled to commence in late 2024. The revenue stream from Koumbia is partially linked to the aluminium price, which rose strongly during the quarter.

Pantoro (gold producer; +52.3%) owns the Norseman Gold Mine in Western Australia. The mine performed poorly during the recent re-start, but production is now on track. The company is currently developing its second underground mine and is targeting an annual production rate of 100,000 ounces of gold per annum. If this is achieved at a reasonable cost base, the company has potential to re-rate from current levels.

Detractors in the June 2024 quarter were:

Meteoric Resources (rare earths explorer; -36.8%) owns the Caldeira clay-hosted rare-earth project in Brazil. The project has unusually high grades and the potential for a large-scale operation at low operating cost. Ongoing volatility in the rare-earth price has strongly influenced the Meteoric share price.

Patriot Battery Metals (lithium explorer; -37.1%) owns the Corvette Lithium project in northwestern Canada. Corvette is an unusually large and high-grade lithium project that has the potential to be a major supplier of lithium to battery makers in North America. Unfortunately, the Patriot share price has been strongly influenced by a recent fall in the spot price for lithium. We think the market has over-reacted to the price fall and consider Patriot to be a value stock that could rebound quickly if sentiment changes, or M&A activity picked up.

Winsome Resources (lithium explorer; -38.0%) owns the Adina Lithium project in northeastern Canada. Although Adina is a large medium-grade lithium project, the company had an agreement to potentially purchase a mothballed processing plant that could allow it to get into production within a few years.

Awale Resources (gold explorer; -41.5%) is searching for gold in Cote d'Ivoire. After announcing an exciting discover in the March quarter, the company raised money and only recently recommenced drilling at the project. We eagerly await the results of the latest drilling.

1. Stage of development as defined by Acorn Capital. 2. Rounding may result in weight not totalling 100% 3. Number of holdings as at month end date

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