

ACORN CAPITAL NEXTGEN RESOURCES FUND

MONTHLY REPORT
30 JUNE 2021



Fund Performance at 30th June 2021

Performance	1 month	3 months	6 months	Since Inception (cumulative)
NextGen Resources Fund*	-2.03%	10.83%	10.93%	26.61%
S&P ASX Small Resources Accumulation Index	-0.41%	13.58%	10.44%	20.91%

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

Commentary

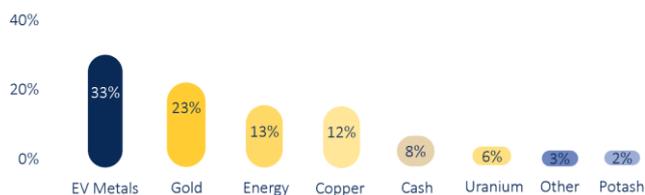
The NextGen Resources Fund experienced some volatility in June (see discussion in Market Review), finishing with a negative result that was just below the benchmark. Despite this, the fund's performance since inception remains strong in absolute terms and relative to the S&P Small Resources Accumulation index.

Positive contributors in June included a very small position in Australian Rare Earths (EV metals; up 900%) that was revalued ahead on its successful IPO on 1 July 2021. Rising lithium prices aided Pilbara (producer; up 17%) and Lake (developer; up 34%), whereas Poseidon (nickel developer; up 29%) rose on positive drill results and Coranado (coking coal producer; up 23%) rebounded following a recent capital raise and the jump in coal prices.

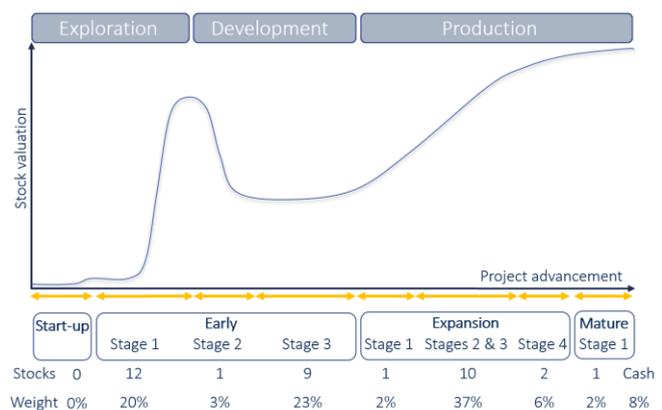
Negative performance was largely driven by a pullback in copper prices, with falls in Hillgrove (developer; down 20%) and Stavely (developer; down 18%). The rare-earth developer Ionic (down 23%) fell heavily on no news (possibly tax-loss selling) and Caspin (nickel explorer; down 39%) pulled back strongly while awaiting drill results.

The portfolio now holds 36 stocks. In June, we participated in placements for Matador, Australian Rare Earths and OreCorp. EV metals, copper and uranium still represent just over half of funds under management.

Stocks by Sector Exposure



Stocks by Stage of Development



1. Weights and positions are as at 30 June 2021. 2. Rounding errors mean totals do not add up to 100%

Top 5 holdings (alphabetic order)

Company	Sector	Development stage
Aurelia Metals	Gold (& base metals)	Expansion
Galaxy Resources	EV metals	Expansion
Karoon Energy	Energy	Expansion
Syrah	EV metals	Expansion
Perseus	Gold	Expansion

Market Review

The NextGen Resources Fund has experienced some volatility since its inception in September 2020: best month of 9.39% and worst of -7.39%. While these variations are large for a single month, it is important to note that they compare well versus the benchmark: best month of 10.92% and worst month of -9.0%. Investors will know from the Monthly Reports that the main cause of the volatility is positive/negative momentum for certain commodities. To help mitigate against negative swings the Fund employs a range of risk mitigants, including always being diversified across at least 12 different commodities as well as closely managing weights across the stages of development. Therefore, investor should take a long-term view (~3 years) for the fund, mainly watching performance since inception.

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