

# ACORN CAPITAL NEXTGEN RESOURCES FUND

MONTHLY REPORT  
30 SEPTEMBER 2021



## Fund Performance at 30 September 2021

Performance	1 month	3 months	6 months	12 months	Since Inception (cumulative)
NextGen Resources Fund*	2.27%	13.67%	25.98%	50.72%	43.92%
S&P ASX Small Resources Accum. Index	-5.36%	2.33%	16.23%	35.96%	23.73%

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

## Commentary

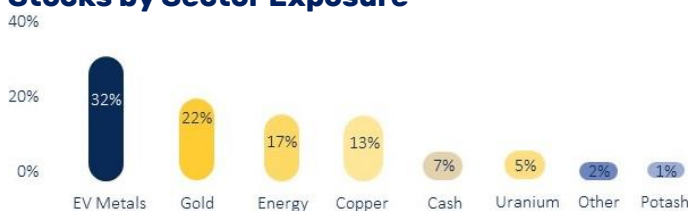
September was a solid month for the NextGen Resources Fund. Several stocks in the Energy sector provided strong returns and on 17 September 2021 the fund celebrated its first 12-month anniversary.

Positive contributors in September were dominated by the Energy sector. Uranium stocks benefitted from a surge in the spot price for U<sub>3</sub>O<sub>8</sub>. This generated strong performances from Paladin Energy (up 44%) and Boss Energy (up 44%), which have uranium operations on care and maintenance, and Vimy Resources (up 90%), which has a large development project in Western Australia. The Energy crisis in Europe shone a light on Australian domestic gas, resulting in strong gains for Comet Ridge (developer; up 40%). And rising oil prices aided Karoon Energy (producer; up 26%) and Carnarvon Petroleum (developer; up 24%).

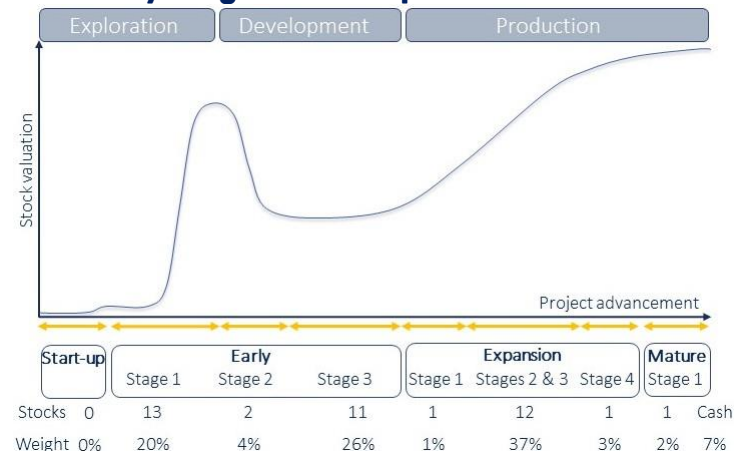
Negative performance was generally attributed to mild softening in the prices of selected commodities. Among the detractors, graphite producer Syrah Resources was down 17%, gold producer Perseus Mining was down 8% and copper developer Stavely Minerals fell 14%. The fall in Poseidon Nickel (down 10%) was compounded by a reasonably large capital raise.

The portfolio has 41 stocks and during September we participated in placements for Sandfire, Hillgrove, Comet Ridge and an emerging rare-earth explorer (TSX-listed) Lions Bay Capital. EV metals, copper and uranium continue to represent over half of funds under management. Cash was steady at about 7% at the end of the month.

## Stocks by Sector Exposure



## Stocks by Stage of Development



## Top 5 holdings (alphabetic order)

Company	Sector	Development stage
Australian Rare Earths	EV metals (rare earths)	Early (Stage 1)
Jervois Mining	EV metals (copper-cobalt)	Expansion
Karoon Energy	Energy (oil)	Expansion
Lynas Corporation	EV metals (rare earths)	Expansion
Perseus	Gold	Expansion

## Market Review

The Energy sector was a standout performer in September. This performance came from uranium, oil and gas, so was not limited to a single commodity. Moreover, we recognised at the start of 2021 that the Energy sector represented deep value as the world slowly emerged from COVID-19 lockdowns and cars buses and airplanes started to move again. Therefore, our decision to steadily increase the exposure of Energy and uranium from about 11% at the start of the year to about 22% at the end of September was a major factor in the Fund's performance. While we remain positive about the medium- to long-term outlook for Energy and uranium, we have been taking profits and are now seeking deep value in other corners of the market. We retain our favourable view on most of the electric vehicle (EV) metals and believe gold and copper stocks are providing deep value.

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