



Acorn Capital Investment Fund

Key company details

- ASX Code: ACQ/ACQO
- Listing Date: 1 May 2014
- Shares on issue: 50,820,001
- Options on issue: 50,820,000

Objective

The Objective is to create a diversified portfolio of listed microcap companies and then to invest opportunistically in unlisted entities that offer better relative value. The performance objective for ACQ is to outperform the S&P/ASX Small Ordinaries Accumulation Index over the medium to long term.

Investment philosophy

The investment philosophy is based on a belief that there are pricing inefficiencies amongst microcap companies due to a lack of readily available external research conducted on such entities.

Acorn Capital believes that through a research driven investment process the pricing inefficiencies that exist in both listed microcaps and unlisted microcaps can be exploited to earn returns superior to those available in the broader market.

Unlisted microcap opportunities must be of better relative value on a risk-adjusted basis to displace existing listed portfolio investments in the corresponding sector.

Strategy

- Research-driven stock selection
- Economic sector diversified
- Style agnostic
- Long term investor
- Create diversified portfolios to reduce volatility

Company profile

Acorn Capital Investment Fund Limited provides investors with an opportunity to invest in a diversified portfolio of listed and unlisted microcap companies.

Manager profile

Established in 1998 Acorn Capital is a specialist Australian microcap manager with approximately \$1.1 billion under management.

Net Tangible Asset Backing Per Ordinary Share (all figures unaudited)

NTA before any tax effect	\$0.9756
NTA after tax excluding tax liability on unrealised gains	\$0.9839
NTA after tax	\$0.9792

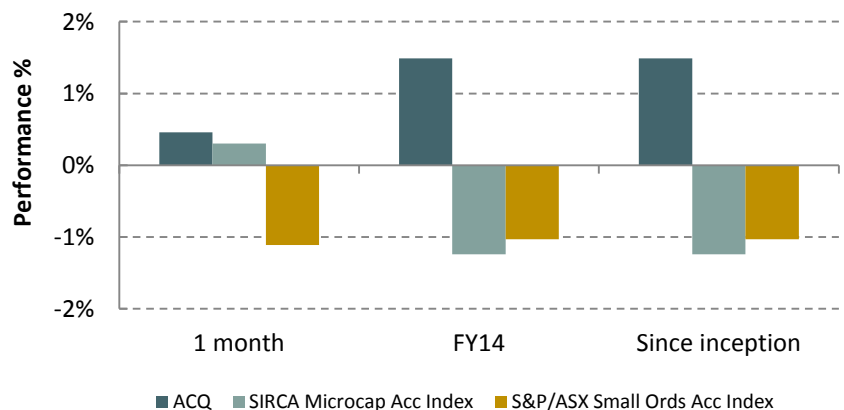
NTA does not include dilution from 50,820,000 outstanding ACQO options.

Performance (June 2014) (all figures unaudited)

In June ACQ recorded performance¹ of 0.46% and the ACQ share price decreased from \$0.91 to \$0.87. The exchange traded options, ACQO last traded in June at \$0.03.

Period	1 month	FY14	Since inception ²
ACQ ¹	0.46%	1.49%	1.49%
SIRCA Microcap Acc Index ³	0.30%	-1.24%	-1.24%
S&P/ASX Small Ords Acc Index ('Benchmark')	-1.11%	-1.03%	-1.03%
Outperformance Relative to Benchmark	1.57%	2.52%	2.52%

- Portfolio performance is post all operating expenses, excluding management fees, taxes and initial IPO and placement commissions. Performance has not been grossed up for franking credits received by shareholders
- Inception is 1 May 2014
- SIRCA Microcap Accumulation Index data is verified 3 months in arrears by SIRCA ('Securities Industry Research Centre of Asia-Pacific')



Contact Details

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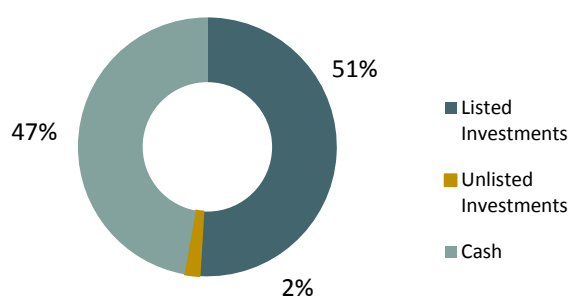
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Month in Review

During this month Acorn Capital had direct contact with over 138 listed and unlisted microcap companies. ACQ also made an unlisted investment into OneVue Holdings Limited, which represented its second unlisted investment.

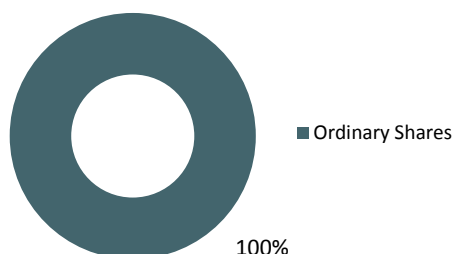
Portfolio profile

ACQ had 51%, 2% and 47% in listed investments, unlisted investments and cash, respectively.



Investment Instrument

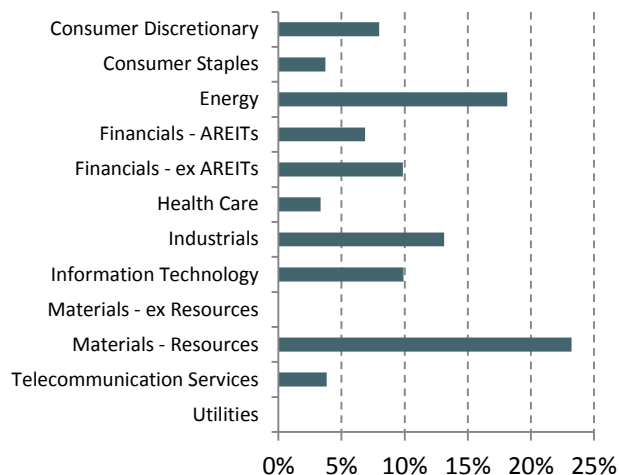
Unlisted investments can be classified by the type of investment instrument as follows:



Unlisted investments are revalued in accordance with policies adopted by the Board of ACQ.

Industry weight

The ACQ Investment Portfolio is still in the process of being constructed, once completed it will be diversified across industries. Presently the top three industry exposures are Materials-Resources, Energy and Industrials.



Top 10 Stocks

The ACQ Investment Portfolio held 61 securities as at 30 June 2014. Top 10 largest stock holdings within the ACQ Investment Portfolio are:

Company	Portfolio Weight as at 30 June 2014
1. Horizon Oil	3.0%
2. Sundance Energy Australia	2.9%
3. Papillon Resources	2.8%
4. eServglobal	2.5%
5. iCar Asia	2.3%
6. Servcorp	2.2%
7. Generation Healthcare	1.9%
8. Amcom Telecommunications	1.6%
9. iBuy Group	1.5%
10. Base Resources	1.4%

Further information

Benchmark	S&P/ASX Small Ords Accumulation Index
ACQ Market Capitalisation (30 June 2014)	\$44.213 million
Options on issue	50,820,000
Exercise price of Options	\$1.00
Last date options can be exercised	24 October 2015



Corporate Directory

Directors

John Steven (Chairman)

David Trude

Judith Smith

Robert Brown

Barry Fairley

Share Registry

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Company Secretary

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Auditor

Ernst & Young

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Investment Team

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