

ACORN CAPITAL NEXTGEN RESOURCES FUND

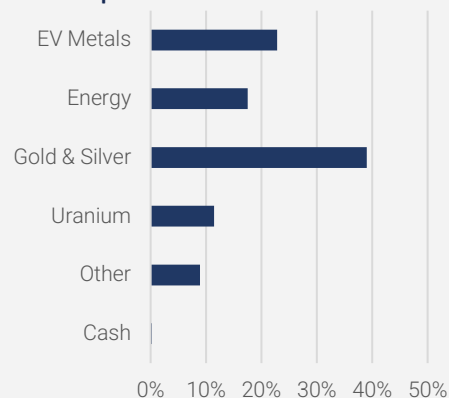
QUARTERLY INVESTMENT UPDATE
December 2024



Top 5 Stocks Held

Company	Sector
Amplitude Energy	Energy
Boss Energy	Uranium
Gold Road Resources	Gold & Silver
Meeka Metals	Gold & Silver
Petratherm	Other
Top 5 weights	29.9%

Sector Exposures

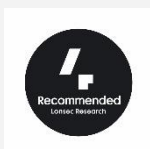


Fund Overview

APIR Code	ACQ3509AU
Benchmark	S&P ASX Small Resources Index
Distributions	Annual
Management Fee	1.35%
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 NextGen Resources Fund (Fund) was down 1.12% in the December quarter and finished CY2024 up 0.43%. This performance was positive compared to the benchmark, which was down 2.74% in the December quarter and down 1.97% for CY2024. It also compares favourably with the ASX100 Resources (down 16.4% in CY2024).

The highlight for the quarter, and an important signal for investors in the Fund, was the 579% gain by the explorer Petratherm. Details of the Petratherm discovery are provided on the following page, but here we want to highlight how sticking to our investment process in a challenging market is producing positive near-term results while positioning investors for the potential of strong upside in the future.

Based on 25+ years of experience in the Resources & Energy sector, we believe the best way to navigate a challenging market is to maintain focus on stock quality and diversification across the range of commodities and stages of development. This includes investing in explorers, such as Petratherm, which can be perceived as quite risky. We have seen many times in the past that markets will reward good discoveries, even when commodity prices are soft. In addition, when conditions change from a bear market to a bull market, it can be observed that the response is swift, and it is the explorers (and developers) that are generally the biggest winners.

When reviewing the performance of the Fund it is important to consider the composition of the stocks being held and how they compare with the benchmark. As at 31 December 2024, about 26.5% of the Fund were explorers (compared to 1.4% in the benchmark), 29.4% of the Fund were developers (compared to 21.9% of the benchmark), and 43.8% of the Fund were producers (compared to 70.1% of the benchmark). Therefore, the Fund continues to deliver solid near-term performance while also remaining well-exposed to future upside from the explorers and developers.

Performance

	1 mth %	3 mth %	6 mth %	1 year %	3 years % pa.	Since incept % pa.
NextGen Resources Fund ²	1.53	-1.12	2.45	0.43	-4.44	9.37
Benchmark	-3.10	-2.74	1.01	-1.97	-3.25	5.91
Alpha	+4.63	+1.62	+1.44	+2.40	-1.18	+3.46

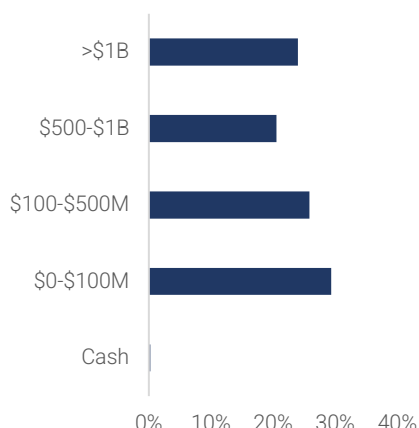
Quarterly Attribution

Contributors			Detractors		
Company	Sector	Impact %	Company	Sector	Impact %
Petratherm	Other	8.10	St. Barbara	Gold & Silver	-1.57
Meeka Metals	Gold & Silver	1.74	Elixir Energy	Energy	-1.85
De Grey Mining	Gold & Silver	1.21	Peninsula Energy	Uranium	-2.30

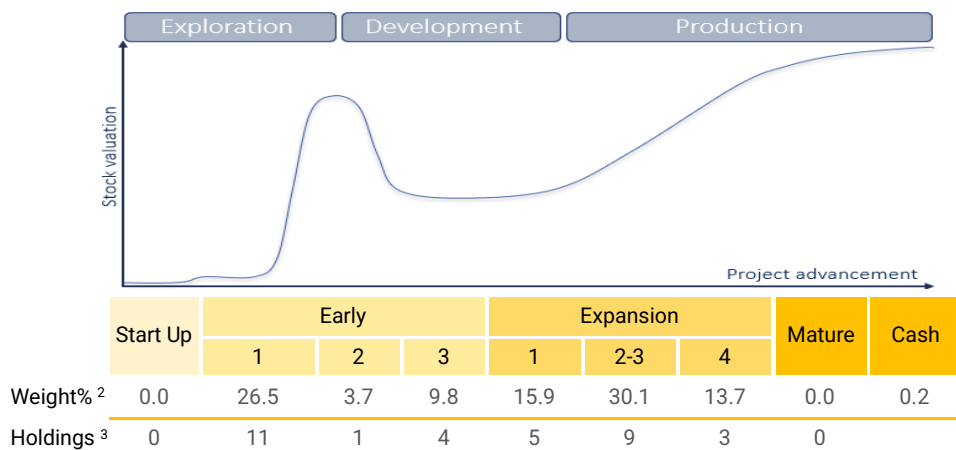
1. Commentary for December quarter 2024 2. Net performance is based on redemption price for the period, after all fees and costs. Assumes all distributions are reinvested.



Market Cap Bands



Stage of Development ¹



Fund Commentary ⁴

The NextGen Resources Fund was down slightly in the December quarter (-1.12%), however outperformed the benchmark (-2.74%). The best performers for the Fund included 1 explorer, 2 developers and a producer, spread across mineral sands (titanium) and gold.

The best performers in the December quarter were:

Petratherm (mineral sands (titanium) explorer; up 579.3%) announced the discovery of a large titanium-rich mineral sands in South Australia. Titanium is mainly used as an alloy to increase the strength and lower the weight of a metal and is widely used in defence. China currently dominates titanium production, thus the metal ranks highly on global lists of Critical Minerals. Compared to similar deposits around the world, the Petratherm discovery has unusually thick units with unusually high concentrations of titanium-bearing minerals. The project is located about 3 hours drive from Coober Pedy, but about 40 km from important rail infrastructure. Drilling only recently commenced on the project and detailed metallurgical test-works must be completed. However, early indication suggests that the project has the potential to be a major (possibly world-class) titanium deposit.

Meeka Mining (gold developer; up 45.5%) is advancing the upgrade and start-up of its Murchison Gold Project in Western Australia. The gain in share price occurred despite completing a large capital raise (about \$35m) to replace an expensive gold loan. The company is now unhedged and has no debt, so is fully exposed to the gold price. Newsflow should be strong in the coming months as the company announces results of grade control drilling, study updates and the nearing of production.

De Grey Mining (gold developer; up 39.5%) jumped on announcement of a takeover offer by the major gold producer Northern Star. The company has a world-class gold project in northern Western Australia. We think the chances of a counterbid are low, so have exited the stock.

Detractors in the December quarter were:

Peninsula Energy (uranium developer; down 33.1%) fell sharply on announcing a modest increase in capex (about US\$9.5m) and flow rates about 30% below forecasts from the first wellfield being developed at their uranium project in the US. This was disappointing and the company now requires debt or an alternate source of capital to get through commissioning.

Elixir Energy (gas explorer; down 64.6%) fell sharply after announcing much lower flow rates than expected from a recent exploration well. This was not expected after initial positive results. However, delays caused by equipment availability appear to have compromised the well. We exited the stock during the month.

St Barbara (gold producer; down 45.5%) was initially soft after its large capital raise in November, however also fell sharply before Christmas after the Papua New Guinea government announced they were investigating the company for fraud. St Barbara provided a detailed response to the allegation and noted numerous errors by the government. We continue to monitor the situation closely.

1. Stage of development as defined by Acorn Capital. 2. Rounding may result in weight not totaling 100% 3. Number of holdings as at month end date, 4. Commentary for December quarter 2024

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