

ACORN CAPITAL NEXTGEN RESOURCES FUND

MONTHLY REPORT
31 JANUARY 2021



Fund Performance at 31st January 2021

| Performance | 1 month | 3 months | Since Inception (cumulative) |
|--------------------------------------|---------|----------|------------------------------|
| NextGen Resources Fund* | 4.2% | 24.1% | 18.9% |
| S&P ASX Small Resources Accum. Index | -1.9% | 18.3% | 7.4% |

* Based on redemption price for the period (i.e., post all fees and costs)

Commentary

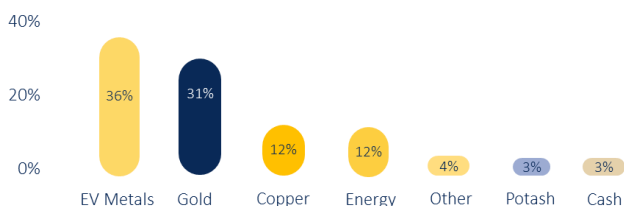
The NextGen Resources Fund strongly outperformed the benchmark in January, which together with the equally strong performance since inception provides solid endorsement of the investment approach.

The two biggest contributors to performance in January were the lithium producers Pilbara Minerals (up 23%) and Galaxy Resources (up 22%) on improved prices. Nickel developers Jervois Mining (up 31%) and Poseidon Nickel (up 17%) also benefitted from rising metal prices. And S2 Resources (gold explorer; up 42%) rebounded on positive drill results from Sweden.

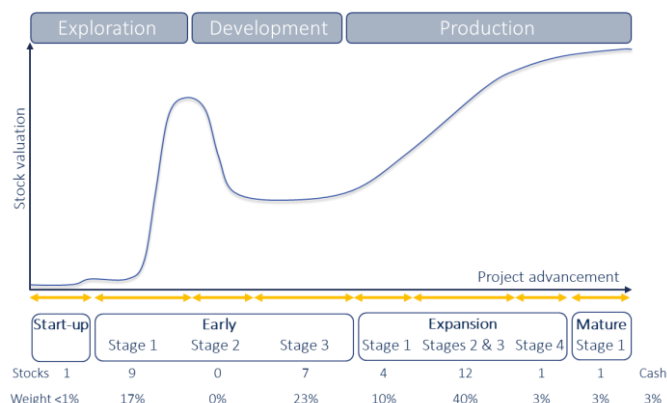
Negative contributors to performance were generally mild. Gold miners Resolute Mining (down 13%), Westgold Resources (down 11%) and Perseus Mining (down 9%) all fell on a softening gold price. Copper miner Sandfire (down 11%) and copper developer Peel Mining pulled back after a strong run in the previous months.

The portfolio now holds 35 stocks, of which EV metals remains the largest sector at 36%. Lake Resources (lithium developer) was the only primary-market raisings in January.

Stocks by Sector Exposure



Stocks by Stage of Development



Top 5 holdings (alphabetic order)

| Company | Sector | Development stage |
|------------------|-----------|-------------------|
| Galaxy Resources | EV metals | Expansion |
| Jervois Mining | EV metals | Early |
| Poseidon Nickel | EV metals | Early |
| Stavely Minerals | Copper | Early |
| Lynas Corp. | EV metals | Expansion |

Market Review

When the NextGen Resources Fund was launched in September 2020 we were confident that our investment thesis was sound: a diversified resources fund with a strong focus on the metals that would facilitate the global transition to a low-carbon economy. It is still early days, but the strong performance to date endorses our approach and suggests the global transition to a low-carbon economy is happening faster than we predicted.

In the Market Insights piece for February we will discuss the speed of this transition and how the NextGen Resources Fund is placed to take advantage.

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