

ACORN CAPITAL NEXTGEN RESOURCES FUND

MONTHLY REPORT
30 April 2022



Fund Performance at 30 April 2022

Performance (%)	1 mth	3 mths	6 mths	FYTD	1 yr	Since Inception*
NextGen Resources Fund*	0.0	14.5	18.3	46.3	51.6	85.2
S&P ASX Small Res. Accum. Index	0.3	22.0	23.1	34.2	39.2	62.2

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

Commentary

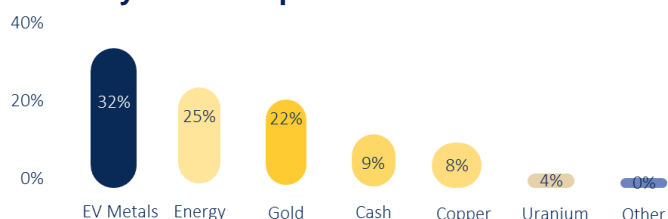
After several strong months of performance, the NextGen Resources Fund (Fund) was flat in April. Encouragingly, the top contributors came from companies exposed to a range of commodities: graphite, coking coal, uranium, copper and gold.

Positive performance was dominated by Stanmore Resources and Syrah Resources. Stanmore (coking-coal producer; up 39%) surged on a combination of strong coal prices, good quarterly production data and anticipation of a major uplift in production when they take control of BHP's share in the world-class BMC mine. Syrah (graphite producer; up 15%) surged on good quarterly production data and the announcement of a large low-cost debt facility from the US government. Boss Energy (uranium developer; up 18%), Jervois Global (copper-cobalt producer; up 10%) and Red5 (gold producer; up 9%) continued their strong runs.

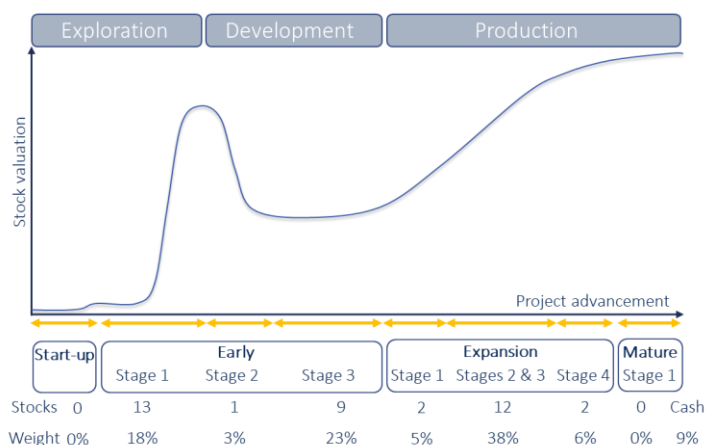
Negative performers included Carnarvon Energy (oil developer; down 25%), which fell heavily on a disappointing exploration drill result. Although the fall is disappointing, Carnarvon has a large quality oil (and gas) project, so we remain positive on the stock. Ionic Resources (rare-earths developer; down 18%) pulled back after a strong run in March. Neo Performance Materials (rare-earths producer; down 12%) continued to soften on exposure of its Estonia plant to the war in Ukraine. And Petrathern (rare-earths explorer; down 29%) fell post a large capital raise.

The portfolio held 39 stocks at the end of April. EV metals, copper and uranium continue to represent about half of funds under management. During the month, the Fund participated in capital raisings for Petrathern, Pacgold and Ionic.

Stocks by Sector Exposure



Stocks by Stage of Development



Top 5 holdings (alphabetic order)

Company	Sector	Development stage
Boss Energy	Energy (uranium)	Early
Comet Ridge	Oil & Gas	Early
Jervois Global	EV metals	Expansion
Stanmore Resources	Energy (coking coal)	Expansion
Syrah Resources	EV metals (graphite)	Expansion

Market Review

The war in Ukraine continues to impact the energy & resources sectors. As previously mentioned, the sanctions on Russia are disrupting supply chains for a range of commodities, including oil, gas, coal, nickel and refined uranium. While some investors question whether commodities have had their run, at Acorn Capital we believe these disruptions are the beginning of a new and long-lived driver for growth in the resources & energy sectors.

For the last few years, political pressure, investor pressure and social pressure have driven the momentum for the global transition to a low-carbon economy. However, the war in Ukraine has added a fourth major driver: geopolitical pressure. Governments and industries around the world are urgently reviewing where they source key commodities, and the winners will be companies with quality assets in stable jurisdictions.

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