ACORN CAPITAL
MICRO OPPORTUNITIES FUND

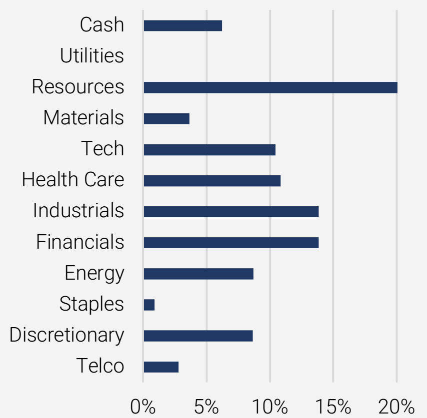
ACORN CAPITAL
NEXT GENERATION INVESTING

INVESTMENT UPDATE
December 2025

Top 5 Stocks Held

Company	Sector
Amplitude Energy	Energy
Aroa Biosurgery	Health Care
Credit Clear	Financials
Dug Technology	Tech
Vysarn	Industrials
Weight Top 5	19.1%

Sector Exposures



Fund Overview

APIR Code	ACQ4764AU
Benchmark	S&P ASX Emerging Companies Accumulation Index
Distributions	Annual
Management Fee	1.20%
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 portfolio returned 1.1% in the December quarter, underperforming the S&P/ASX Emerging Companies Index (XEC), which returned 8.3%. The portfolio delivered positive relative performance in the Energy and Industrials sectors, while IT, Financials and Healthcare detracted from relative returns.

Over the past six months, the XEC has risen more than 40%, an outcome that is exceptionally rare. Returns of this magnitude have occurred only twice previously—during the March–September 2009 GFC recovery and the June–December 2020 COVID recovery—both following sharp global equity market drawdowns. In contrast, the current rally is unusual in character, having occurred without any meaningful prior market pullback, resulting in a highly concentrated and momentum-driven benchmark outcome.

A key driver of recent benchmark strength has been the Resources sector, with sharp rallies across precious metals, industrial metals and lithium lifting resource equities broadly. As a result, Resources now comprise more than 42% of the XEC, with Energy contributing a further 6%. Over the past six months, Resources alone accounted for 23.3 percentage points of the XEC’s 40.5% total return. The portfolio’s structural underweight to the sector, reflecting a maximum 20% allocation to any one sector, has therefore been a short-term performance headwind, consistent with our deliberate approach to diversification and risk management.

Micro-cap resources equities typically exhibit a highly speculative return profile, and during periods of aggressive sector rallies, elevated risk appetite often spills over into non-resource names. A notable example is 4D Medical, now the largest constituent in the XEC, having risen 1,537% over the past six months. While the company has a promising technology platform, it remains at a very early stage of commercialisation. We believe this process will take materially longer than is currently implied by the market, particularly given its valuation now exceeds $2.3 billion. 4D Medical alone contributed 3.2 percentage points to the benchmark’s return over the past six months.

Another significant contributor to benchmark performance was Electro Optic Systems, which rose 231% over six months, supported by defence contract wins—particularly in high-energy laser systems for drone defence. The market has been willing to pay substantial valuation premiums for defence-exposed companies, especially those leveraged to drone defence themes. However, our fundamental investment process has limited participation in this narrow segment of the rally, as we have found it difficult to identify opportunities offering an attractive risk-reward profile at prevailing valuations. This has weighed on relative performance in the short term.

At quarter end, the portfolio held 70 stocks, with the top 10 positions representing 32.2% of the portfolio and a cash balance of 6.2%. This positioning reflects continued diversification in what remains an unusually concentrated market environment.

Performance

	1 mth %	3 mth %	6 mth %	1 Yr %	3 Yr % pa.	5 Yr % pa.	Since incept. % pa.
Micro Opportunities Fund [2]	2.57	1.07	23.11	26.42	14.77	5.31	14.24
Benchmark	10.17	8.34	40.47	39.34	17.12	12.34	19.18
Alpha	-7.60	-7.27	-17.36	-12.92	-2.35	-7.03	-4.94

Quarterly Contributors/Detractors

Contributors

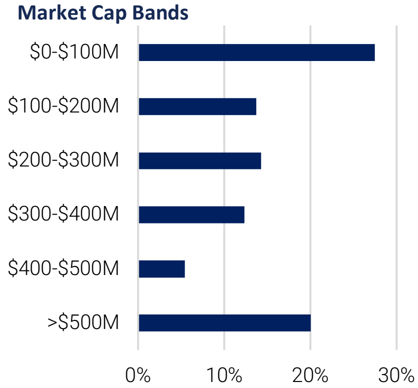
Company	Sector	Impact %
Elevra Lithium	Resources	+1.26
New Murchison Gold	Resources	+0.97
Vysarn	Industrials	+0.95

Detractors

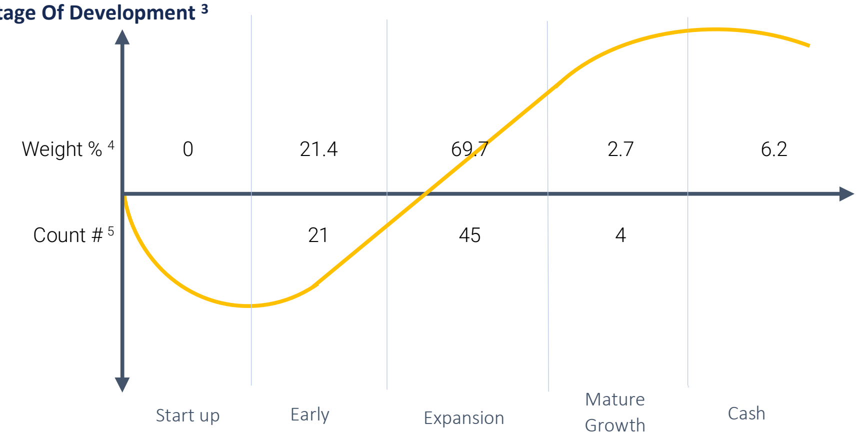
Company	Sector	Impact %
Superloop	Telco	-0.61
Dug Technology	Tech	-0.71
EROAD	Tech	-1.35

1. Commentary for quarter of December 2025 2. Net performance is based on redemption price for the period, after all fees and costs. Assumes all distributions are reinvested.

Market Cap Bands



Stage Of Development [3]



Fund Commentary [6]

Notable positive portfolio contributors during the quarter include:

Elevra Lithium Mining (+126.1%) rose strongly in the December quarter on the back of a surge in the lithium price. Producers are typically the companies to benefit the most in the early stages of a rebounding commodity market. We think more upside remains in Elevra Lithium, especially while the lithium price continues to rise on growing demand for battery storage systems.

New Murchison Gold (+55.8%) surged after announcing good production results in the September quarter. Importantly, on 2 occasions the company was allowed to exceed the maximum monthly limit for ore sales to Westgold (WGX-ASX) in their ore-purchase agreement. This led to higher revenues than forecasted. We conducted a site visit during the quarter and remain positive on the stock.

Vysarn (+25.0%) released a trading update during the quarter showing YTD trading was in line with expectations and qualitative commentary suggesting management conservatism with as all business segments are performing well. VYS also provided an update regarding its asset management division, VAM which is targeting offtake in CY26. Conservative estimates place the present value of VYS's first 10GL asset at $90m, or ~18c per share. As VAM becomes de-risked, we expect further value will be recognized.

Notable negative portfolio contributors during the month included:

EROAD (-53.3%) declined over the quarter after downgrading earnings guidance and losing a major US customer, resulting in a write-down of its North American operations. In response to the challenging US market, management has refocused the business on Australia where customer traction is improving, and New Zealand, where the forthcoming transition to electronic Road User Charges represents a material medium-term growth opportunity.

Dug Technology (-19.9%) declined in October following a first-quarter update that came modestly below expectations, reflecting slower-than-normal conversion of work-in-hand into revenue. This timing effect was driven by a significant portion of contracts being signed late in the prior quarter. Importantly, work-in-hand remains at an all-time high, supporting expectations for an acceleration in revenue conversion over the coming quarters

Superloop (-23.8%) reported a mixed AGM update with EBITDA guidance largely in line with consensus but a skew to the second half with softer year to date growth in the wholesale business and consumer growth net adds slowing post the burst of activity resulting from NBN speed upgrades.

3.Stage of development as defined by Acorn Capital. 4. Rounding may result in weight not totalling 100% 5. Number of holdings as at month end date, 6. Commentary for December quarter 2025