

ACORN CAPITAL NEXTGEN RESOURCES FUND

MONTHLY REPORT
31 MARCH 2021



Fund Performance at 31 March 2021

Performance	1 month	3 months	6 months	Since Inception (cumulative)
NextGen Resources Fund*	-7.39%	0.09%	19.64%	14.25%
S&P ASX Small Res. Accum. Index	-3.02%	-2.77%	16.98	6.45%

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

Commentary

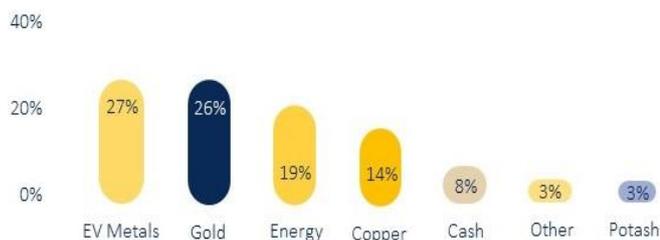
The NextGen Resources Fund gave up some recent performance mainly due to negative momentum in the commodities of several of the larger stocks, as opposed to negative company news.

The main contributors to positive performances in March were Todd River (nickel explorer; up ~10%) as fieldwork ramps up, Lynas (rare earths producer; up ~2%) on steady metal prices and Sunstone Metals (copper explorer; up ~14%) on positive drilling results.

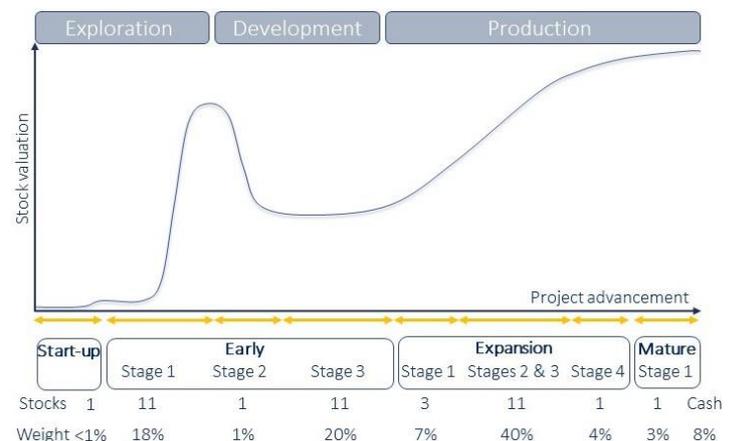
The main contributors to negative performance included Stavely (explorer; down ~24%) and Hillgrove (developer; down ~16%), which fell heavily on a softening of the copper price. Similarly, Poseidon (developer; down 27%) and Western Areas (producer; down ~21%) fell heavily on softening of the nickel price, although the latter also undertook a large capital raise.

The portfolio holds now 40 stocks. In March, we participated in placements for Paladin (uranium developer), Red5 (gold producer), Peel (copper explorer), Western Areas (nickel producer/developer) and Alliance Mining Commodities (bauxite developer), which is the second unlisted stock in the portfolio.

Stocks by Sector Exposure



Stocks by Stage of Development



Top 5 holdings (alphabetic order)

Company	Sector	Development stage
Aurelia Metals	Gold (& base metals)	Expansion
Galaxy Res.	EV metals	Expansion
Lynas Corp.	EV metals	Expansion
Pilbara Mining	EV metals	Expansion
Perseus	Gold	Expansion

Market Review

Copper and nickel prices experienced the biggest changes in March. Nickel prices softened after the Chinese refiner, Tsingshan, announced that it had developed a new method to produce battery-grade nickel from nickel pig iron. Although the new processing method is suited to the large nickel-laterite resources in Indonesia, it is energy-intensive and not yet proven at a commercial scale. Copper prices also eased after strong performance in January and February. Despite the pullback we remain positive on copper. The latest Market Insights article discussed the challenges of obtaining copper exposure on the ASX and why we think Stavely Minerals represents an exciting opportunity in a difficult part of the market.

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