

ACORN CAPITAL NEXTGEN RESOURCES FUND

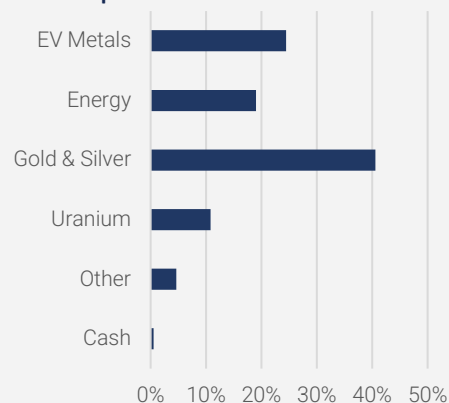
QUARTERLY INVESTMENT UPDATE
September 2024



Top 5 Stocks

Company	Sector
Boss Energy	Uranium
Gold Road Resources	Gold & Silver
Koumbia Bauxite Investments	Other
Pantoro	Gold & Silver
Peninsula Energy	Uranium
Top 5 weight	25.3%

Sector Exposures

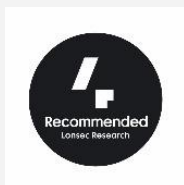


Fund Overview

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"



Commentary ¹

The NextGen Resources Fund (Fund) was up 3.61% for the September quarter, which was slightly behind the benchmark (+3.85%).

Although the Fund and the benchmark have, on average, performed similarly for the last 3 years, there is an important compositional difference that investors should be aware of. At 30 September, 2024, only 12% of the benchmark was invested in companies with a market capitalisation less than \$1 billion. This contrasts sharply with the Fund, which was about 65%. Therefore, the Fund has nearly 5.5 times more exposure to smaller (less than \$1 billion) Resources & Energy stocks compared to the benchmark.

The marked difference in exposure to smaller companies for the Fund is important because, as we have highlighted in recent presentations and Market Insights pieces, there has been a notable disparity in performance between large- and small-cap companies for several years. We believe, the NextGen Resources Fund remains well positioned for a rebound when the market rotates from large- to small-cap Resources & Energy stocks. We cannot predict when the market rotation from larger to smaller companies will occur, but the solid performance of the Fund in a difficult environment for junior stocks highlights our confidence in the investment process.

An example of the Fund extracting value from smaller companies is the list of top-4 performing stocks during the September quarter. The list included 3 developers and one explorer, and all four stocks had a market capitalisation less than \$600 million. In addition, the four stocks were exposed to different commodities including silver, copper, gold and gas. Again, we highlight the effectiveness of the stock-selection process in identifying opportunities across a range of commodities and stages of development.

Performance

	Since incept. % pa	3 year % pa	1 year %	6 mths %	3 mths %	1 mth %
NextGen Resources Fund ²	10.29	1.06	4.71	3.71	3.61	6.65
Benchmark	7.02	2.07	6.61	-0.65	3.85	7.22
Alpha	+3.27	-1.00	-1.90	+4.36	-0.24	-0.57

Quarterly Attribution

Contributors			Detractors		
Company	Sector	Impact %	Company	Sector	Impact %
Andean Silver	Gold & Silver	+1.87	Cooper Energy	Energy	-0.90
Firefly Metals	EV Metals	+1.38	Patriot Battery	EV Metals	-1.00
Predictive Discovery	Gold & Silver	+1.36	Meteoric Res.	EV Metals	-1.15

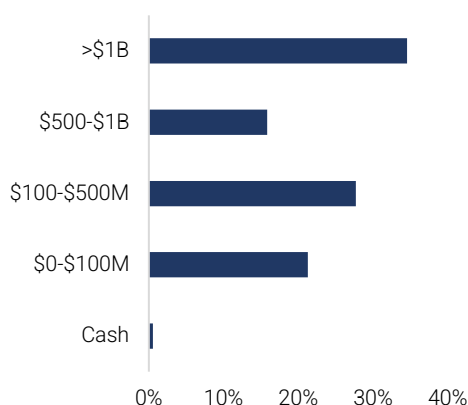
¹ Commentary for September quarter 2024 ² Net performance is based on redemption price for the period, after all fees and costs. Assumes all distributions are reinvested.

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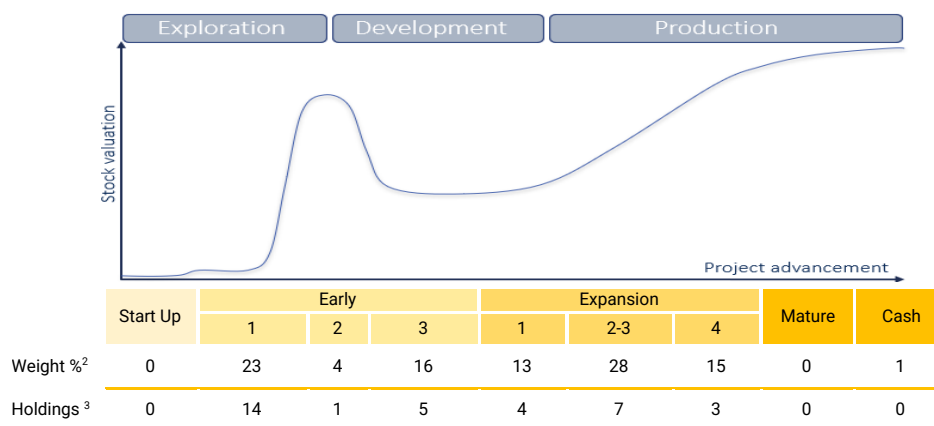
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Market Cap Bands



Lassonde Curve ¹



Fund Commentary ⁴

The Fund was up 3.61% in the September quarter, which was slightly behind the benchmark (+3.85%). The best performers for the Fund included 3 developers and an explorer, spread across gold, silver and domestic gas. Although gold and silver dominated the top performers, the ability to extract strong performance from developers in a difficult market for the small- and mid-cap sectors, highlights the ability of our investment process to extract value across development stages and from a range of commodities.

The best performers in the September quarter were:

Andean Silver (silver and gold developer; up 57%) had a strong quarter, despite raising \$25m in mid-September. The strong performance was aided by the rising silver price and an 80% increase in resources to 91 million silver-equivalent ounces. We continue to like Andean Silver because it has a high-quality silver-gold project on a mining lease with a processing plant on care and maintenance. The company now has sufficient funds for a major drilling program over the next 12 months.

FireFly Metals (copper developer; up 44%) had a strong quarter despite raising \$65m in late September. The stock benefitted from the rising copper price and a realisation by the market that FireFly is one of the few companies on the ASX with the potential to become a material copper producer in the next 3-5 years. We remain positive on Firefly ahead of the release of its resource update in the December quarter, 2024. The company currently has 3 rigs on site with a 4th rig arriving soon.

Predictive Discovery (gold developer; up 43%) has a quality gold project in eastern Guinea. The stock benefitted from the rising gold price and growing potential for a takeover when Perseus Mining acquired almost 20% of the stock. Perseus is very acquisitive after recently completing the takeover of OreCorp.

Elixir Energy (gas explorer; up 73%) is exploring for gas in Queensland. Their 100%-owned project has the potential to be a large producer of gas but is deep and at an early stage of its development cycle. We remain excited about the potential of the project but cautious because of the high-risk nature of exploration.

Detractors in the September quarter were:

Meteoric Resources (rare-earths developer; down 29%) has a world-class rare-earth project in Brazil. Despite positive news from a resource update and Scoping Study, the spot price for rare earth fell to a multi-year low and the company raised money in this weakness.

Patriot Battery Metals (lithium developer; down 25%) has an unusually large and high-grade lithium project in eastern Canada. The company had up to 9 drill rigs on site drilling the resource for its upcoming development studies. The company released a positive Scoping Study during the quarter, but the stock was sold down on continued deterioration in the spot price for lithium. We remain positive on the stock.

Cooper Energy (gas producer; down 18%) is a gas producer in eastern Australia. The stock performed strongly in the June quarter on operational improvements, especially in eastern Victoria. Despite the recent pullback, Orbost continues to perform strongly and provide confidence that Copper can reduce its debt while executing its exploration plans.

Winsome Resources (lithium developer; down 26%) has a quality lithium project in eastern Canada. Similar to Patriot Battery Metals, its share price was impacted by negative momentum of lithium stocks after the spot price fell to multi-year lows. Winsome is one of the few lithium developers with the ability to get into production quickly when prices recover. Thus we remain positive despite the recent pullback.

¹ Stage of development as defined by Acorn Capital. ² Rounding may result in weight not totaling 100% ³ Number of holdings as at month end date, ⁴ Commentary for September quarter 2024

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