



ACORN CAPITAL

ACORN CAPITAL INVESTMENT FUND LIMITED

QUARTERLY UPDATE

ASX : ACQ

December 2016

DISCLAIMER AND IMPORTANT NOTICES

This presentation has been prepared by Acorn Capital Investment Fund Limited ACN 167 595 897 (ACQ). The information in this presentation is only intended for Australian residents. The purpose of this presentation is to provide information only and the contents of the presentation does not purport to provide investment advice. We strongly suggest that investors consult a financial adviser prior to making any investment decision. The presentation does not take into account the investment objectives, financial situation or particular needs of any person and should not be used as the basis for making investment, financial or other decisions. The information is selective and may not be complete or accurate for your particular purposes and should not be construed as a recommendation to invest in any particular investment or security, or fund/company offered by ACQ or Acorn Capital Limited (Acorn Capital).

The information provided in the presentation is given in good faith and is believed to be accurate at the time of compilation. Neither Acorn Capital, ACQ, nor its directors or employees make any representation or warranty as to the accuracy, reliability, timeliness or completeness of the information.

To the extent permissible by law, Acorn Capital, ACQ and its respective officers, employees agents and advisers give no warranty, representation or guarantee as to the accuracy, completeness or reliability of the information contained in this presentation. Further neither ACQ nor Acorn Capital, or its respective officers, employees, agents and advisors accept, to the extent permitted by law, responsibility for any loss, claim, damages, costs or expenses arising out of or in connection with the information contained in this presentation. Any recipients of this presentation should independently satisfy themselves as to the accuracy of all information contained herein.



ACQ gives investors access to listed and unlisted companies distinguished by their smaller size and stage of development through a single diversified portfolio



Key Highlights

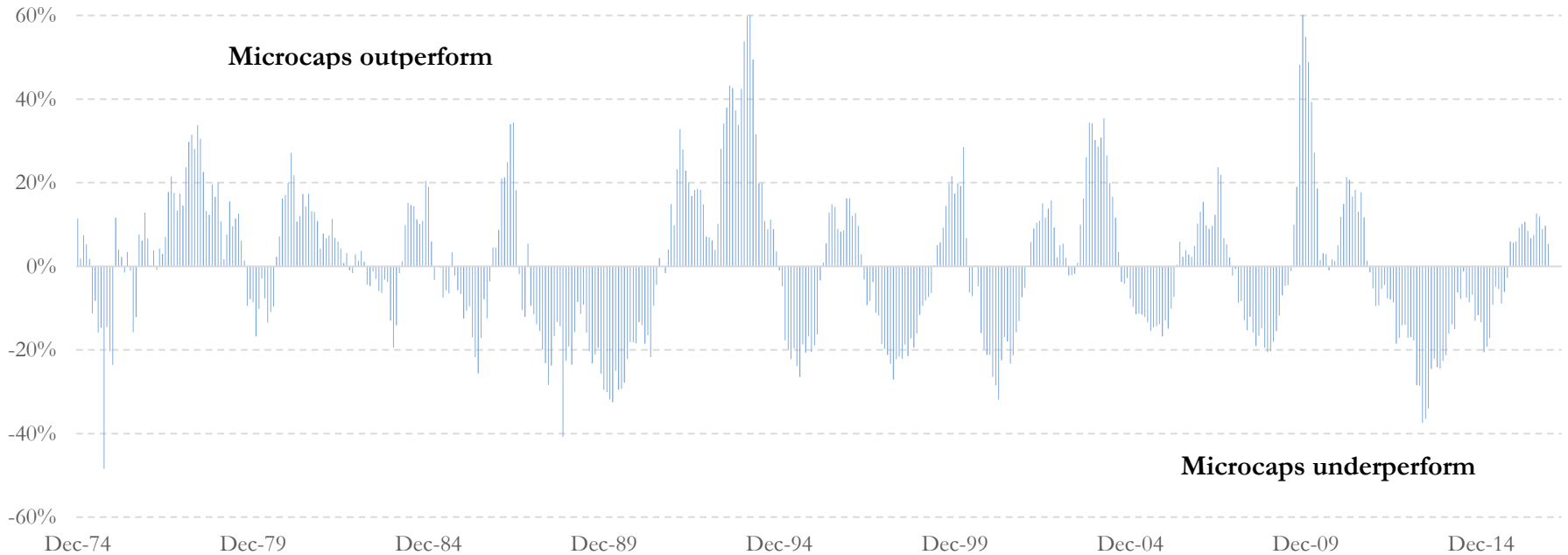
- ACQ Pre-Tax NTA for December 2016 was \$1.1850⁽¹⁾
- Investment portfolio returned -2.72%⁽²⁾ for the December 2016 quarter as compared to the S&P/Small Ordinaries Accumulation Index of -2.45%
- Microcap sector has continued to outperform the All Ordinaries accumulation index on a 12 month rolling basis
- Acorn Capital estimates that the microcap sector is still showing a valuation advantage as compared to the broader market
- Invested in three further unlisted opportunities IAS Group, MSL Solutions and Ocean Grown Abalone (OGA)

1. Unaudited

2. Portfolio performance is unaudited and calculated as the movement in NTA before tax effects, which is post all management fees, performance fees and operating costs. Performance includes dividends paid and payable but has not been grossed up for franking credits received by shareholders. All figures are unaudited, and unlisted valuations are performed by Acorn Capital in accordance with ACQ Board approved policies.



Microcap Sector has outperformed the All Ordinaries Accumulation Index over the past 12 months, returning +15.58% vs +11.65%

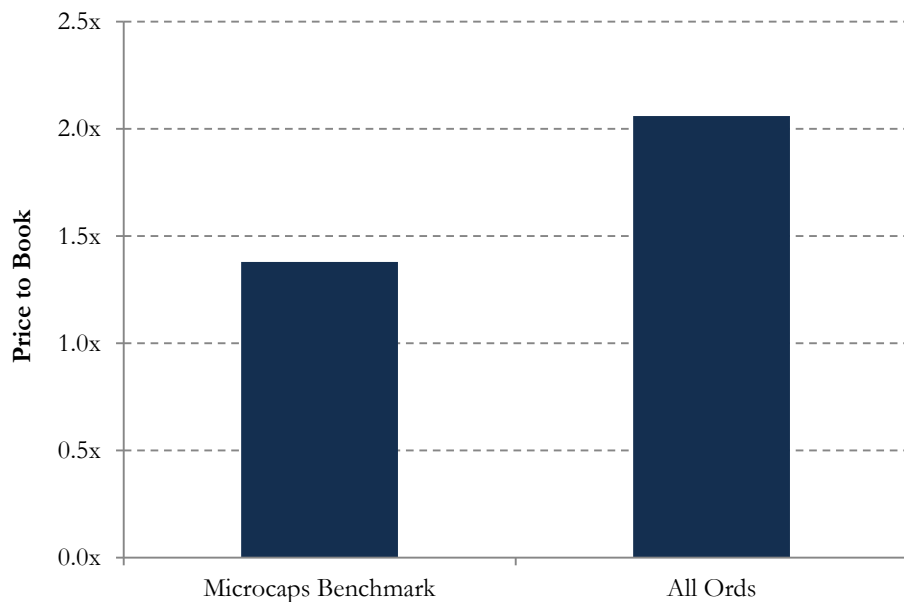




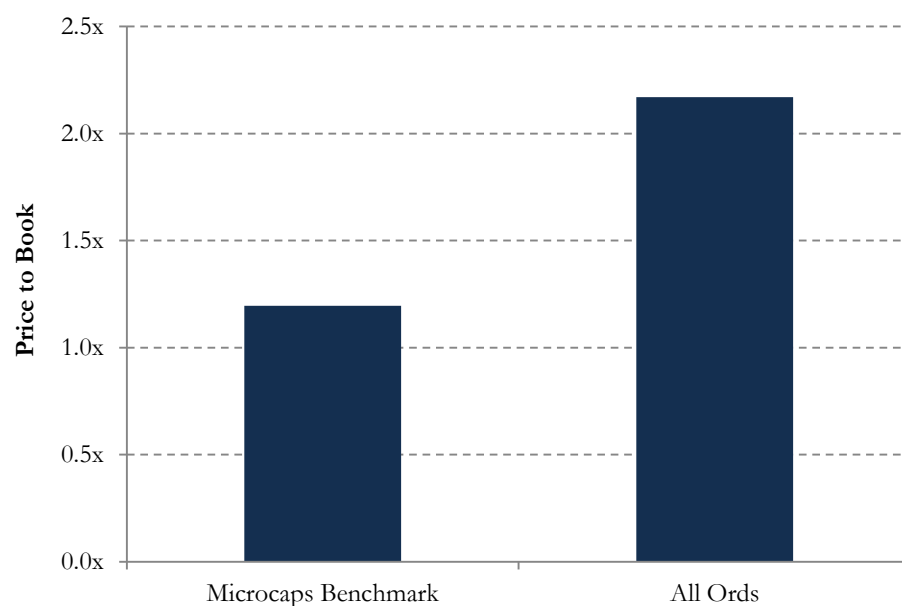
Valuation advantage is most prevalent in the listed Microcap resources sector

Microcap v All Ords Price/Book Comparisons for Broad Market & Resources

Broad Market

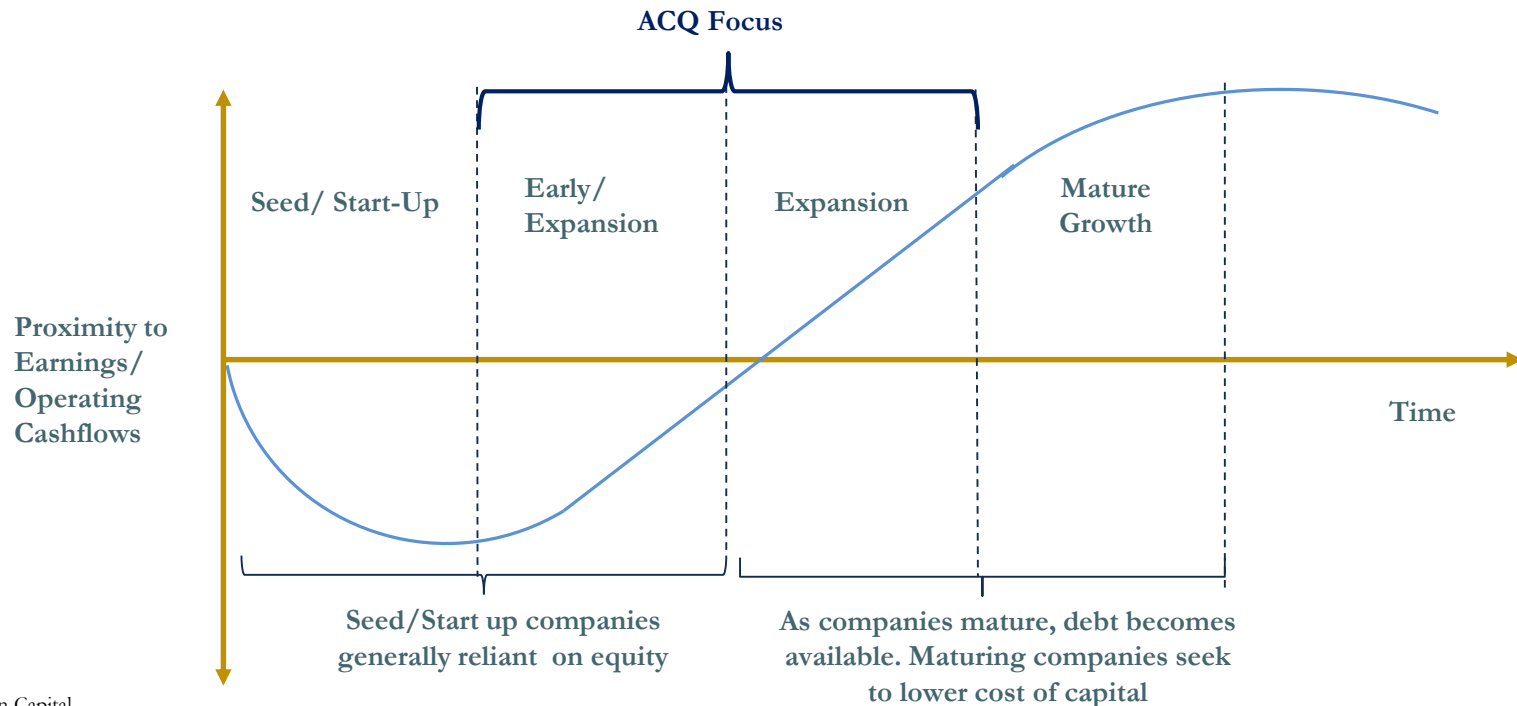


Resources





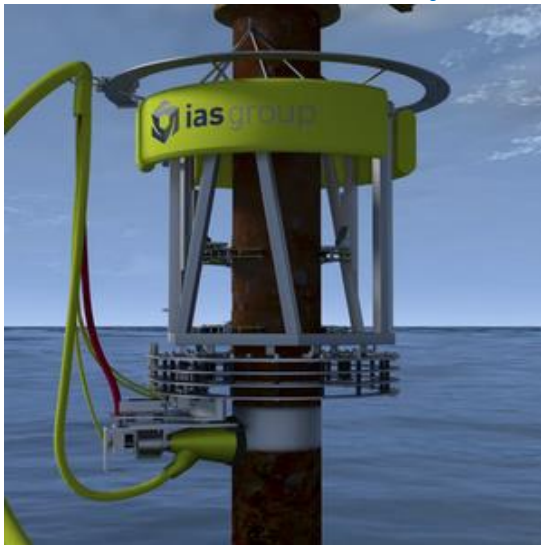
ACQ provides investors with access to innovation and entrepreneurialism through developing companies





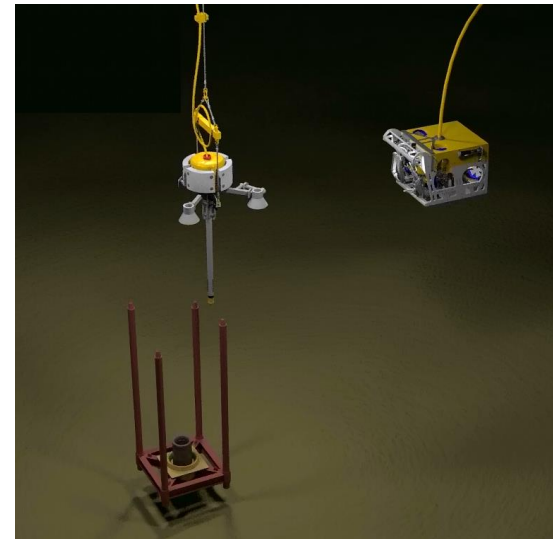
IAS Group is a services provider specializing in the preservation, decommissioning and repair of assets across the oil & gas, mining, infrastructure and industrial sectors. High tech processes are central to their value proposition.

Automated high pressure cleaner for offshore Oil & Gas facility



Source: IAS, Acorn Capital

IAS tech set to revolutionize well head removal – a global O&G industry liability



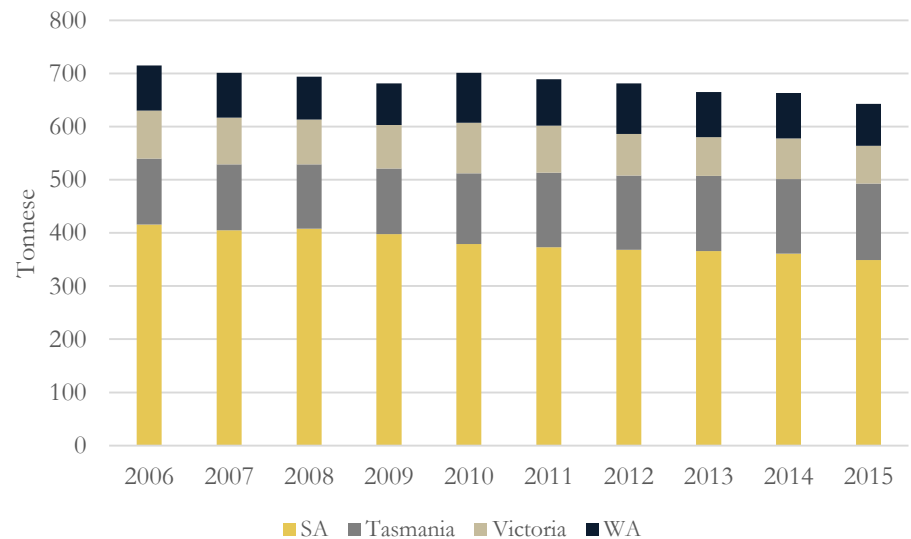
OGA is a Western Australia based aquaculture company, growing abalone. OGA has developed, owns and operates an ocean ranching technique for abalone that delivers a premium product in a sustainable, environmentally friendly way, at a lower cost than land based methods.

OGA's "Abitat" for abalone ranching



Source Ocean Grown Abalone, Fisheries Research & Development Corp, Acorn Capital

Australian Greenlip Abalone Wildcatch



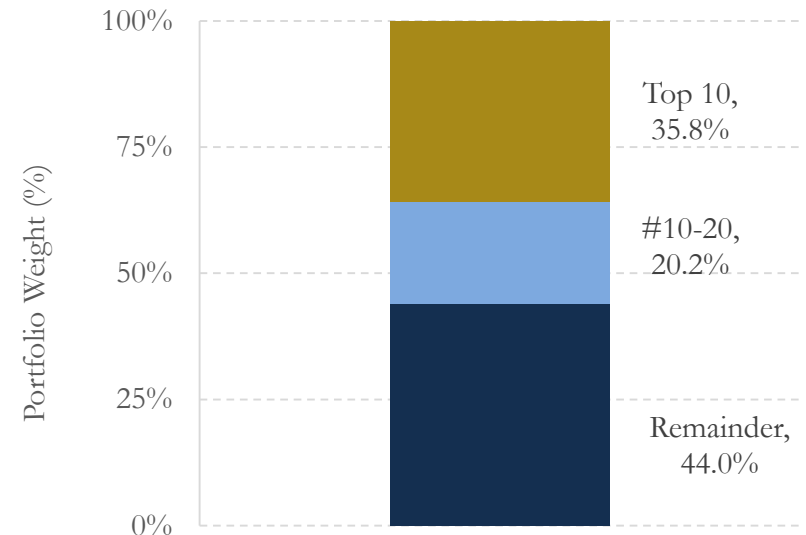


ACQ investment portfolio has 35.8% of FUM in top 10 investments

Top 10 Holdings

	% Gross Portfolio
1. Hub24 Limited	6.0%
2. Murray River Organics Group Limited	4.8%
3. Genea Limited	3.4%
4. MSL Solutions Ltd	3.4%
5. Kidman Resources Limited	3.3%
6. Carbon Revolution Pty Ltd	3.1%
7. Integrated Payment Technologies Limited	3.0%
8. Galaxy Resources Limited	2.9%
9. Orocobre Limited	2.9%
10. Redbubble Limited	2.8%
Top 10 Positions	35.8%

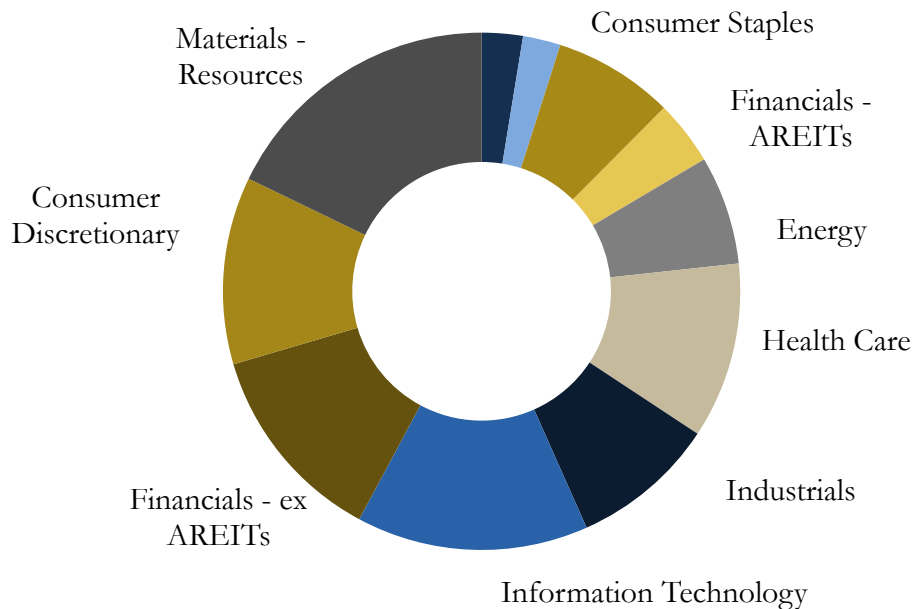
Distribution of holdings by weight



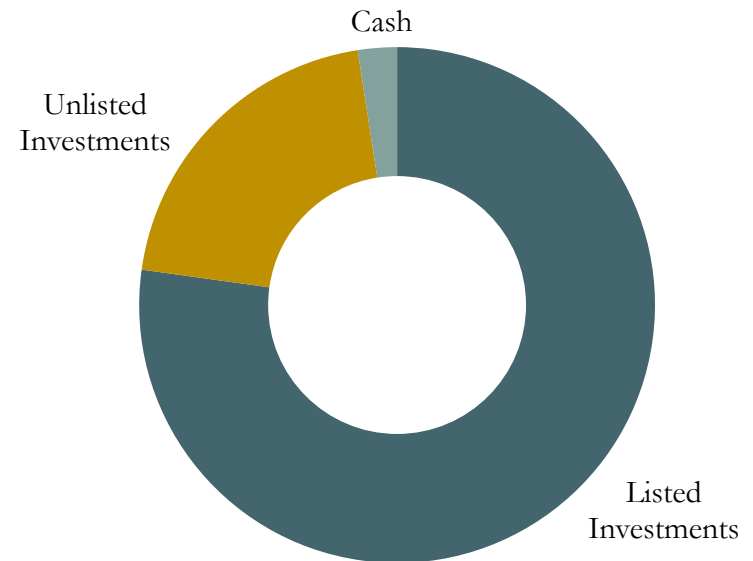


ACQ provides investors with a diversified exposure to Australian Emerging Growth Companies

ACQ Sector Diversification



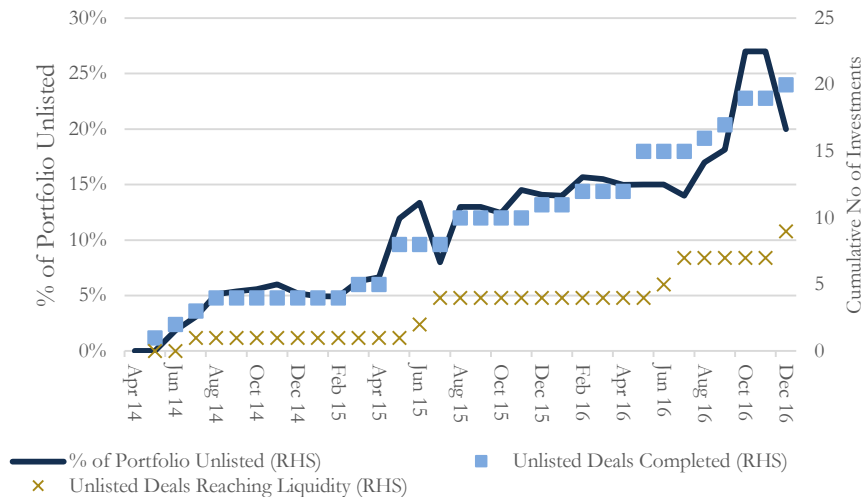
ACQ Portfolio Composition





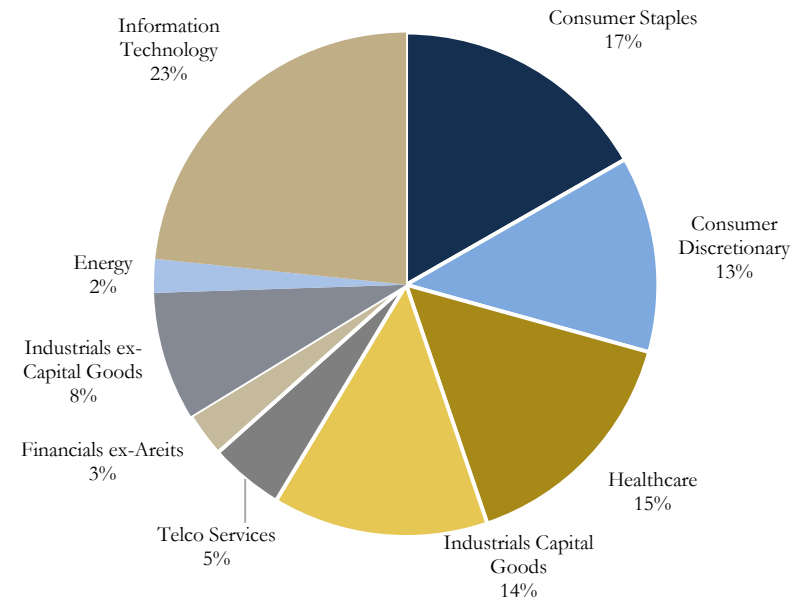
ACQ has invested \$22.4m in 20 unlisted opportunities⁽¹⁾, 9 of which have reached liquidity events

Unlisted Investment Rate



Source: Acorn Capital estimates as at 31 December 2016
1. Since ACQ listing on ASX in May 2014

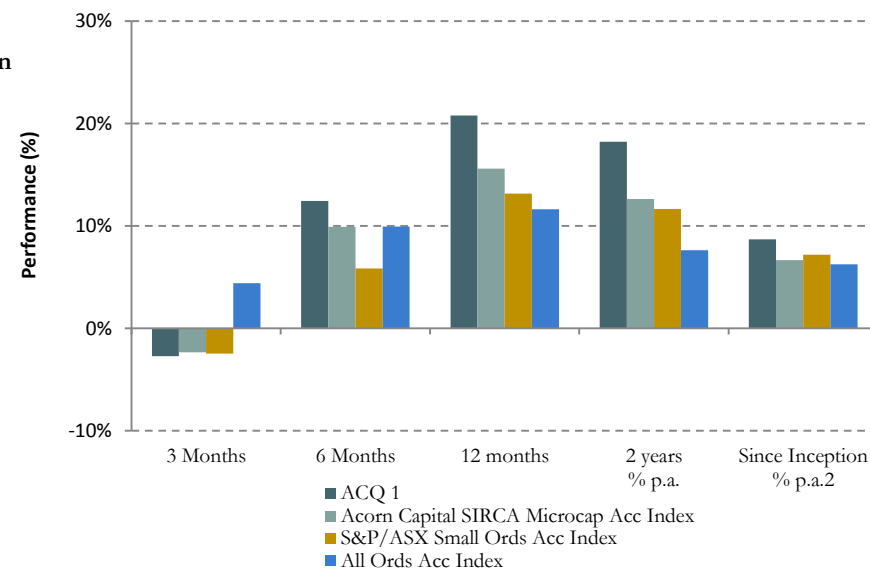
Sector Composition of Unlisted Investments⁽¹⁾





ACQ investment portfolio has outperformed all relevant indices since inception

Periods to	3 months	6 months	1 year	2 years p.a.	Since inception p.a. ²
31 December 2016					
ACQ ¹	-2.72%	+12.43%	+20.78%	+18.23%	+8.69%
Acorn Capital / SIRCA Microcap Acc. Index ³	-2.33%	+9.92%	+15.61%	+12.63%	+6.68%
S&P/ASX Small Ords Acc. Index	-2.45%	+5.84%	+13.18%	+11.66%	+7.20%
S&P/All Ords Accumulation Index	+4.41%	+9.94%	+11.65%	+7.64%	+6.25%



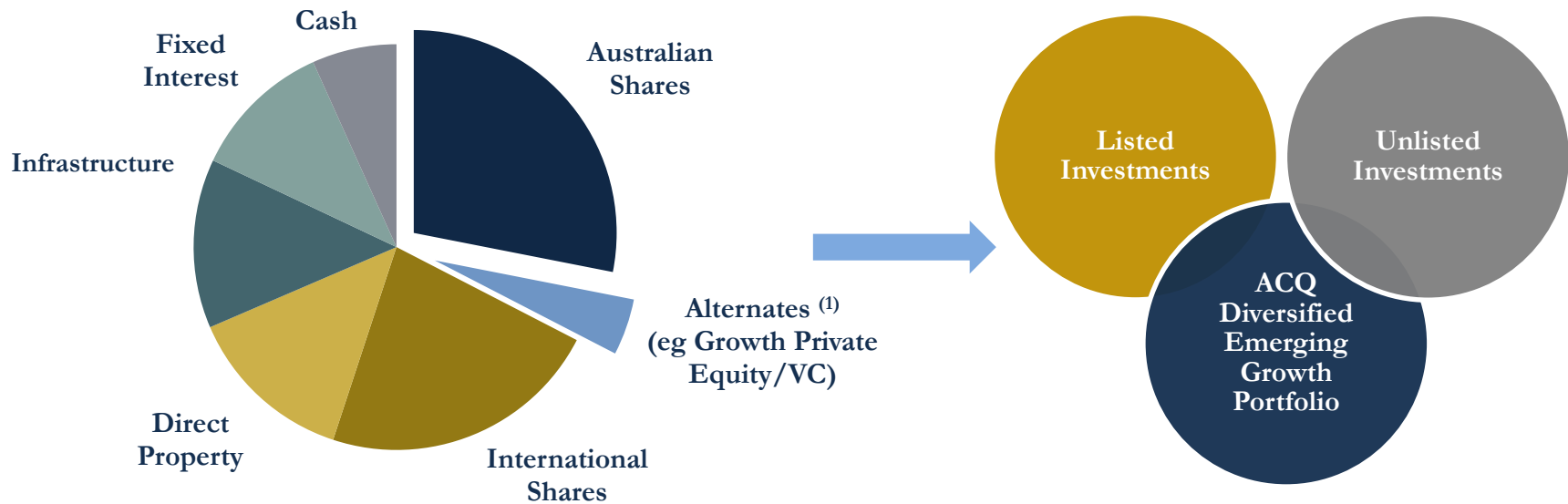
1. Portfolio performance is unaudited and calculated as the movement in NTA before tax effects, which is post all management fees, performance fees and operating costs. Performance includes dividends paid and payable but has not been grossed up for franking credits received by shareholders. All figures are unaudited, and unlisted valuations are performed by Acorn Capital in accordance with ACQ Board approved policies

2. Inception is 1 May 2014

3. Acorn Capital / SIRCA Microcap Accumulation Index data is verified 3 months in arrears by SIRCA ('Securities Industry Research Centre of Asia-Pacific')



ACQ provides long term investors a differentiated and efficient platform to allocate capital to small companies



(1.) Acorn Capital illustration of Asset Allocations in a Diversified Portfolio