

ACORN CAPITAL MICRO OPPORTUNITIES FUND

INVESTMENT UPDATE
May 2023

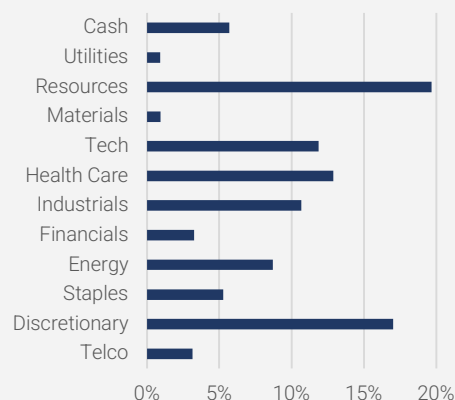


Top 5 Stocks*

Company*	Sector
Aroa Biosurgery	Health Care
NextEd	Discretionary
Probiotec	Staples
Resolute Mining	Resources
SRG Global	Industrials
Weight Top 5	20.7%

*Alphabetic Order

Sector Exposures

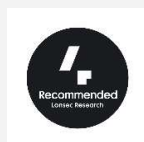


Fund Overview

APIR Code	ACQ4764AU
Benchmark	S&P ASX Emerging Companies Accumulation Index
Distributions	Semi-annual
Management Fee	0.90%
Incentive Fee	20% above benchmark
Highwater mark	Yes
Eligible Investors	Wholesale
Pricing frequency	Daily
Minimum investment	\$50,000

Ratings*

Lonsec "Recommended"



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Commentary

The portfolio was down 3.8% in May, outperforming the S&P Emerging Companies Index by +2.5%. The S&P Emerging Companies Index experienced broad selling with the Industrials (Capital Goods), Consumer Discretionary, Energy, Communications, Healthcare and Resources sectors all down between -5% to -12%. The Consumer Discretionary sector was impacted by a weak trading update from City Chic (-26%) putting further pressure on all the retailers, the Industrials sector saw selling in the battery developers (Talga -23%, Magnis -25%) and Mining Services (SRG -10%, DDH1 -6.5%) sub sectors while Healthcare selling was indiscriminate with only 4 of 19 stocks posting positive returns over the month. Similar observations were seen in the Energy and Resources sectors with selling evident across the entire commodity spectrum. The best performing sector was Information Technology (+5.8%) driven by Bigtincan (32%) after it confirmed it had received multiple non-binding confidential offers to acquire the company.

The portfolio generated strong relative outperformance across many industries with modest underperformance in the Materials ex-Resources sector the only drag on relative performance. Micro-X (+28%) was the largest contributor after it announced its Argus IED X-ray camera has successfully completed field testing using its proprietary backscatter technology and high-powered generator. We remain optimistic with the unique sale opportunity Argus offers Micro-X. Bigtincan Holdings was the second largest contributor to the portfolio as it confirmed corporate interest. The largest negative contributor was Impedimed (-23%) after completing a \$20m placement at \$0.13 to fund accelerated commercial activities. The fund took the opportunity to increase its position in the company.

Performance

	Since incept. %p.a.	3 year %p.a.	1 year %	FYTD %	3 mth %	1 mth %
Micro Opportunities Fund*	11.04	10.77	-11.42	4.92	-1.52	-3.76
Benchmark	17.36	16.12	-14.77	4.68	-5.14	-6.32
S&P/ASX Small Ords	5.68	4.46	-5.77	8.42	-1.29	-3.26

* Net performance is based on redemption price for the period, after all fees and costs. Assumes all distributions are reinvested.

Attribution

Contributors			Detractors		
Company	Sector	Contrib. %	Company	Sector	Contrib. %
Micro-X	Industrials	0.54	Syrah Resources	Resources	-0.39
Bigtincan	Tech	0.49	Experience Co	Discretionary	-0.40
Meteoric Resources	Resources	0.43	Impedimed	Health Care	-0.66

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