

ACORN CAPITAL NEXTGEN RESOURCES FUND

MONTHLY REPORT
31 OCTOBER 2021



Fund Performance at 31 October 2021

Performance	1 month	3 months	6 months	12 months	Since Inception (cumulative)
NextGen Resources Fund*	8.77%	12.43%	28.10%	63.32%	56.54%
S&P ASX Small Resources Accum. Index	6.48%	1.47%	13.03%	45.13%	31.75%

* Based on redemption price for the period (post all fees and costs)

Commentary

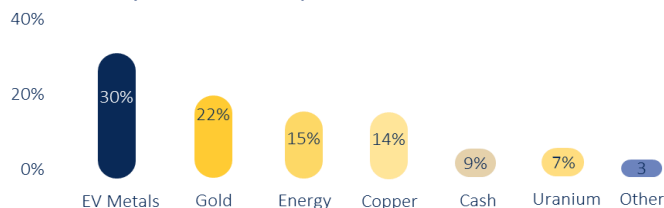
October was another solid month for the NextGen Resources Fund (Fund). Encouragingly, positive performance was generated from a range of commodities, including uranium, oil, copper, gold, and a successful drill result by one of our explorers.

The biggest contributor to performance in October was Sunstone Metals (copper-gold explorer; up 205%). Sunstone is searching for large (porphyry) copper-gold deposits in Ecuador. It's early days, but recent drilling at their El Palmar project intersected a thick zone of copper-gold mineralization from about 11 m below the surface. Continued momentum for uranium stocks assisted Vimy (developer; up 33%) and a small rebound in the gold price benefitted Red 5 (producer; up 24%) and Aurelia (producer, up 27%). Karoon (producer, up 17%) continued to rise on the back of a solid operating performance and sustained oil prices.

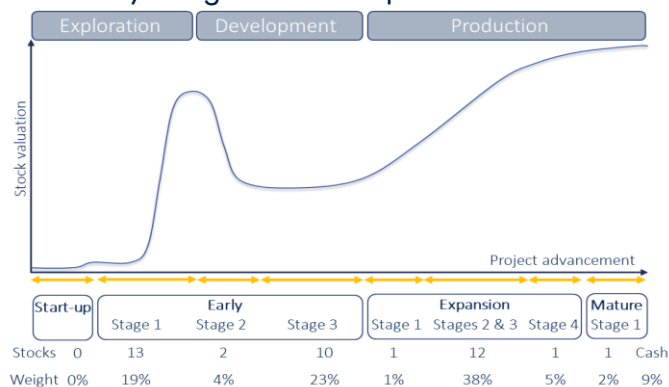
Negative performances were mainly from stocks that pulled back after strong gains in September. These included Australian Rare Earths (rare-earths explorer; down 14%) and Comet Ridge (domestic gas developer; down 11%). E2 Metals (gold/silver explorer; down 8%) fell on a lack of news flow before exploration restarted in late October.

The portfolio had 40 stocks at the end of October and the Fund participated in placements for Auroch and AIC Mines and TSX-listed Neo Performance Materials. EV metals, copper and uranium continue to represent over half of funds under management. Cash increased slightly to 9% due to solid month-end inflows.

Stocks by Sector Exposure



Stocks by Stage of Development



Top 5 holdings (alphabetic order)

Company	Sector	Development stage
Aurelia Metals	Gold & base metals	Expansion
Jervois Mining	EV metals (copper-cobalt)	Expansion
Karoon Energy	Energy (oil)	Expansion
Lynas Corporation	EV metals (rare earths)	Expansion
Sandfire Resources	Copper	Expansion

Market Review

The Energy sector continued to perform strongly in October. There was some volatility in the uranium price, but momentum remained positive and investors began cycling down from companies with operations on care-and-maintenance to the developers. Our quick move into Vimy benefitted from this cycling. Rising gas prices aided producers and developers but rising oil prices generally only rewarded the producers.

For the electric vehicle (EV) metals the performance was mixed. Lithium prices continued to rise but most stocks traded sideways from their peaks in August. Nickel and copper stocks also drifted sideways, but we continue to see good value in rare earths, particularly among the developers. Another interesting feature of the market is the rise of M&A activity. At Acorn Capital we don't actively seek M&A targets, but it can provide a nice kick when it occurs. So, fingers crossed!

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